



SURYAAMBA SPINNING MILLS LIMITED

A-101, Kanha Apartment, 128, Chhaoni, Katol Road, Nagpur-440 013 (MS)
Ph.# 0712-2591072, 2591406 Fax # 0712-2591410 CIN: L18100TG2007PLC053831
Mail: mail@suryaamba.com, Website: www.suryaamba.com

September 12, 2018

To

Corporate Relationship Department

The Bombay Stock Exchange Limited (BSE Ltd)

Floor 25, PhirozeJeejeebhoy Towers,

Dalal Street, Mumbai-400001

Scrip Code: 533101

Sub: Submission of Annual Report of the Company for the Financial Year 2017-18.

Ref: Regulation 34 of SEBI (Listing Obligation and Disclosure Requirements) Regulations, 2015

Dear Sir,

With reference to the subject cited above, please find enclosed herewith, the Annual Report of the Company for the financial year 2017-18 as approved and adopted by the Members at the 11th Annual General Meeting of the Company held on Friday, 24th August, 2018 as per the provisions of the Companies Act, 2013.

This is for your information and records.

Thanking You.

Sincerely,

For **SURYAAMBA SPINNING MILLS LIMITED**

DEEPA DUDANI

(COMPANY SECRETARY & COMPLIANCE OFFICER)





SURYAAMBA SPINNING MILLS LIMITED



11th

**ANNUAL
REPORT 17-18**





**Factory site
at
Nagpur
Nayakund**



Plant & Machineries



BOARD OF DIRECTORS

Mr. Virender Kumar Agarwal	Chairman & Managing Director
Mrs. Seema Rani Agarwal	Joint Managing Director
Mr. Mayank Agarwal	Wholetime Director
Mr. Amit Goela	Independent Director
Mr. Manish Kumar Gupta	Independent Director
Mr. Sushil Kapadia	Independent Director

CHIEF FINANCIAL OFFICER

Mr. Gajanan N. Chhawsaria

COMPANY SECRETARY & COMPLIANCE OFFICER

CS Deepa Dudani

AUDITORS

M/s. S. Venkatadri & Co.,
1408, Babukhan Estate,
Basheer Bagh, Hyderabad- 500 001

BANKERS

State Bank of India
Industrial Finance Branch,
Bharat Nagar, Nagpur- 440 033

REGISTRAR & TRANSFER AGENTS

M/s. Karvy Computershare Private Limited
Karvy Selenium Tower B, Plot No 31 & 32
Financial District, Nanakramguda, Serilingampally
Mandal, Hyderabad-500 032
Ph. No: 040-23420814 Fax No: 040-23420818
E-mail: einward.ris@karvy.com

REGISTERED OFFICE

1st Floor, Suryatowers, 105, S P Road
Secunderabad TG- 500 003, Phone:040-27813360
Website: www.suryaamba.com

FACTORY

Survey No.300, Mauza -Nayakund, Parseoni Road
Dist. Nagpur, Maharashtra- 441 105

CIN : L18100TG2007PLC053831
ISIN : INE360J01011
GSTN : 27AALCS4199Q1Z8
Listed on : Bombay Stock Exchange
Limited, Mumbai
Scrip Code : 533101

AUDIT COMMITTEE

Mr. Amit Goela	Chairman
Mr. Sushil Kapadia	Member
Mrs. Seema Rani Agarwal	Member

**STAKEHOLDERS'
RELATIONSHIP COMMITTEE**

Mr. Amit Goela	Chairman
Mr. Sushil Kapadia	Member
Mrs. Seema Rani Agarwal	Member

**NOMINATION AND
REMUNERATION COMMITTEE**

Mr. Amit Goela	Chairman
Mr. Manish Kumar Gupta	Member
Mr. Sushil Kapadia	Member

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MESSAGE FROM CHAIRMAN

Dear Shareholders,

It is my honor and privilege to interact with you as the Chairman of the Board at Suryaamba Spinning Mills Limited and on behalf of the Board of Directors, it gives me great pleasure to present to you Eleventh Annual Report of the Company for the financial year ended 31st March 2018 and to share an update on the overall performance of your Company in 2017-18.

The Financial year 2017-18 was a defining year for Indian economy. Demonetization (or note ban) did have dampening effects on the economy. However, even as its negative impact was fading by the time 2017-18 began, the announcement of another reform- the goods and services tax, was to be implemented by 01st July, 2017. It is one of the biggest indirect tax reforms which India has ever witnessed. I strongly believe that GST is a progressive step which will transform the fiscal architecture of modern India with regard to matters of taxation and enhance the overall business environment.

The year under review had a decent volume and profit growth as compared to previous year. As mandated by Ministry of Corporate Affairs, our Company has adopted Indian Accounting Standards for the first time.

Two key factors have been impacting the financial performance for all industry players including us. Firstly, the unusual cotton prices. Secondly, the continuing strength of the Indian currency impacts all exports adversely. Both these factors have had and will continue to have a significant bearing on our financial performance as well.

Apart from peaks and valleys, the overall performance for 2017-18 was satisfactory. We were able to achieve this as a result of an effective category choice making framework and the strategic building blocks we have put in place - strengthening the core, creating the portfolio of the future, managing costs, and investing in people and process capability ahead of the growth curve.

Change and adaptability is the key to success in the ever evolving textile market globally. I am confident that if we are able to adapt to the changing market, the future will be extremely rewarding for all our stakeholders.

Finally, I would like to take this opportunity to thank to our shareholders, partners, employees, customers and other stakeholders for their firm belief in the Company. I would also express my gratitude for your ongoing trust and support, and on behalf of the entire team.

NOTICE

Notice is hereby given that the 11th Annual General Meeting of the members of SURYAAMBA SPINNING MILLS LIMITED will be held on Friday, 24th August, 2018 at 11.30 A.M. at D & J Grande Hotel, 4-3-51/C, K.S. Lane, Hanuman Tekdi, Sultan Bazar, Hyderabad-500095, India to transact the following business:

ORDINARY BUSINESS:**Item No. 1- Adoption of Financial Statements**

To receive, consider and adopt the Audited Financial Statements of the Company for the financial year ended 31st March, 2018 and the Reports of the Directors and Auditors thereon.

Item No. 2- Declaration of Dividend on Preference Shares

To declare dividend on 8% Cumulative Redeemable Preference Shares (CRPS) for the financial year ended 31st March, 2018.

Item No. 3- Declaration of Dividend on Equity Shares

To declare dividend on Equity Shares at the rate of 10% on the face value of ₹10/- each i.e. ₹ 1 (one) per share for the financial year ended 31st March, 2018.

Item No. 4- Appointment of Mr. Mayank Agarwal as a director liable to retire by rotation

To appoint a Director in place of Mr. Mayank Agarwal (DIN: 02749089), Whole Time Director of the Company, who retires by rotation and being eligible, offers himself for re-appointment.

Item No.5- Ratification of Appointment of Auditors

To ratify the appointment of Statutory Auditors and fix their remuneration and, if thought fit, to pass, with or without modification(s), the following resolution as an **Ordinary Resolution**:

"**RESOLVED THAT** pursuant to the provisions of Sections 139, 142 and other applicable provisions, if any, of the Companies Act, 2013 (the Act) and the Rules made thereunder, (including any statutory modification(s) or re-enactment thereof for the time being in force) the appointment of M/s. S. Venkatadri & Co, (Firm Registration No.004614S), Chartered Accountants, Hyderabad as Statutory Auditors of the Company to hold office from the conclusion of the 8th Annual General Meeting of the Company to the conclusion of the 13th Annual General Meeting to be held in 2020, on a remuneration as may be mutually agreed upon by the Board of Directors and the Auditors, be and is hereby ratified."

SPECIAL BUSINESS:**Item No.6- Ratification of remuneration to Cost Auditors**

To ratify the remuneration to Cost Auditors and, if thought fit, to pass, with or without modification(s), the following resolution as an **Ordinary Resolution**:

"**RESOLVED THAT** pursuant to the provisions of Section 148(3) other applicable provisions, if any, of the Companies Act, 2013 and the Companies (Audit and Auditors) Rules, 2014 (including any statutory modification(s) or re-enactment(s) thereof, for the time being in force), the remuneration payable to M/s G. R. Paliwal & Co., Cost Accountants, Nagpur having Firm Registration No.100058, appointed by the

Board of Directors of the Company as Cost Auditors to conduct the audit of the cost records maintained by the Company in respect of Textiles Products for the financial year ending 31st March, 2019, amounting to ₹ 50,000 (Rupees Fifty thousand only) taxes as applicable and re-imburement of out of pocket expenses incurred by them in connection with the aforesaid audit, be and is hereby ratified and confirmed.

Item No.7- Revision in the remuneration of Mr. Virender Kumar Agarwal (DIN: 00013314), Managing Director of the Company

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

"RESOLVED THAT in partial modification of resolution passed at the Tenth Annual General Meeting of the Company held on 2nd September, 2017 and subject to the applicable provisions of Sections 196, 197, 198 and 203 read with Schedule V to the Companies Act 2013 (the Act) and the Companies (Appointment and Remuneration of Managerial Personnel) Rules (including any statutory modification(s) or re-enactment(s) thereof, for the time being in force), consent of the Company be and is hereby accorded for change in the terms of remuneration payable to Mr. Virender Kumar Agarwal, Managing Director of the Company, effective 1st April 2018, till the remaining period of his tenure, as stated in the Explanatory Statement attached to this Notice."

"RESOLVED FURTHER THAT all other terms and conditions of appointment, as approved earlier by the shareholders at the annual general meeting held on 2nd September, 2017 and which are not dealt with in this resolution, shall remain unaltered."

"RESOLVED FURTHER THAT the Board be and is hereby authorized to do all acts and take all such steps as may be necessary, proper or expedient to give effect to this resolution."

Item No.8- Revision in the remuneration of Mrs. Seema Rani Agarwal (DIN: 01430206), Joint Managing Director of the Company

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

"RESOLVED THAT in partial modification of resolution passed at the Tenth Annual General Meeting of the Company held on 2nd September, 2017 and subject to the applicable provisions of Sections 196, 197, 198 and 203 read with Schedule V to the Companies Act 2013 (the Act) and the Companies (Appointment and Remuneration of Managerial Personnel) Rules (including any statutory modification(s) or re-enactment(s) thereof, for the time being in force), consent of the Company be and is hereby accorded for change in the terms of remuneration payable to Mrs. Seema Rani Agarwal, Joint Managing Director of the Company, effective 1st April 2018, till the remaining period of her tenure, as stated in the Explanatory Statement attached to this Notice."

"RESOLVED FURTHER THAT all other terms and conditions of appointment, as approved earlier by the shareholders at the annual general meeting held on 2nd September, 2017 and which are not dealt with in this resolution, shall remain unaltered."

"RESOLVED FURTHER THAT the Board be and is hereby authorized to do all acts and take all such steps as may be necessary, proper or expedient to give effect to this resolution."

Item No.9- Approval of remuneration of Mr. Mayank Agarwal (DIN: 02749089), Whole time Director of the Company

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

"RESOLVED THAT pursuant to the applicable provisions of Sections 196, 197, 198 and 203 read with Schedule V to the Companies Act 2013 (the Act) and the Companies (Appointment and Remuneration of Managerial Personnel) Rules (including any statutory modification(s) or re-enactment(s) thereof, for the time being in force), consent of the Company be and is hereby accorded for the remuneration payable to Mr. Mayank Agarwal, Whole time Director of the Company, effective 1st August 2018, till the remaining period of his tenure, as stated in the Explanatory Statement attached to this Notice."

"RESOLVED FURTHER THAT all other terms and conditions of appointment, as approved earlier by the shareholders at the annual general meeting held on 25th September, 2015 and which are not dealt with in this resolution, shall remain unaltered."

"RESOLVED FURTHER THAT the Board be and is hereby authorized to do all acts and take all such steps as may be necessary, proper or expedient to give effect to this resolution."

Item No.10- Shifting of the Registered Office from the State of Telangana to the State of Maharashtra and Alteration of Memorandum of Association

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

"RESOLVED THAT pursuant to Section 12, 13 and other applicable provisions, if any, of the Companies Act, 2013 (including any statutory modification(s) or re-enactment(s) thereof, for the time being in force) read with Rule 30 of the Companies (Incorporation) Rules, 2014, and subject to the approval of the of Regional Director or the Central Government, and such other approvals, permissions and sanctions, as may be required from time to time, consent of members for shifting of the registered office of the Company from the State of Telangana (i.e. from the jurisdiction of Registrar of Companies, Hyderabad, Telangana) to the State of Maharashtra (i.e. to the jurisdiction of Registrar of Companies, Mumbai, Maharashtra) be and is hereby accorded and Clause II of the Memorandum of Association of the Company be and is hereby altered by substituting it with the following clause:

"II. The registered office of the Company will be situated in the State of Maharashtra i.e. within the jurisdiction of Registrar of Companies of Maharashtra at Mumbai"

"FURTHER RESOLVED THAT for the purpose of giving effect to the above resolution, the Board of Directors of the Company (hereinafter referred to as "the Board" which term shall deem to include any of its duly constituted Committee) or any officer/employee so authorized by the Board, be and is hereby authorized on behalf of the Company to make any modifications, changes, variations, alterations or

revisions stipulated by any one of the authorities, statutory or otherwise, while according approval, consent as may be considered necessary and to appoint counsels and advisors, file applications/petitions, issue notices, advertisements, obtain orders for shifting of registered office from the concerned authorities and to do all such acts, deeds, matters and things as it may, in its absolute discretion, deem necessary and with power on behalf of the Company to settle any questions, difficulties or doubts that may arise in this regard without requiring the Board to secure any further consent or approval of the Shareholders of the Company."

Item No.11- Alteration of Articles of Association

To alter the Articles of Association of the Company for adoption of new set of Articles of Association in alignment with the Companies Act, 2013 and in this regard to consider and, if thought fit, to pass with or without modification(s), the following resolution as a **Special resolution**:

"RESOLVED THAT pursuant to the provisions of Section 14 and all other applicable provisions, if any, of the Companies Act, 2013 read with Companies (Incorporation) Rules, 2014 (including any statutory modification(s) or re-enactment thereof, for the time being in force), the existing Articles of Association of the Company be and is hereby replaced with the new set of Articles of Association and the said new Articles of Association be and is hereby approved and adopted as the Articles of Association of the Company in place of, in substitution and to the entire exclusion of the existing Articles of Association of the Company."

"FURTHER RESOLVED THAT the Board of Directors of the Company be and is hereby authorized to do all such acts, deeds, matters and things as may be necessary, proper, expedient, required or incidental thereto, in this regard and take such actions and give such directions as they may consider necessary or desirable to give effect to this resolution."

By Order of the Board
For Suryaamba Spinning Mills Limited

Place: Nagpur, Maharashtra
Date : July 20, 2018

Virender Kumar Agarwal
Managing Director
DIN : 00013314

Seema Rani Agarwal
Jt. Managing Director
DIN : 01430206

Registered Office:

1st Floor, Surya Towers, 105, S. P. Road
Secunderabad TG 500 003
Phone: (040) 27813360
E-mail: samba.ngp@gmail.com
Website: www.suryaamba.com
CIN: L18100TG2007PLC053831
ISIN: INE360J01011

NOTES

1. The Explanatory Statement pursuant to Section 102 of the Companies Act, 2013, which sets out details relating to Special Business at the meeting, is annexed hereto.
2. **A MEMBER ENTITLED TO ATTEND AND VOTE AT THE MEETING IS ENTITLED TO APPOINT A PROXY TO ATTEND AND VOTE INSTEAD OF HIMSELF/HERSELF AND A PROXY NEED NOT BE A MEMBER.**

A person can act as a proxy on behalf of members not exceeding fifty and holding in the aggregate not more than ten percent of the total share capital of the company carrying voting rights. A member holding more than ten percent of the total share capital of the company carrying voting rights may appoint a single person as proxy and such person shall not act as a proxy for any other person for shareholder.

Proxies, in order to be effective, should be duly stamped, completed, signed and deposited at the Registered Office of the Company not less than 48 hours before the meeting. A Proxy form is sent herewith. Proxies submitted on behalf of the companies, societies etc., must be supported by an appropriate resolution/authority, as applicable.

3. Members are requested to bring their copy of the Annual Report to the meeting. The Members/Proxies should bring the Attendance Slip sent herewith duly filled in for attending the meeting.
4. The Register of Members and the Share Transfer books of the Company will remain closed from **18th August, 2018 to 24th August, 2018**, both days inclusive, for annual closing and determining the entitlement of the shareholders to the Final Dividend for 2018.
5. Members holding shares in electronic form are requested to intimate all changes pertaining to their bank particulars, nominations, power of attorney, change of address, change of name, e-mail address, contact numbers, etc., to their Depository Participant (DP). Changes intimated to the DP will then be automatically reflected in the Company's records which will help the Company and Karvy Computershare Private Limited, Registrar and Transfer Agent, to provide efficient and better services. Members holding shares in physical form are requested to intimate such changes to the Karvy Computershare Private Limited, Karvy Selenium Tower B, Plot 31-32, Financial District, Nanakramguda, Serilingampally Mandal, Hyderabad 500 032 Phone No.: 040-23420814, Fax No 040-23420818.
6. Members holding shares in physical form are requested to dematerialize their holding in order to eliminate all risks associated with physical shares. Members can contact the Company or Karvy Computershare Private Limited for further assistance.
7. The dividend on equity shares for the year ended 31st March, 2018, if declared at the meeting, will be paid/ dispatched on due date to those members whose names appear on the Company's Register of Members on **17th August, 2018** or on records of National Securities Depository Limited and Central Depository Services (India) Limited as beneficial owners as on **17th August, 2018**.
8. Members are requested to note that in terms of the provisions of Section 124 of the Companies Act, 2013, read with Investor Education and Protection Fund Authority (Accounting, Audit, Transfer and

Refund) Rules, 2016 dividend for the financial year ended 2010-2011 and thereafter that are not claimed within seven years from the date of transfer to the Company's Unpaid Dividend Account, be transferred to the Investor Education and Protection Fund (IEPF). Shares on which dividend remains unclaimed for seven consecutive years will be transferred to the IEPF as per Section 124 of the Act, and the applicable rules.

Members wishing to claim dividends that remain unclaimed are requested to correspond with the Registrar and Share Transfer Agents as mentioned above, or at the Company's registered office. It may also be noted that once the unclaimed dividend is transferred to the Investor Education and Protection Fund (IEPF) no claim shall lie in respect thereof with the Company.

9. Members desiring of any information as regards to the Accounts are requested to write to the Registered Office of the Company at least 7 days before the date of the meeting so as to enable the management to keep the information ready at the Annual General Meeting.
10. Members may please note that, Securities and Exchange Board of India (SEBI) has made Permanent Account Number (PAN) as the sole identification number for all participants transacting in the securities market, irrespective of the amount of such transactions. SEBI has also mandated that for securities market transactions and off market/private transactions involving transfer of shares in physical form, it shall be necessary for the transferee(s) to furnish copy of PAN card to the Company/ RTA for registration of such transfer of shares.

Members may please note that, SEBI has also made it mandatory for submission of PAN in the following cases viz., (i) Deletion of name of the deceased Member(s) (ii) Transmission of shares to the legal heir(s) and (iii) Transposition of shares.

11. The Company's Equity shares are listed on the: Bombay Stock Exchange Ltd., PhirozeJeeJeebhoy Towers, Dalal Street, Mumbai - 400 001. Website: www.bseindia.com Stock Code: 533101

The Company has paid the Annual Listing Fees for the financial year 2018-19 to the BSE Limited within prescribed time.

The Company has paid Annual Custodial Fees for the financial year 2018-19 to National Securities Depository Limited and Central Depository Services (India) Limited.

12. Electronic copy of the Annual Report and Notice of 11th Annual General Meeting of the Company along with Attendance Slip, Proxy Form and instructions for e-voting are being sent to all the members whose e-mail IDs are registered with the Company/Depository Participants(s) for communication purposes unless any member has requested for a hard copy of the same. For members who have not registered their email address, physical copies of the Annual Report and Notice of the 11th Annual General Meeting of the Company along with Attendance Slip, Proxy Form and instructions for e-voting are being sent in the permitted mode.

13. The route map showing directions to reach the venue of the 11th AGM is annexed.

14. Voting through electronic means:

- a. In compliance with the provisions of Section 108 of the Act, Rule 20 of the Companies (Management and Administration) Rules, 2014 as substituted by the Companies (Management and Administration) Amendment Rules, 2015 ('Amended Rules 2015'), Regulation 44 of the Listing Regulations and Secretarial Standard on General Meetings (SS-2) issued by the ICSI, the Company is pleased to provide its members facility to exercise their right to vote on resolutions proposed to be considered at the 11th AGM by electronic means and the business may be transacted through e-Voting Services.

The facility of casting the votes by the members using an electronic voting system from a place other than venue of the AGM ("remote e-voting") will be provided by Karvy Computer share Private Limited ("Karvy").

- b. The facility for voting through ballot paper shall be made available at the AGM and the members attending the meeting who have not cast their vote by remote e-voting shall be able to exercise their right at the meeting through ballot paper.
- c. The members who have cast their vote by remote e-voting prior to the AGM may also attend the AGM but shall not be entitled to cast their vote again.
- d. The remote e-voting period commences **21st August, 2018 (9:00 am) and ends on 23rd August, 2018 (5:00 pm)**. During this period members of the Company, holding shares either in physical form or in dematerialized form, as on the cut-off date of 17th August, 2018, may cast their vote by remote e-voting. The remote e-voting module shall be disabled by KARVY for voting thereafter. Once the vote on a resolution is cast by the member, the member shall not be allowed to change it subsequently.
- e. The login ID and password for e-voting along with process, manner and instructions for e-voting is being sent to the Members along with the notice.
- f. The voting rights of members shall be in proportion to their shares of the paid up equity share capital of the Company as on the cut-off date of 17th August, 2018.
- g. A person who is not a member as on the cut-off date should treat this Notice of the AGM for information purpose only.
- h. Mrs. Aarju Agrawal, Practicing Company Secretary, Nagpur having (Membership No: ACS 42507 and C.O.P No: 15770), has been appointed as the Scrutinizer to scrutinize the voting and remote e-voting process in a fair and transparent manner. The Chairman shall, at the AGM, at the end of discussion on the resolutions on which voting is to be held, allow voting with the assistance of the Scrutinizer, by use of ballot paper for all those members who are present at the AGM but have not cast their votes by availing the remote e-voting facility.
- i. The Results declared along with the report of the Scrutinizer shall be placed on the website of the Company www.suryaamba.com after the declaration of Results by the Chairman or a person authorized by him in writing. The Results shall also be immediately forwarded to the BSE Limited, Mumbai.

15. GREEN INITIATIVE:

As a responsible corporate citizen, your Company welcomes and supports the 'Green Initiative' taken by the Ministry of Corporate Affairs, Government of India. We strongly urge you to support this 'Green Initiative' by opting for electronic mode of communication and making the world a cleaner, greener and healthier place to live.

Henceforth, the Company proposes to send documents such as Notice of the General Meetings, Annual Report and other communication to its shareholders via electronic mode to the registered e-mail addresses of shareholders. The members who have not registered their e-mail address, so far, are requested to register their email address with the Company, Registrar and Share Transfer Agent or Depository Participant (DP), as the case may be. We solicit your valuable co-operation and support in our endeavors to contribute our bit to the environment.

EXPLANATORY STATEMENT UNDER SECTION 102 OF THE COMPANIES ACT, 2013**Item No. 6: Ratification of remuneration of Cost Auditor**

The Board, on the recommendation of the Audit Committee, has approved the appointment and remuneration of M/s. G. R. Paliwal & Co., Cost Accountants, Nagpur as Cost Auditors to conduct the audit of the cost records maintained by the Company in respect of Textile Products for the financial year ending 31st March, 2019 at a remuneration of ₹ 50,000 (Rupees Fifty thousand only) taxes as applicable and re-imbursment of out of pocket expenses.

In accordance with the provisions of Section 148 (3) of the Act read with the Companies (Audit and Auditors) Rules, 2014, the remuneration payable to the Cost Auditors has to be ratified by the shareholders of the Company. Accordingly, consent of the members is sought for passing an Ordinary Resolution as set out at Item No. 6 of the Notice for ratification of the remuneration payable to the Cost Auditors for the financial year ending 31st March, 2019.

None of the Directors or any key managerial personnel or any relative of any of the Directors of the Company or the relatives of any key managerial personnel is, in anyway, concerned or interested in the above resolution.

Item No.7- Revision in the remuneration of Mr. Virender Kumar Agarwal (DIN: 00013314), Managing Director of the Company

Mr. Virender Kumar Agarwal is on the Board of the Company as the Managing Director of the Company since March 01, 2008. Over last Ten years, Mr. Virender Kumar Agarwal has made significant contribution to the Company's growth and in planning and implementing the Company's business strategies.

Mr. Virender Kumar Agarwal holds a Bachelor degree in Textile Engineering and having the vast expertise of 28 years in the textile Industry. He is having hands of Exposure on the Maintenance, Production, Quality Assurance and Marketing Sectors.

The Board appreciated his time spent and contribution made to the growth of the Company and in its meeting held on 20th July, 2018 proposed modification/change in commission clause of remuneration payable to him with effect from 01st April, 2018 till the remaining period of his tenure, subject to the approval of the shareholders in the ensuing AGM:

Salary: ₹1,40,000/- per month

Commission: At the rate of 2% of the net profits the Company.

Perquisites: In addition to the salary and commission as stated above Mr. Virender Kumar Agarwal, (DIN:00013314) Managing Director shall be entitled to the following perquisites:

Category: A

1. Housing: Rent free furnished residential accommodation with all facilities and amenities including such service as gas, electricity, water, etc. or HRA to the extent of 50% of the salary.
2. Medical Re-imbursement: Expenses incurred for self & his family subject to a ceiling of one month's salary per year or 3 months' salary in a period of 5 years
3. Leave Travel Concession: For self and family once in a year incurred in accordance with the rules of the Company.
4. Club Fees: Fee of Clubs subject to a maximum of two clubs, admission and life, (Corporate) Membership Fee not being allowed.
5. Personal Accident Insurance: of an amount the premium of which not to exceed ₹4000/- per month.

Category B

1. Contribution by the Company to Provident Fund, Superannuation Fund or Annuity Fund as per the rules of the Company.
2. Payment of Gratuity subject to an amount equal to half a month's salary for each completed year of service.

Category C

The Company shall provide a car with driver and a telephone at the residence. Car for use on Company's Business and telephone and other communication facilities at residence will not be considered as perquisites.

In the absence or inadequacy of profits, in any year, the remuneration payable to Mr. Virender Kumar Agarwal by way of salary, allowances and perquisites shall not exceed the limits prescribed under Schedule V of the Act and rules made thereunder or any statutory modifications and/or re-enactment thereof.

Except Mr. Virender Kumar Agarwal, Mrs. Seema Rani Agarwal & Mr. Mayank Agarwal and their relatives, none of the Directors and Key Managerial Personnel of the Company and their relatives are concerned or interested, financially or otherwise, in the said Resolution.

The Shareholders' approval is solicited for the resolution at Item No. 7 of the accompanying Notice.

Item No.8- Revision in the remuneration of Mrs. Seema Rani Agarwal (DIN: 01430206), Joint Managing Director of the Company

Mrs. Seema Rani Agarwal is on the Board of the Company since ten years and has made significant contribution to the Company's progress and managing the external affairs of the Company.

The Board considered and appreciated her contribution made to the growth of the Company and in its meeting held on 20th July, 2018 proposed modification/change in commission clause of remuneration payable to her with effect from 01st April, 2018 till the remaining period of her tenure, subject to the approval of the shareholders in the ensuing AGM:

Salary: ₹1,20,000/- per month

Commission: At the rate of 2% of the net profits the Company.

Perquisites: In addition to the salary and commission as stated above Mrs. Seema Rani Agarwal (DIN:01430206) as Joint Managing Director shall be entitled to the following perquisites:

Category A:

1. Housing: Rent free furnished residential accommodation with all facilities and amenities including such service as gas, electricity, water, etc. or HRA to the extent of 40% of the salary.
2. Medical Re-imburement: Expenses incurred for self & his family subject to a ceiling of one month's salary per year or 3 months' salary in a period of 5 years
3. Leave Travel Concession: For self and family once in a year incurred in accordance with the rules of the Company.
4. Club Fees: Fee of Clubs subject to a maximum of two clubs, admission and life, (Corporate) Membership Fee not being allowed.
5. Personal Accident Insurance: of an amount the premium of which not to exceed ₹4000/- per month.

Category B:

1. Contribution by the Company to Provident Fund, Superannuation Fund or Annuity Fund as per the rules of the Company.
2. Payment of Gratuity subject to an amount equal to half a month's salary for each completed year of service.

Category C:

The Company shall provide a car with driver and a telephone at the residence. Car for use on Company's Business and telephone and other communication facilities at residence will not be considered as perquisites.

In the absence or inadequacy of profits, in any year, the remuneration payable to Mrs. Seema Rani Agarwal by way of salary, allowances and perquisites shall not exceed the limits prescribed under Schedule V of the Act and rules made thereunder or any statutory modifications and/or re-enactment thereof.

Except Mr. Virender Kumar Agarwal, Mrs. Seema Rani Agarwal & Mr. Mayank Agarwal and their relatives, none of the Directors and Key Managerial Personnel of the Company and their relatives are concerned or interested, financially or otherwise, in the said Resolution.

The Shareholders' approval is solicited for the resolution at Item No. 8 of the accompanying Notice.

Item No.9- Approval of remuneration of Mr. Mayank Agarwal (DIN: 02749089), Whole time Director of the Company

Mr. Mayank Agarwal is on the Board of the Company since August 01, 2009 and is young & dynamic person presently in the capacity of Whole time Director of the Company. The Company has always kept its high spirits both in words and in action due to untiring efforts of Mr. Mayank Agarwal.

Mr. Mayank Agarwal holds a degree in Industrial Engineering from Michigan University, USA and also MFAB (Masters in Family Administered Business) from Indian School of Business, Hyderabad and he possesses expertise in Finance, Manufacturing, Product Management, Strategy and Marketing.

At the Eight Annual General Meeting of the Company held on 25th September, 2015, Mr. Mayank Agarwal was re-appointed as Whole time Director of the Company for a period of 5years w.e.f 01st August, 2015 to 31st July 2020 with remuneration, perquisites and benefits for a period of 3 years from the date of appointment i.e, upto 31st July, 2018 on the terms and conditions approved by the Shareholders at the said Annual General Meeting.

The Board reviewed the performance achieved by the Company under his leadership & appreciated his complete dedication and hard work and at its meeting held on 20th July, 2018 proposed the following remuneration w.ef. 01st August, 2018 till the remaining period of his tenure on the following terms and conditions subject to the approval of the shareholders in the ensuing AGM:

Salary: ₹ 95,000/- per month

Commission: At the rate of 2% of the net profits the Company.

Perquisites: In addition to the salary and commission as stated above Mr. Mayank Agarwal (DIN: 02749089) as Whole time Director shall be entitled to the following perquisites:

Category A:

1. Housing: Rent free furnished residential accommodation with all facilities and amenities including such service as gas, electricity, water, etc. or HRA to the extent of 50% of the salary.
2. Medical Re-imburement: Expenses incurred for self & his family subject to a ceiling of one month's salary per year or 3 months' salary in the remaining period of his tenure.
3. Leave Travel Concession: For self and family once in a year incurred in accordance with the rules of the Company.
4. Personal Accident Insurance: of an amount the premium of which not to exceed ₹ 4000/- per month.

Category B:

1. Contribution by the Company to Provident Fund, Superannuation Fund or Annuity Fund as per the rules of the Company.
2. Payment of Gratuity subject to an amount equal to half a month's salary for each completed year of service.

Category C:

The Company shall provide a car with driver and a telephone at the residence. Car for use on Company's Business and telephone and other communication facilities at residence will not be considered as perquisites.

In the absence or inadequacy of profits, in any year, the remuneration payable to Mr. Mayank Agarwal by way of salary, allowances and perquisites shall not exceed the limits prescribed under Schedule V of the Act and rules made thereunder or any statutory modifications and/or re-enactment thereof.

Except Mr. Virender Kumar Agarwal, Mrs. Seema Rani Agarwal & Mr. Mayank Agarwal and their relatives, none of the Directors and Key Managerial Personnel of the Company and their relatives are concerned or interested, financially or otherwise, in the said Resolution.

The Shareholders' approval is solicited for the resolution at Item No. 9 of the accompanying Notice.

Item No.10- Shifting of the Registered Office from the State of Telangana to the State of Maharashtra and Alteration of Memorandum of Association

The Company was incorporated under Companies Act, 1956 in the State of Telangana (formerly State of Andhra Pradesh). As per Clause II of the Memorandum of Association of the Company, the registered office of the Company is at present in the State of Telangana

Considering the fact that the operational and business activities of the Company are undertaken from its Corporate Office situated in Nagpur, Maharashtra and also that majority of the Directors of the Company are based in Nagpur, it is proposed that the Registered Office of the Company be shifted to the Corporate Office of the Company. Such a change would enable the Directors to guide the Company more effectively and efficiently and also result in operational convenience.

In terms of Section 12,13 and other applicable provisions of the Companies Act, 2013 read with rules made thereunder shifting of the registered office from one State to another and alteration of the Memorandum of Association requires the approval of Members by way of Special Resolution.

After the proposal is approved by the Members, a petition is required to be made, under Section 13(4) of the Companies Act, 2013, to the Central Government for approval of the alteration to the Memorandum of Association of the Company pursuant to shift the Company's registered office from the State of Telangana to the State of Maharashtra.

None of the Directors or any key managerial personnel or any relative of any of the Directors of the Company or the relatives of any key managerial personnel is, in anyway, concerned or interested in the above resolution

The Shareholders' approval is solicited for the resolution at Item No. 10 of the accompanying Notice.

Item No. 11 : Adoption of New Set of Articles of Association

The existing Articles of Association ("AoA") are based on the Companies Act, 1956 and several regulations in the existing AoA contain reference to specific sections of the Companies Act, 1956 and some articles in the existing AoA are no longer in conformity with the new Companies Act, 2013. With the enactment of the Companies Act, 2013 and substantive sections of the Act which deal with the general working of the Companies stand notified, several regulations in the existing AoA of the Company require alteration and/or deletion.

Given this position it is considered expedient to wholly replace the existing AoA by a new set of Articles. The new set of AoA to be replaced in place of the existing AoA is based on Table F of Schedule I of the Companies Act, 2013 which sets out the model AoA for a company limited by shares and also carry forward certain provisions from the existing AoA suitably rephrased and which are not in conflict with the provisions of the Companies Act, 2013.

Member(s) interested in obtaining a physical copy of the AOA can send in their request to the Company e-mail address: cssuryaamba@gmail.com

The Board recommends the resolution set forth in Item No.11 for the approval of the member

None of the Directors or any key managerial personnel or any relative of any of the Directors of the Company or the relatives of any key managerial personnel is, in anyway, concerned or interested in the above resolution.

By Order of the Board
For Suryaamba Spinning Mills Limited

Place: Nagpur, Maharashtra
Date : July 20, 2018

Virender Kumar Agarwal
Managing Director
DIN : 00013314

Seema Rani Agarwal
Jt. Managing Director
DIN : 01430206

Registered Office:

1st Floor, Surya Towers, 105, S. P. Road
Secunderabad TG 500 003
Phone: (040) 27813360
E-mail: samba.ngp@gmail.com
Website: www.suryaamba.com
CIN: L18100TG2007PLC053831
ISIN: INE360J01011

DIRECTORS' REPORT

TO THE MEMBERS,

The Directors have immense pleasure in presenting the 11th Annual Report of your Company together with its Audited Financial Statements for the financial year ended 31st March, 2018.

1. FINANCIAL RESULTS

The Company's Financial performance for the year ended 31st March, 2018 is summarized below:

(₹ in lakhs)

Particulars	Financial Year ended 31.03.2018	Financial Year ended 31.03.2017
Total Revenue from Operations	15338.38	13959.65
Earnings Before Interest, Taxes, Depreciation and Amortization	1506.50	1181.23
Less : Finance Cost	705.64	634.52
Less : Depreciation and Amortization Expense	446.29	404.24
Profit before Tax	354.57	142.47
Tax Expenses:		
Current tax	97.08	73.57
Deferred tax	(9.46)	20.25
MAT Credit Utilized	29.63	-
Income Tax related to earlier years	2.63	-
Profit after Tax	234.69	48.65
Other Comprehensive income	31.57	28.32
Total Comprehensive income	266.26	76.98
Earnings per Share (₹)		
Basic and Diluted	8.00	1.66

There were no material changes and commitments, affecting the financial position of the Company occurred between the end of the financial year of the company to which the financial statements relate and the date of the report.

Review of Business Operations:

The highlights of financial performance of the Company for the year 2017-18 ended on 31st March, 2018 is summarized below:

- The Company's total Revenue from operations for the FY 2017-18 is ₹15338 lakhs as compared to ₹13960 lakhs in the previous financial year.
- The sale in Domestic Market for the FY 2017-18 is ₹11288 lakhs as compared to ₹9283 lakhs in the previous financial year. Exports are ₹3925 lakhs compared to ₹4083 lakhs in the previous year.

- The Profit Before Tax for the 2017-18 is ₹ 354.57 lakhs as compared to ₹ 142.47 lakhs in the previous year.
- The Profit After Tax for the 2017-18 is ₹ 234.69 lakhs as compared to ₹ 48.65 lakhs in the previous year.
- Earnings per share as on 31st March 2018 is ₹ 8 vis a vis ₹ 1.66 as on 31st March 2017.

The Directors are appreciative on the overall performance of your Company for the financial year 2017-18 and are delighted to present that there had been decent volume of business and remarkable profit as compared to previous year. The revenue from operations has been increased to 9.88% as compared to previous year. The Profit after tax has been increased to 382.40% as compared to previous year.

Your Company continues to export in countries like Brazil, USA, Singapore, Argentina, Portugal and also in exploring new markets to boost Company's export services. In the years to come, this trend of increase in exports is expected to continue and your company is looking forward to give continued growth and profits to its valuable shareholders.

Future Outlook:

A note on the future outlook of your Company is presented under Management Discussion and Analysis, which forms part of this Report.

2. DIVIDEND

Your Directors have recommended payment of dividend on 8% Cumulative Redeemable Preference shares as per the terms and conditions of the issue. The dividend amount will absorb a sum of ₹74.43 lakhs, including dividend distribution tax of ₹12.59 lakhs.

Your Directors are pleased to recommend a dividend of 10% on the Equity Share Capital of the Company for the financial year ended 31st March, 2018. The dividend amount will absorb a sum of ₹35.29 lakhs, including dividend distribution tax of ₹5.97 lakhs.

3. TRANSFER TO RESERVES

Your Company has proposed to transfer ₹0.50 lakhs to General Reserve account of the Company for the financial year ended 31st March, 2018.

4. DIRECTORS AND KEY MANAGERIAL PERSONNEL

Details on the composition of the Board of Directors of the Company is provided in the Corporate Governance Report, which forms part of this Annual Report.

Retirement by Rotation and subsequent re-appointment:

In accordance with the provisions of Section 152 and other applicable provisions, if any, of the Companies Act, 2013, read with the Companies (Appointment and Qualification of Directors) Rules, 2014 (including any statutory modification(s) or re-enactment(s) thereof for the time being in force) and the Articles of Association of the Company, Mr. Mayank Agarwal (Whole time Director) is liable to retire by rotation at the ensuing AGM and being eligible have offered themselves for re-appointment.

In accordance with the provisions of the Companies Act, 2013 read with the Rules issued thereunder, the Listing Regulations and the Articles of Association of the Company, the Independent Directors and the Managing Director of the Company are not liable to retire by rotation.

Key Managerial personnel:

As per the provisions of Section 203 of the Companies Act, 2013, Mr. Virender Kumar Agarwal- Chairman and Managing Director, Mrs. Seema Rani Agarwal- Joint Managing Director, Mr. Mayank Agarwal- Whole time Director, Mr. Gajanan Chhawsaria- Chief Financial Officer and Ms. Deepa Dudani- Company Secretary are the key managerial personnel of the Company.

During the period under review, Ms. Reshu Jain resigned as Company Secretary with effect from 16th September, 2017. The Board of Directors of the Company, on recommendation of the Nomination and Remuneration Committee, appointed Ms. Deepa Dudani, as Company Secretary with effect from 07th March, 2018.

Declaration of independence from Independent Directors:

The Company has received declarations from all the Independent Directors confirming that they meet the criteria of independence as prescribed under the provisions of Section 149(6) of the Companies Act, 2013 read with the Schedules and Rules issued thereunder as well as Regulation 16 of Listing Regulations (including any statutory modification(s) or re-enactment(s) thereof for the time being in force)

Board Meetings:

During the year under review, 8 meetings of the Board of Directors were held. The details of the meetings of the Board of Directors of the Company convened during the financial year 2017-18 are given in the Corporate Governance Report which forms part of this Annual Report.

Formal Annual Evaluation:

Pursuant to the provisions of the Companies Act, 2013 and Regulation 17(10) of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, the Board has carried out an annual performance evaluation of its own performance, the directors individually as well as the evaluation of the working of its Committees. Your Company has devised a Policy, selection of Directors, determining independence of Directors and for performance evaluation of Independent Directors, Board, Committees and other individual Directors. The manner in which the evaluation has been carried out has been explained in the Corporate Governance Report.

Nomination & Remuneration Policy:

The Board has on the recommendation of the Nomination and Remuneration Committee, framed a policy for selection and appointment of Directors, Key Managerial Personnel and Senior Management and their remuneration. The Remuneration Policy is explained in the Corporate Governance Report forming part of this Report.

5. DIRECTORS RESPONSIBILITY STATEMENT

Pursuant to Section 134 (5) of the Companies Act, 2013 (including any statutory modification(s) or re-enactment(s) thereof for the time being in force) the Directors of the Company confirm that:

- a. in the preparation of the annual accounts for the year ended 31st March, 2018 the applicable accounting standards had been followed along with proper explanation relating to material departures;
- b. the Directors have selected such accounting policies and applied them consistently and made judgments and estimates that are reasonable and prudent so as to give a true and fair view of the state

of affairs of the company at the end of the financial year 31st March, 2018 and of the loss of the company for that period;

- c. proper and sufficient care has been taken for the maintenance of adequate accounting records in accordance with the provisions of this Act for safeguarding the assets of the Company and for preventing and detecting fraud and other irregularities;
- d. the annual accounts have been prepared on a going concern basis;
- e. proper internal financial control laid down by the Directors were followed by the Company and that such internal financial control are adequate and operating effectively; and
- f. proper system to ensure compliance with the provisions of all applicable laws were in place and that such systems are adequate and operating effectively.

6. MANAGEMENT DISCUSSION & ANALYSIS REPORT

The Management Discussion and Analysis Report as required under Regulation 34 read with Schedule V to the Listing Regulations with the stock exchanges forms part of this Report.

7. CORPORATE GOVERNANCE REPORT

The Corporate Governance Report, as required under Regulation 34 and paragraphs C, D and E of Schedule V to the Listing Regulations, forms part of this Report. The requisite certificate from the Statutory Auditors of the Company, S. Venkatadri & Co., Chartered Accountants, Hyderabad confirming compliance with the conditions of corporate governance as stipulated under the Listing Regulations is attached to Corporate Governance Report.

8. EXTRACT OF ANNUAL RETURN

The extract of the Annual Return of the Company as on 31st March, 2018 in Form MGT - 9 in accordance with Section 92 (3) of the Companies Act, 2013 read with Companies (Management and Administration) Rules, 2014, are set out in the '**Annexure-A**' to this report.

9. AUDITORS AND AUDITOR'S REPORT

Statutory Auditor:

M/s S. Venkatadri & Co., Chartered Accountants, Hyderabad appointed as Statutory Auditors of your Company in the 8th Annual General Meeting (AGM) held on 25th September, 2015 for a term of 5 (Five) consecutive years to hold office till the conclusion of the 13th Annual General Meeting of the Company to be held in the year 2020 subject to the ratification of their appointment at every AGM.

M/s S. Venkatadri & Co., have confirmed their eligibility and qualification required under section 139, 141 and other applicable provisions of the Companies Act, 2013 (including any statutory modification(s) or re-enactment(s) thereof for the time being in force)

The Auditor's Report for the financial year ended 31st March, 2018 on the financial statements of the Company is a part of this Annual Report. The Auditor's Report for the financial year ended 31st March, 2018 does not contain any qualification, reservation or adverse remarks.

Cost Auditor:

The Board of Directors, on the recommendations made by the Audit Committee, has appointed M/s. G. R. Paliwal & Co., Cost Accountants (Firm Reg. No.-100058), Nagpur as Cost Auditors of the Company for conducting the cost audit of the Company for the financial year 2018-19, and has recommended his remuneration for the ratification of Members at the ensuing annual general meeting.

The Company has received consent from M/s. G. R. Paliwal & Co., Cost Accountants, to act as the Cost Auditor along with a certificate confirming their independence and arm's length relationship.

Secretarial Auditor:

The Board of Directors of the Company has appointed Mrs. Aarju Agrawal, Practicing Company Secretary, to conduct Secretarial Audit of the Company for the financial year ended 31st March, 2018 in compliance with the provisions of Section 204 of the Companies Act, 2013.

The Company has received consent from Mrs. Aarju Agrawal to act as the auditor for conducting audit of the secretarial records for the financial year ending 31st March, 2018.

The Secretarial Audit Report for the financial year ended 31st March, 2018 is set out in the '**Annexure-B**' to this report. The Secretarial Audit Report does not contain any qualification, reservation or adverse remarks.

Internal Auditor:

In accordance with the provisions of Section 138 of the Companies Act, 2013 read with Companies (Accounts) Rules, 2014, on recommendation of Audit Committee, M/s. Manish Jain & Co., Chartered Accountants, Nagpur (FRN: 138430W) are appointed as the Internal Auditors of the Company.

The Internal Auditor submits his reports on quarterly basis to the Audit Committee. Based on the report of internal audit, management undertakes corrective action in the respective areas and strengthens the levels of Internal Financial and other operational controls.

10. RELATED PARTY TRANSACTIONS

During the year under review, all contracts/arrangements/transactions entered by the Company with Related Parties were in the ordinary course of business and at arm's length basis, also were reviewed and approved by the Audit Committee.

The Company has not entered into any contracts/arrangements/transactions with related parties which qualify as material in accordance with the Policy on Related Party transactions formulated by the Company. Thus disclosure pertaining to Related Party transactions in Form AOC-2 is not required.

The details of the related party transactions as per Indian Accounting Standards (IND AS) - 24 are set out in Note 32 to the Financial Statements of the Company.

11. PARTICULARS OF LOANS , GUARANTEES OR INVESTMENTS UNDER SECTION 186 OF COMPANIES ACT, 2013

During the year under review, the Company has not given any loans or guarantees covered under the provisions of section 186 of the Companies Act, 2013

12. COMMITTEES OF BOARD

With a view to have a more focused attention on business and for better governance and accountability, the Board has constituted the following mandatory committees viz. Audit Committee, Stakeholders' Relationship Committee, Nomination and Remuneration Committee. The terms of reference of these Committees are determined by the Board and their functioning reviewed from time to time. Meetings of each of these Committees are convened by the respective Chairman of the Committee, who also inform the Board about the summary of discussions held in the Committee Meetings.

Details on the composition of the Committees, meetings held, attendance thereat is provided in the Corporate Governance Report and forms part of this Report.

13. VIGIL MECHANISM / WHISTLE BLOWER POLICY

The Whistle blower Policy has been approved and adopted by Board of Directors of the Company in compliance with the provisions of Section 177 (10) of the Companies Act, 2013 and Regulation 22 of the Listing Regulations.

The Company is committed to adhere to the highest standards of ethical, moral and legal conduct of business operations and in order to maintain these standards, the Company encourages its employees who have genuine concerns about suspected misconduct to come forward and express these concerns without fear of punishment or unfair treatment.

The mechanism provides for adequate safe-guards against victimization of Directors and employees to avail of the mechanism and also provide for direct access to the Chairman of the Audit Committee in exceptional cases. This neither releases employees from their duty of confidentiality in the course of their work nor can it be used as a route for raising malicious or unfounded allegations about a personal situation.

The Vigil Mechanism of the Company, which also incorporates a whistle blower policy in terms of the Listing Agreement, includes an Ethics & Compliance Task Force comprising senior executives of the Company. Protected disclosures can be made by a whistle blower through an e-mail, or dedicated telephone line or a letter to the Task Force or to the Chairman of the Audit Committee.

14. RISK MANAGEMENT

The Company has policy for identifying risk and established controls to effectively manage the risk. A detailed exercise is being carried out to identify, evaluate, manage and monitoring of both business and non-business risk. The Board periodically reviews the risks and suggests steps to be taken to control and mitigate the same through a properly defined framework. Further the Company has laid down various steps to mitigate the identified risk.

15. INTERNAL CONTROL SYSTEMS AND THEIR ADEQUACY

The Company has an Internal Control System, commensurate with the size, scale and complexity of its operations. The Company has timely Statutory Audit and Internal Audit and procedural checks in place. The Board evaluates the efficacy and adequacy of internal control system, its compliance with operating systems and policies of the Company accounting procedures at all locations of the Company. Based on the process owners undertake corrective action in their respective areas and thereby strengthen the controls. Significant audit observations and corrective actions thereon are presented to the Audit Committee of the Board.

The Company has in place well defined and adequate internal financial controls and the same were operating effectively throughout the year.

16. CORPORATE SOCIAL RESPONSIBILITY

The Company is not falling under the criteria of Section 135 of the Companies Act, 2013 to constitute a committee and to spend in CSR activity. However, your company assure that it will comply with Section 135 when the section will be applicable on Company.

17. PARTICULARS OF EMPLOYEES/HUMAN RESOURCE

The details pursuant to Section 197 (12) of the Companies Act, 2013 read with Rule 5 (1) of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014 enclosed as 'Annexure-C'.

Further during the year under review, none of the employees are receiving remuneration as set out in Rule 5 (2) of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014.

Your Company firmly believes that employees are the most valuable assets and key players of business success and sustained growth. The Company continued to contribute to employee benefit, fostering team spirit, enhance employee skills, motivation, training programs to develop leadership as well technical/functional capabilities.

Industrial relations were cordial throughout the year.

18. DISCLOSURE AS PER SEXUAL HARASSMENT OF WOMEN AT WORKPLACE (PREVENTION, PROHIBITION AND REDRESSAL) ACT, 2013

The Company has zero tolerance for sexual harassment at work place and has adopted a policy against sexual harassment in line with the provisions of Sexual Harassment of Women at Workplace (Prevention, Prohibition and Redressal) Act, 2013 and the rules framed thereunder.

The Company always endeavors to create and provide an environment that is free from discrimination and harassment including sexual harassment. During the year ended 31st March, 2018, no complaints have been received pertaining to sexual harassment.

19. OTHER DISCLOSURES

- a. During the year under review, the Company has not accepted any deposit within the meaning of Sections 73 and 74 of the Companies Act, 2013 read with the Companies (Acceptance of Deposits) Rules, 2014 (including any statutory modification(s) or re-enactment(s) thereof for the time being in force);
- b. The Company does not have any subsidiary, joint venture or associate companies;
- c. The Company is indulged in manufacturing of Specialty Synthetic Spun Yarn and there has been no change in the nature of business during the year under review;
- d. As mandated by the Ministry of Corporate Affairs, the Company has adopted Indian Accounting Standards ("Ind AS") from 1st April, 2017. The Financial Results for the year 2017-18 have been prepared in accordance with Ind AS, prescribed under Section 133 of the Companies Act, 2013 read

with the relevant rules issued thereunder and the other recognized accounting practices and policies to the extent applicable. The Financial Results for all the periods of 2017-18 presented have been prepared in accordance with Ind AS;

- e. The Company has complied with Secretarial Standards issued by the Institute of Company Secretaries of India on Meetings of the Board of Directors and General Meetings;
- f. There are no significant material orders passed by the Regulators or Courts or Tribunals impacting the going concern status of the Company and its operations in future;
- g. The information on conservation of energy, technology absorption and foreign exchange earnings and outgo as stipulated under Section 134 of the Companies Act, 2013 read with the Companies (Accounts) Rules, 2014, is set out in the '**Annexure-D**' to this report;
- h. The Company has not issued equity shares with differential rights as to dividend, voting or otherwise; and
- i. The Company has complied with the requirements about Code of Conduct for Board members and Senior Management Personnel.

20. ACKNOWLEDGMENT

Your Directors wish to place on record their sincere appreciation to all the employees for their dedication and commitment. The hard work and unstinting efforts of the employees have enabled the Company to sustain and further consolidate its position in the industry.

Your Company continues to occupy a place of respect among stakeholders, most of all our valuable customers. Your Directors would like to express their sincere appreciation for assistance and co-operation received from the vendors and stakeholders including financial institutions, banks, Central and State Government authorities, customers and other business associates, who have extended their valuable and sustained support and encouragement during the year under review. It will be the Company's endeavor to build and nurture these strong links with its stakeholders.

By Order of the Board
For Suryaamba Spinning Mills Limited

Place: Nagpur, Maharashtra
Date : July 20, 2018

Virender Kumar Agarwal
Managing Director
DIN : 00013314

Seema Rani Agarwal
Jt. Managing Director
DIN : 01430206

Annexures to Directors' Report

'ANNEXURE-A'

EXTRACT OF ANNUAL RETURN IN FORM NO. MGT 9 as on financial year ended 31.03.2018

(Pursuant to Section 92 (3) of the Companies Act, 2013 and rule 12(1) of the Company (Management and Administration) Rules, 2014)

I. REGISTRATION & OTHER DETAILS:

1.	CIN	L18100TG2007PLC053831
2.	Registration Date	05-May-2007
3.	Name of the Company	Suryaamba Spinning Mills Limited
4.	Category/Sub-category of the Company	Company Limited by shares/ Indian Non-Government Company
5.	Address of the Registered office & contact details	1 st Floor, Surya towers, 105, SP Road, Secunderabad, Telangana Tel. No. 040-27819960, Fax: 0712-2591410 E-mail: mail@suryaamba.com Website: www.sryaamba.com
6.	Whether listed company	Yes
7.	Name, Address & contact details of the Registrar & Transfer Agent, if any.	Karvy Computershare Private Limited Karvy Selenium Tower B, Plot No.31 & 32, Financial District, Gachibowli , Nanakaramguda, Serilingampally, Hyderabad- 500 032, Telangana. Toll free No.:1800 4250 999 E-mail:support@karvy.com Website:www.karvy.com, www.karvycomputershare.com

II. PRINCIPAL BUSINESS ACTIVITIES OF THE COMPANY

(All the business activities contributing 10% or more of the total turnover of the company shall be stated)

S. No.	Name and Description of main products / services	NIC Code of the Product/service	% to total turnover of the company
1.	Polyester Yarn & Polyester /Viscose Blended Yarn	13114	99.18%

III. PARTICULARS OF HOLDING, SUBSIDIARY AND ASSOCIATE COMPANIES

S. NO.	Name and Address of the company	CIN	Holding/ Subsidiary/ Associate	% of shares held	Applicable section
NONE					

IV. SHARE HOLDING PATTERN (Equity Share Capital Breakup as percentage of Total Equity)
A) Category-wise Share Holding:

Category of Shareholders	No. of Shares held at the beginning of the year [As on 31-Mar-2017]				No. of Shares held at the end of the year [As on 31-March-2018]				% Change during the year
	De-mat	Physical	Total	% of Total Shares	De-mat	Physical	Total	% of Total Shares	
A. PROMOTERS									
(1) Indian									
a) Individual/ HUF	2133536	14740	2148276	73.27	2159102	100	2159202	73.64	0.37
b) Central Govt	-	-	-	-	-	-	-	-	-
c) State Govt(s)	-	-	-	-	-	-	-	-	-
d) Bodies Corp.	-	-	-	-	-	-	-	-	-
e) Banks / FI	-	-	-	-	-	-	-	-	-
f) Any other	-	-	-	-	-	-	-	-	-
Sub-Total (A)(1)	2133536	14740	2148276	73.27	2159102	100	2159202	73.64	0.37
(2) Foreign									
a) NRIs -Individuals	-	-	-	-	-	-	-	-	-
b).Other-Individuals	-	-	-	-	-	-	-	-	-
c).Bodies Corporate	-	-	-	-	-	-	-	-	-
d).Banks/FI	-	-	-	-	-	-	-	-	-
e).Any other	-	-	-	-	-	-	-	-	-
Sub-Total (A)(2)	-	-	-	-	-	-	-	-	-
Total Shareholding of Promoters(A) = (A)(1)+(A)(2)	2133536	14740	2148276	73.27	2159102	100	2159202	73.64	0.37
B. PUBLIC SHAREHOLDING									
1. Institutions									
a) Mutual Funds	64	-	64	0.00	64	-	64	0.00	-
b) Banks / FI	210	660	870	0.03	210	660	870	0.03	-
c) Central Govt	-	-	-	-	-	-	-	-	-
d) State Govt(s)	-	-	-	-	-	-	-	-	-
e) Venture Capital Funds	-	-	-	-	-	-	-	-	-
f) Insurance Companies	-	-	-	-	-	-	-	-	-
g) FIIs	-	-	-	-	-	-	-	-	-
h) Foreign Venture Capital Funds	-	-	-	-	-	-	-	-	-
i) Others (specify)	-	-	-	-	-	-	-	-	-
Sub-total (B)(1):-	274	660	934	0.03	274	660	934	0.03	-

2. Non-Institutions									
a) Bodies Corp.									
i) Indian	33358	1333	34691	1.18	32329	1333	33662	1.15	(0.03)
ii) Overseas	-	-	-	-	-	-	-	-	-
b) Individuals									
i) Individual shareholders holding nominal share capital up to ₹ 2 lakh	606552	62811	669363	22.83	595963	61851	657814	22.44	(0.39)
ii) Individual shareholders holding nominal share capital in excess of Rs2 lakh	70380	-	70380	2.40	71380	-	71380	2.43	0.03
c) Others (specify)									
Non Resident Indians	7363	-	7363	0.25	6014	-	6014	0.21	(0.04)
Overseas Corporate Bodies	-	-	-	-	-	-	-	-	-
Foreign Nationals	-	-	-	-	-	-	-	-	-
Clearing Members	517	-	517	0.02	2192	-	2192	0.07	0.05
Trusts	-	-	-	-	-	-	-	-	-
Foreign Bodies-DR	-	-	-	-	-	-	-	-	-
Non resident Indian Non Repatriable	420	-	420	0.01	746	-	746	0.03	0.02
Sub-total (B)(2):-	718590	64144	782734	26.70	708624	63184	771808	26.33	(0.37)
Total Public Shareholding (B)=(B)(1)+(B)(2)	718864	64804	783668	26.73	708898	63844	772742	26.36	(0.37)
C. Shares held by Custodian for GDRs & ADRs	0	0	0	0	0	0	0	0	0
Grand Total (A+B+C)	2852400	79544	2931944	100	2868000	63944	2931944	100	-

B) Shareholding of Promoters:

Shareholder's Name	Shareholding at the beginning of the year			Shareholding at the end of the year			% change during the year
	No. of Shares	% of total shares of the Company	% of Shares Pledged/ encumbered to total share	No. of Shares	% of total shares of the Company	% of Shares Pledged/ encumbered to total share	
Virender Kumar Agarwal	1206191	41.14	16.98	1206191	41.14	16.98	-
Seema Rani Agarwal	642250	21.91	-	642250	21.91	-	-
Mayank Agarwal	270997	9.24	-	270997	9.24	-	-
VirenderKumar Agarwal (HUF)	14640	0.50	-	14640	0.50	-	-
Vithaldas Agarwal	2498	0.09	-	998	0.03	-	(0.06)
Mahender Kumar Agarwal	100	0.00	-	0	0.00	-	-
Ravinder Kumar Agarwal	100	0.00	-	100	0.00	-	-
Pujit Agarwal	11500	0.39	-	24026	0.82	-	0.43
TOTAL	2148276	73.27	-	2159202	73.64	-	0.37

C) Change in Promoters' Shareholding: (please specify, if there is no change)

Shareholder's Name	Shareholding at the beginning of the year		Cumulative Shareholding during the year	
	No. of Shares	% of total shares of the Company	No. of Shares	% of total shares of the Company
Pujit Agarwal				
At the beginning of the year	11500	0.39	-	-
Increase during the year	12526	0.43	24026	0.82
At the End of the year	24026	0.82	24026	0.82
Mahender Kumar Agarwal				
At the beginning of the year	100	0.00	-	-
Decrease during the year	100	0.00	0	0.00
At the End of the year	0	0.00	0	0.00

D) Shareholding Pattern of top ten Shareholders (Other than Directors, Promoters and Holders of GDRs and ADRs):

S. No.	Shareholder's Name	No. of Shares at the beginning of the year		No. of Shares at the end of the year	
		No. of Shares	% of total Shares	No. of Shares	% of total Shares
1.	Subramanian P	49380	1.68	50380	1.72
2.	Anil Kumar	21000	0.72	21000	0.72
3.	Vinodchandra M. Parekh	17396	0.59	17396	0.59
4.	Shaunak Jagdish Shah	16428	0.56	16428	0.56
5.	Sujit Krishna Puthran	13000	0.44	16100	0.55
6.	Jagdish Amritlal Shah	14020	0.48	14020	0.48
7.	Bhavsar Usha	13431	0.46	13431	0.46
8.	Hemant Kumar Beniwal	6000	0.20	11150	0.38
9.	Vidhi Gupta	10000	0.34	10000	0.34
10.	GM Surana	10000	0.34	10000	0.34

E) Shareholding of Directors and Key Managerial Personnel:

Name of Director/KMP	No. of Shares at the beginning of the year	% of total shares of the Company	No. of Shares at the end of the year	% of total shares of the Company
Virender Kumar Agarwal	1206191	41.14	1206191	41.14
Seema Rani Agarwal	642250	21.91	642250	21.91
Mayank Agarwal	270997	9.24	270997	9.24

V. INDEBTEDNESS

Indebtedness of the Company including interest outstanding/accrued but not due for payment (₹ in lakhs)

	Secured Loans (excluding deposits)	Unsecured Loans	Deposit	Total Indebtedness
At the beginning of the financial Year (As on 01.04.2017)				
(i) Principal Amount	3919.93	619.64	-	5159.22
(ii) Interest due but not paid	-	37.10	-	74.20
(iii) Interest accrued but not due	-	-	-	-
TOTAL(i+ii+iii)	3919.93	656.74	-	5233.41
Change during the financial Year				
Addition	232.38	146.30	-	524.98
Reduction	458.17	174.55	-	807.27
Net Change	(225.79)	(28.25)	-	(282.29)
At the end of the financial Year (As on 31.03.2018)				
(i) Principal Amount	3694.14	628.49	-	4951.12
(ii) Interest due but not paid	-	35.98	-	71.96
(iii) Interest accrued but not due	-	-	-	-
TOTAL (i+ii+iii)	3694.14	664.47	-	5023.09

VI. REMUNERATION OF DIRECTORS AND KEY MANAGERIAL PERSONNEL

A. Remuneration to Managing Director, Whole - time Directors and/or Manager

(₹ in lakhs)

Sr. No.	Particulars of Remuneration	Name of the MD/WTD/Manager			Total Amount
		Mr. Virender Kumar Agarwal Chairman & Managing Director	Mrs. Seema Rani Agarwal Joint Managing Director	Mr. Mayank Agarwal Wholetime Director	
1.	Gross Salary				
	(a) Salary as per provisions contained in section 17(1) of the Income Tax Act, 1961	16.80	14.40	11.40	42.60
	(b) Value of perquisites u/s 17 (2) of the Income Tax Act, 1961	11.20	8.16	6.46	25.82
	(c) Profits in lieu of salary u/s 17(3) of the Income Tax Act, 1961	-	-	-	-
2.	Stock option	-	-	-	-
3.	Sweat Equity	-	-	-	-
4.	Commission	-	-	-	-
	as % of profit	-	-	-	-
	others, specify	-	-	-	-
5.	Others, please specify	-	-	-	-
	Contribution to Provident Fund	2.01	1.73	1.37	5.11
6.	Total Amount	30.01	24.29	19.23	73.53

B. Remuneration to other Directors:

(₹ in lakhs)

Sr. No.	Particulars of Remuneration	Name of the Directors			Total Amount
		Mr. Amit Goela	Mr. Sushil Kapadia	Mr. Manish Kumar Gupta	
1.	Independent Directors				
	(a) Fee for attending board / committee meetings	0.14	0.09	0.14	0.36
	(b) Commission	-	-	-	-
	(c) Others, please specify	-	-	-	-
	Total (1)	-	-	-	-
2.	Other Non-Executive Directors	-	-	-	-
	(a) Fee for attending board / committee meetings	-	-	-	-
	(b) Commission	-	-	-	-
	(c) Others, please specify	-	-	-	-
	Total (2)	-	-	-	-
	Total (B)=(1+2)	0.14	0.09	0.14	0.36

Overall Ceiling as per the Act: < 26 Lakhs (< 1 Lakhs Per meeting of Board or Committee.)

* The above Sitting Fees includes conveyance & out of pocket expenses.

C. REMUNERATION TO KEY MANAGERIAL PERSONNEL OTHER THAN MD/MANAGER/WTD: (₹ in lakhs)

Sr. No.	Particulars of Remuneration	Name of the KEY MANAGERIAL PERSONNEL			Total Amount
		Mr. Gajanan Chhawsaria CFO	*Ms. Reshu Jain Company Secretary	**Ms. Deepa Dudani Company Secretary	
1.	Gross Salary				
	(a) Salary as per provisions contained in section 17(1) of the Income Tax Act, 1961	9.12	1.06	0.22	10.40
	(b) Value of perquisites u/s 17(2) of the Income Tax Act, 1961	1.38	-	-	1.38
	(c) Profits in lieu of salary u/s 17(3) of the Income Tax Act, 1961	-	-	-	-
2.	Stock option	-	-	-	-
3.	Sweat Equity	-	-	-	-
4.	Commission	-	-	-	-
	as % of profit	-	-	-	-
	others, specify	-	-	-	-
5.	Others, please specify				
	Contribution to Provident Fund	1.01	0.05	-	1.06
6.	Total Amount	11.51	1.11	0.22	12.84

* Ms. Reshu Jain resigned w.e.f 16th September, 2017

** Ms. Deepa Dudani appointed w.e.f 07th March, 2018



VII. PENALTIES / PUNISHMENT / COMPOUNDING OF OFFENCES

There were no penalties / punishment / compounding of offences for breach of any section of Companies Act, 2013 against the Company or its Directors or other Officers in default, if any, during the year.

By Order of the Board
For Suryaamba Spinning Mills Limited

Place: Nagpur, Maharashtra
Date : July 20, 2018

Virender Kumar Agarwal
Managing Director
DIN : 00013314

Seema Rani Agarwal
Jt. Managing Director
DIN : 01430206

'ANNEXURE-B'**FORM NO. MR-3
SECRETARIAL AUDIT REPORT**

FOR THE FINANCIAL YEAR ENDED 31.03.2018

[Pursuant to section 204(1) of the Companies Act, 2013 and Rule No.9 of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014]

**To,
The Members,
SURYAAMBA SPINNING MILLS LIMITED
CIN: - L19100TG2007PLC053831
Surya Towers, 1st Floor,
105, Sardar Patel Road,
Secunderabad-500 003 (T.G.), India**

I have conducted the secretarial audit of the compliance of applicable statutory provisions and the adherence to good corporate practices by **Suryaamba Spinning Mills Limited** bearing **CIN:-L19100TG2007PLC053831** (Hereinafter called "the Company"). Secretarial Audit was conducted in a manner that provided me a reasonable basis for evaluating the corporate conducts/statutory compliances and expressing my opinion thereon.

Based on my verification of the Company's books, papers, minute books, forms and returns filed and other records maintained by the Company and also the information provided by the Company, its officers, agents and authorized representatives during the conduct of secretarial audit and as per the explanations given to me and the representation made by the Management, I hereby report that in my opinion, the Company has, during the Audit Period covering the Financial Year ended on 31st March, 2018 ('Audit Period') generally complied with the statutory provisions and also that the Company has proper Board-processes and compliance-mechanism in place to the extent, in the manner and subject to the reporting made hereinafter:

I have examined the books, papers, minute books, forms and returns filed and other records maintained by the Company for the Financial Year ended on 31st March, 2018 according to the applicable provisions of:

- (i) The Companies Act, 2013 (the Act) and the rules made thereunder;
- (ii) The Securities Contracts (Regulation) Act, 1956 ('SCRA') and the rules made thereunder;
- (iii) The Depositories Act, 1996 and the Regulations and Bye-laws framed thereunder;
- (iv) Foreign Exchange Management Act, 1999 and the rules and regulations made thereunder to the extent of Foreign Direct Investment, Overseas Direct Investment and External Commercial Borrowings;
- (v) The following Regulations and Guidelines prescribed under the Securities and Exchange Board of India Act, 1992 ('SEBI Act') except to the extent of applicable regulations and guidelines during the audit period:-

- (a) The Securities and Exchange Board of India (Substantial Acquisition of Shares and Takeovers)

- (b) The Securities and Exchange Board of India (Prohibition of Insider Trading) Regulations, 1992;
- (c) The Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2009;
- (d) The Securities and Exchange Board of India (Employee Stock Option Scheme and Employee Stock Purchase Scheme) Guidelines, 1999;
- (e) The Securities and Exchange Board of India (Issue and Listing of Debt Securities) Regulations, 2008;
- (f) The Securities and Exchange Board of India (Registrars to an Issue and Share Transfer Agents) Regulations, 1993 regarding the Companies Act and dealing with client;
- (g) The Securities and Exchange Board of India (Delisting of Equity Shares) Regulations, 2009;
- (h) The Securities and Exchange Board of India (Buyback of Securities) Regulations, 1998;

I have also examined compliance with the applicable clauses and regulations of the following:

- (i) Secretarial Standards issued by Institute of Company Secretaries of India (ICSI);
- (ii) The SEBI (Listing Obligations and Disclosures Requirements) Regulations, 2015;

I further report that with respect to the compliance of the below mentioned laws to the extent of its applicability, I have relied on the compliance system prevailing in the Company and on the basis of representation received from its concerned department:

- The Employee's Provident Fund & Miscellaneous Provision Act, 1952
- The Maternity Benefit Act, 1961
- The payment of Gratuity Act, 1972
- The Workmen's Compensation Act, 1923
- The Equal Remuneration Act, 1976
- The Minimum Wages Act, 1948
- The Payment of Bonus Act, 1965
- The Payment of Wages Act, 1936
- The Factories Act, 1948
- The Apprentices Act, 1961
- The Contract Labour (Regulation & Abolition) Act, 1970
- The Employment Exchanges (Compulsory Notification of Vacancies) Act, 1959
- The Industrial Dispute Act
- The Industrial Employment (Standing Orders) Act, 1946
- The Water (Prevention and Control of pollution) Act, 1974
- Maharashtra Shops and Establishments Act, 1948
- Maharashtra Sales Tax on Professions, Trade, Callings and Employments Act, 1975
- Andhra Pradesh Shops and Establishments Act, 1988
- Information Technology Act, 2000
- The Public Liability Insurance Act, 1991
- Foreign Exchange Management Act, 1999 and its regulations
- Maharashtra Labour Welfare Act, 1948
- Sexual Harassment of Women at Workplace (Prevention, Prohibition & Redressal) Act, 2013
- The Sales Promotion Employees (Condition of Service) Act, 1976
- The National and Festival Holidays Act 1963 (Relevant State Acts)

During the period under review and as per the representations and clarifications made by the management, the Company has generally complied with the provisions of the applicable Acts, Rules, Regulations, Guidelines, Standards, etc. mentioned above except to the extent as mentioned below:



The Company has duly filed forms with Ministry of Corporate Affairs (MCA) within the stipulated time allowed under the Companies Act, 2013 except some forms required pursuant to provisions of Companies Act, 2013 and rules made thereunder.

I further report that:

- The Board of Directors of the Company is duly constituted with proper balance of Executive Directors, Non-Executive Directors and Independent Directors. The changes in the composition of the Board of Directors that took place during the period under review were carried out in compliance with the provisions of the Companies Act, 2013.
- Adequate notice is given to all directors to schedule the Board Meetings, agenda and detailed notes on agenda were sent well in advance, and a system exists for seeking and obtaining further information and clarifications on the agenda items before the meeting and for meaningful participation at the meeting.
- Majority decision is carried through while the dissenting members' views (if any) are captured and recorded as part of the minutes.
- The Company has obtained all necessary approvals under the various provisions of the Act; and

I further report that there are adequate systems and processes in the Company commensurate with the size and operations of the company to monitor and ensure compliance with applicable laws, rules, regulations and guidelines except with certain irregularities.

Note: This report is to be read with my letter of even date which is annexed as 'ANNEXURE-I forms an integral part of this report.

ANNEXURE - I

**To,
The Members,
SURYAAMBA SPINNING MILLS LIMITED
CIN: - L19100TG2007PLC053831
Surya Towers, 1st Floor, 105, Sardar Patel Road,
Secunderabad-500 003 (T.G.), India**

My report of even date is to be read along with this letter.

1. Maintenance of secretarial record is the responsibility of the management of the Company. My responsibility is to express an opinion on these secretarial records based on our audit.
2. I have followed the audit practices and processes as were appropriate to obtain reasonable assurance about the correctness of the contents of the Secretarial records. The verification was done on test basis to ensure that correct facts are reflected in secretarial records. I believe that the processes and practices, I followed provide a reasonable basis for our opinion.
3. I have not verified the correctness and appropriateness of financial records and Books of Accounts of the company.
4. Where ever required, I have obtained the Management representation about the compliance of laws, rules and regulations and happening of events etc.
5. The compliance of the provisions of Corporate and other applicable laws, rules, regulations, standards is the responsibility of management. My examination was limited to the verification of procedures on test basis.
6. The Secretarial Audit report is neither an assurance as to the future viability of the Company nor of the efficiency or effectiveness with which the management has conducted the affairs of the Company.

Place: Nagpur
Date : July 02, 2018

For M/s. Aarju Agrawal & Associates
Practicing Company Secretary

CS Aarju Agrawal
Membership No: A42507
C. P. No :15770

'ANNEXURE-C'**PARTICULARS OF EMPLOYEES**

(Pursuant to Section 197(12) of the Companies Act, 2013 read with Rule 5(1) of Companies (Appointment & Remuneration of Managerial Personnel) Rules, 2014)

Remuneration to Directors:

Name of the Director and Designation	Remuneration in the FY			*Ratio of Remuneration to MRE	Ratio of Remuneration	
	2017-18 ₹ in Lakhs	2016-17 ₹ in Lakh	% of increase from Prev. Year		Revenue	Net Profit
	Mr. Virender Kumar Agarwal [Managing Director]	30.01	30.01			
Smt. Seema Rani Agarwal [Joint Managing Director]	24.29	24.29	0.00%	27.10 times	0.0016 times	0.10 times
Mr. Mayank Agarwal [Whole Time Director]	19.23	19.23	0.00%	21.46 times	0.0013 times	0.08 times

Remuneration to Key Managerial Personnel (KMP):

Name & Designation of KMP	Remuneration in the FY			Ratio of Remuneration to MRE	**Ratio of Remuneration	
	2017-18 ₹ in Lakhs	2016-17 ₹ in Lakh	% of increase from Prev. Year		Revenue	Net Profit
	Mr. Gajanan Chhawsaria [Chief Financial Officer]	11.51	10.25			
***Ms. Reshu Jain [Company Secretary]	1.11	1.18	-	1.24 times	-	0.005 times
***Ms. Deepa Dudani [Company Secretary]	0.22	-	0.00%	0.25 times	-	0.001 times

* Median Remuneration Employee

** Based on annualized salary and rounded off to two decimals

*** Ms. Reshu Jain resigned w.e.f 16.09.2017 and Ms. Deepa Dudani appointed w.e.f 07.03.2018 and remuneration paid for FY 2017-18 has been mentioned accordingly..

1. The Median Remuneration of Employees (MRE) excluding Whole-time Directors (WTDs) was ₹89,619/-
2. In the financial year, there was a increase of 7.75% in the median remuneration employees.
3. There are 977 permanent Employees on the Rolls of the Company as on 31st March, 2018.
4. Variations in the market capitalization of the Company:
 - a. The Market Capitalization as on 31st March, 2018 is ₹20.44 Crores and on 31st March, 2017 was ₹ 19.19 Crores.
 - b. Price earnings ratio of the Company as on 31st March, 2018 is 6.97 as against 6.55 as at 31st March 2017.
 - c. The closing price of the Company's equity shares on BSE as on 31st March, 2018 is ₹ 69.70/- representing a 597% of increase over the IPO price of ₹ 10/- per share.
5. The ratio of the remuneration of the highest paid director to that of the employees who are not directors but receive remuneration in excess of the highest paid director during the year – N.A. and
6. It is affirmed that the remuneration paid is as per the Remuneration Policy for Directors, Key Managerial Personnel and other employees, adopted by the Company.

By Order of the Board
For Suryaamba Spinning Mills Limited

Place: Nagpur, Maharashtra
Date : July 20, 2018

Virender Kumar Agarwal
Managing Director
DIN : 00013314

Seema Rani Agarwal
Jt. Managing Director
DIN : 01430206

'ANNEXURE-D'**CONSERVATION OF ENERGY, TECHNOLOGY ABSORPTION, FOREIGN EXCHANGE EARNING AND OUTGO**

(Pursuant to Section 134(3)(m) of the Companies Act, 2013 read with Rule 8 of the Companies (Accounts) Rules, 2014 forming part of Directors Report for the year ended 31st March, 2018)

A. Conservation of Energy**i) Steps taken for conservation of energy:**

Energy conservation has been an important thrust area for the Company and is continuously monitored. The Company has taken continuous efforts to reduce consumption of energy and has taken steps of continuous monitoring for replacement of conventional electrical motors etc, with improved technology and use energy efficient equipment.

Your Company has a dedicated focus on energy management and closely monitor energy consumption pattern across all manufacturing sites. Properly optimizing machinery efficiency has led to improvement in quality and efficiency in production.

Total energy consumption in units for FY 2017-18 : 29356887 units
Total consumption per unit of production for FY 2017-18 : 2.79 units/kg

Energy conservation is an ongoing process and new areas are continuously identified and suitable investments are made, wherever necessary.

ii) Steps taken by the Company for utilizing alternate sources of energy: Nil**iii) The Capital Investment on energy conservation equipment: Nil****B. Technology Absorption****i) The efforts made towards technology absorption:**

The company has adapted indigenous technology and made innovation on the same. We have taken care of adoption of modern technology such as Auto waste collection, Auto doffing for our proposed expansion unit.

ii) The benefits derived like product improvement, cost reduction, product development or import substitution:

The Company has derived benefits of quality and product improvement, cost reduction and energy consumption as a result of the above efforts.

iii) In case of imported technology (imported during the last three years reckoned from the beginning of the financial year):

- a. the detail of technology imported : Nil
 b. the year of import : Not Applicable
 c. whether the technology been fully absorbed : Not Applicable
 d. if not fully absorbed, areas where absorption has not taken place, and the reasons thereof : Not Applicable

iv) The expenditure incurred on Research and Development: Nil

C) Foreign exchange Earnings and Outgo

- Activities relating to exports, initiatives taken to increase exports, development of new exports markets for production and services and export plans. Export explorations activities mainly include development of export to new markets and increasing exports to traditional markets.
- The Foreign Exchange earned in terms of actual inflows during the year and the Foreign Exchange outgo during the year in terms of actual outflows.

(₹ in lakhs)

Particulars	2017-18	2016-17
(i) Foreign Exchange earned		
FOB value of exports	3857.67	4083.00
(ii) Foreign Exchange used		
Import of capital goods	-	-
Raw Materials	4.33	615.81
Spares	0.41	6.94
Foreign travel	-	-
Commission on export sales	-	1.93

By Order of the Board
For Suryaamba Spinning Mills Limited

Virender Kumar Agarwal
 Managing Director
 DIN : 00013314

Seema Rani Agarwal
 Jt. Managing Director
 DIN : 01430206

Place: Nagpur, Maharashtra
 Date : July 20, 2018

MANAGEMENT DISCUSSION AND ANALYSIS

ORGANISATION - PROFILE

Suryaamba Spinning Mills Limited is one of the well-known producers of Synthetic Blended Yarn for over a decade in the textile industries. The Company produces 100% Polyester, Viscose, Melange, P/V blended yarns with counts wide ranging from 08s to 60s and has established itself in the domestic and in the international market with a wide range of products. Currently the Company has one manufacturing unit with a total installed capacity of 44,112 spindles with a production capacity of 47.52 MTs per day. The unit is located at Mouza-Nayakund, Near Ramtek in the state of Maharashtra. The unit is certified "ISO 9001:2015".

INDIAN TEXTILE OUTLOOK

India's textiles sector is one of the oldest industries in Indian economy dating back several centuries. Even today, textiles sector is one of the largest contributors to India's exports with approximately 13 per cent of total exports. The textiles industry is also labour intensive and is one of the largest employers. The textile industry has two broad segments. First, the unorganized sector consists of handloom, handicrafts and sericulture, which are operated on a small scale and through traditional tools and methods. The second is the organized sector consisting of spinning, apparel and garments segment which apply modern machinery and techniques such as economies of scale.

The Indian textile industry has the capacity to produce a wide variety of products suitable to different market segments, both within India and across the world. The textile industry employs about 105 million people directly and indirectly. India's overall textile exports during FY 2017-18 stood at US\$ 37.74 billion. The Indian Textile Industry contributes approximately 2 per cent to India's Gross Domestic Product (GDP), 10 per cent of manufacturing production and 14 per cent to overall Index of Industrial Production (IIP).

The future for the Indian textile industry looks promising, buoyed by both strong domestic consumption as well as export demand. The Indian cotton textile industry showcased a stable growth in FY 2017-18, supported by stable input prices, healthy capacity utilization and steady domestic demand.

OVERVIEW OF INDIAN ECONOMY

The year 2017-18 was marked by a number of key structural initiatives to build strength across macro-economic parameters for sustainable growth in the future. Government of India carried out a unified tax regime, Goods and Service Tax (GST), from July 2017. The implementation of GST will create a single marketplace, enabling supply chain efficiencies over the long term. However, the first year of its implementation, as anticipated, witnessed disruptions in supply chain, working capital constraints and greater compliance responsibility, especially for small and medium enterprises. The growth in the first half of the year suffered, whereas, the weakness seen at the beginning of 2017, seems to have bottomed out as 2018 set in. An increase in the stressed assets of the banking sector further impacted the industrial sector with cost of credit going up significantly. The overall annual growth stood at 6.5% for FY 2017-18, lower than 7.1% for FY 2016-17.

Even though all these pressures disrupted the economic conditions, there were some noteworthy positives to boost economic growth. Implementation of GST, the Indian Bankruptcy Code and implementation of Real Estate Regulations (RERA), among others, Jan Dhan Yojana and Aadhaar, Ayushman Bharat. India has retained its position as the third largest startup base in the world with over 4,750 technology startups.

While the last year saw a number of changes to the system, India's economy is expected to grow 7.3% in the next financial year, stated by World Bank. The Union Budget 2018-19 promised various Government initiatives to strengthen agricultural sector, increase in FDI, Make in India and Digital India initiative with an aim to boost the manufacturing sector of Indian economy, to increase the purchasing power of an average Indian consumer. FY 2018-19 will be the period that witnesses a strong and sustained economic upsurge.

OPPORTUNITIES AND STRENGTHS

Positive steps taken by the Central Government for the textile industry, from allocation of funds to giving extra rebate to exporters and various other benefits, are expected to improve investment in this sector and provide more business opportunities in the near future. Subsidies from Central Government, 'Make in India' and 'Digital India' concept aids in futuristic growth in more ways than one. An experienced, enriched and technologically empowered textile sector will only emerge as an international powerhouse in the coming time. Early indications of a normal monsoon for three years in a row are likely to assist the raw material base.

Our long-standing relationship with our major customers has been one of the most significant factors contributing to our growth. Our commitments to quality and customer service practices have been strong contributing factors to our healthy customer relations. We have an experienced team of management with exposure in textile industry to run the operations. India has rich resources of raw materials of textile industry. It is one of the largest produce sources of fibers like polyester, silk, viscose etc.

RISKS AND CONCERNS

The results of our business operations are dependent on our ability to effectively plan our manufacturing processes and on our ability to optimally utilize our manufacturing capacities. Any disruption to our manufacturing process may affect our business operations. Some of the factor/threats affecting our manufacturing or production activities are:

- Utility supply disturbances, particularly power supply;
- Forced close down or suspension of our manufacturing facilities due to factors such as breakdown or failure of equipment, performance below expected levels of output or efficiency, facility obsolescence or disrepair, labour disputes such as strikes and work stoppages, natural disasters and industrial accidents;
- Severe weather condition;
- Interruption of our information technology systems that facilitate the management of our manufacturing facilities and;
- Other production or distribution problems, including limitations to production capacity due to

regulatory requirements, changes in the types of products produced or physical limitations that could impact continuous supply.

Apart from abovementioned concern, banking system of the Country which is dealing with large amount of bad loans, uncertainty in market conditions, Shortage of skilled manpower and labor related issues High Competition fluctuating raw material prices are some other issues.

DISCUSSION ON FINANCIAL PERFORMANCE WITH RESPECT TO OPERATIONAL PERFORMANCE

The Net turnover of your Company for the Financial Year 2017-8 is ₹ 15338.38 lakhs in comparison to ₹13959.65 lakhs in the previous year. The production during the year was 10539 MTS in comparison to 10390 MTS in previous year.

Your Company has earned a Profit Before Tax of ₹354.57 lakhs in comparison to ₹142.47 lakhs in the previous year. The Company earned a profit after tax of ₹ 234.69 lakhs in comparison to ₹48.65 lakhs in the previous

FUTURE OUTLOOK

The Company manufactures 100% Polyester, Viscose, Melange, P/V blended yarns and remains the preferred choice of many leading Indian brands. Moreover, the economy is on the path of recovery and the Company expects good demand for its products in domestic as well as international markets. Major markets for Indian Textile and Clothing (T&C) export are the USA, Germany, Italy, Portugal, Spain, Switzerland, U.K. Belgium, and other European countries, Argentina, Brazil, Turkey, Chile and other south American Countries, Egypt, Kenya, Morocco and other African countries. The domestic market is also on the path of healthy growth because of the fact that few manufacturing facilities operating abroad have closed down due to recession. The home-textiles and garment segments are reflecting sound growth both in the domestic and international markets due to good demand of apparels. There is a substantial scope for further growth in these segments.

Your Company believes that the competition in the emerging markets will be met by developing production systems based on cost efficiency, high productivity, quality assurance, etc.

INTERNAL CONTROLS AND THEIR ADEQUACY

The Company has a robust internal control system and is supervised periodically by competent professional manager. Periodically, the systems are reviewed and aligned to the needs of the growing needs of the Company. Both external and internal auditors, who have access to all records and information about our Company, regularly check company's internal control systems. The Board and the management review the findings and recommendations of the auditors and take corrective actions wherever necessary. The Board considers risk assessment, identification of mitigating actions and internal control procedure to ensure that business risks are identified, managed and regularly reviewed at all levels and that Directors are periodically apprised of the key risks.

HUMAN RESOURCE DEVELOPMENT AND INDUSTRIAL RELATIONS

The Company has recorded higher volumes, operation profit and improved on several operational activities primarily because of the commitment, initiatives and high energy demonstrated by the employees at all levels. Human Capital is the most valuable resource of an organization. Development of human capital has always been the thrust area of the Company. Industrial relations are geared at



developing and aligning the operatives to the overall vision of the organization. Your Company takes adequate steps for maintaining safety and healthy environment for the workers and the Directors place on record their sincere appreciation for the excellent team work with which the workers and the staff of the Company at all levels contribute for the better performance of the Company.

DISCLAIMER

Statements in this report on Management Discussion and Analysis, describing the Company's objectives, projections, estimates, expectations or predictions may be forward looking, considering the applicable laws and regulations. These statements are based on certain assumptions and expectation of future events. Actual results could, however, differ materially from those expressed or implied. Important factors that could make a difference to the Company's operations include global and domestic demand-supply conditions, finished goods prices, raw materials costs and availability, fluctuations in exchange rates, changes in Government regulations and tax structure, economic developments within India and the countries with which the Company has business contacts. The Company assumes no responsibility in respect of the forward-looking statements herein, which may undergo changes in future on the basis of subsequent developments, information or events

By Order of the Board
For Suryaamba Spinning Mills Limited

Place: Nagpur, Maharashtra
Date : July 20, 2018

Virender Kumar Agarwal
Managing Director
DIN : 00013314

Seema Rani Agarwal
Jt. Managing Director
DIN : 01430206

CORPORATE GOVERNANCE REPORT

At Suryaamba Spinning Mills Limited (SSML), Corporate Governance is all about maintaining a valuable relationship and trust with all stakeholders. We consider stakeholders as partners in our success, and we remain committed to maximizing stakeholders' value, be it shareholders, employees, suppliers, customers, investors, communities or policy makers. This approach to value creation emanates from our belief that sound governance system, based on relationship and trust, is integral to creating enduring value for all. We have a defined policy framework for ethical conduct of businesses. We believe that any business conduct can be ethical only when it rests on the six core values of Customer Value, Ownership Mindset, Respect, Integrity, One Team and Excellence.

1. BRIEF STATEMENT ON COMPANY'S PHILOSOPHY ON CODE OF GOVERNANCE

Suryaamba Spinning Mills Limited (SSML), strives to follow the best corporate governance practices, develop best policies, guidelines, communicate and train all its employees in order to foster a culture of compliance and obligation at every level of the organization. The Company is in compliance with the provisions of Corporate Governance specified in the SEBI (Listing Obligations and Disclosure Requirements) Regulations 2015 ("Listing Regulations").

The Company is committed to meet the expectations of stakeholders as a responsible corporate citizen. The Company believes in the fundamental principles and rules concerning ethical business conduct. We, at Suryaamba Spinning Mills Limited, believe that for a Company to succeed, it must maintain global standards of corporate conduct towards employees, customers and society.

We believe in highest standard of Corporate Governance practices and committed to abide by those standards and even to go beyond statutory requirements. The Board of Directors exercises its fiduciary responsibilities in attainment of the highest levels of transparency, accountability and equity in all facets of its operations, and in all its interaction with its stakeholders, including shareholders, employees and the Government. This is intended to enhance and retain investors' trust.

2. BOARD OF DIRECTORS

a) Composition, category of Directors and attendance record for the year 2017-2018:

The Board of Directors along with its Committees provides leadership and guidance to the company's management and directs, supervises and controls the performance of the Company. The Board comprises a combination of Executive and Non- Executive Directors. In the financial year, the Board consists of 6 Directors out of which 3 were Executive Directors, 3 are Non-executive Independent Directors. The Non-Executive Directors bring independent views and judgment in the decision making process of the Board.

Name of the Director	DIN	Category	Board Meetings attended during the year	Whether attended last AGM	No of other Directorship as on 31.03.2018	No. of Member ship(s) of Board Committees in other Companies as on 31.03.2018	No. of Chairman ship(s) of Board Committees in other Companies as on 31.03.2018
Mr. Virender Kumar Agarwal	00013314	Executive/ Promoter	8	No	2	NIL	NIL
Mrs. Seema Rani Agarwal	01430206	Executive/ Promoter	8	Yes	1	NIL	NIL
Mr. Mayank Agarwal	02749089	Executive/ Promoter	8	Yes	NIL	NIL	NIL
Mr. Amit Goela*	01754804	Non-Executive Independent Director	4	Yes	8	1	NIL
Mr. Manish Kumar Gupta	07096129	Non-Executive Independent Director	4	Yes	NIL	NIL	NIL
Mr. Sushil Kapadia	07529921	Non-Executive Independent Director	4	Yes	NIL	NIL	NIL

* Mr. Amit Goela is Designated Partner in 1(One) LLP namely: Capris Advisors LLP.

b) Number of Board meetings held and their dates:

During the period under review, the Board of Directors duly met Eight (8) times on the following dates:

1. 29th May, 2017
2. 20th July, 2017
3. 12th August, 2017
4. 22nd August, 2017
5. 08th September, 2017
6. 10th November, 2017
7. 08th February, 2018
8. 07th March, 2018

The maximum time gap between any two consecutive meetings did not exceed One Hundred and Twenty (120) days.

c) Non-executive Directors hold no Shares and convertible instruments.

d) Details of familiarization programs imparted to Independent Directors:

The Company familiarizes its Independent Directors with the Company, their roles, rights, responsibilities in the Company, nature of the industry in which the Company operates, business model of the Company, etc. The familiarization program for Independent Directors is disclosed on the Company's website www.suryaamba.com

3. AUDIT COMMITTEE

a) Brief description of terms of reference:

1. Oversight of the company's financial reporting process and disclosure of financial information.
2. Review of quarterly, half yearly and annual financial statements.
3. Recommending the appointment and removal of external Auditors and fixing of their remuneration.
4. Review the adequacy of internal control systems and internal audit functions.
5. Review of Company's financial and risk management policies.

b) Composition and Chairperson:

In compliance with the Regulation 18 of the SEBI Listing Regulations, 2015 and Section 177 of the Companies Act, 2013, the Board of Directors of the Company has duly constituted an Audit Committee comprises of three (3) members out of which two (2) are Non-Executive Independent Director and One(1) is Executive Director as on 31st March, 2018.

S.No.	Name of the Member	Designation
1.	Mr. Amit Goela	Chairman
2.	Mrs. Seema Rani Agarwal	Member
3.	Mr. Sushil Kapadia	Member

c) Meetings and Attendance during the year :

During the year under review, Four Audit Committee meetings were held on 29th May, 2017, 12th August, 2017, 10th November, 2017 and 08th February, 2018. The attendance of each member of the Committee is given below.

S.No.	Name of the Member	Number of Meetings attended
1.	Mr. Amit Goela	4
2.	Mrs. Seema Rani Agarwal	4
3.	Mr. Sushil Kapadia	4

4. NOMINATION AND REMUNERATION COMMITTEE

a) Brief description of terms of reference:

1. Formulation of the criteria for determining qualifications, positive attributes and independence of a director and recommend to the Board a policy, relating to the remuneration of the directors, key managerial personnel and other employees;
2. Formulation of criteria for evaluation of Independent Directors and the Board;
3. Devising a policy on Board diversity;
4. Identifying persons who are qualified to become directors and who may be appointed in senior management in accordance with the criteria laid down, and recommend to the Board their appointment and removal.

b) Composition and Chairperson:

In compliance with Regulation 19 of SEBI (LODR) Regulations, 2015 and section 178 of the Companies Act, 2013, the Board of Directors of the Company has constituted an Nomination and Remuneration Committee comprising of the following three Non-Executive Independent Directors:

S.No.	Name of the Member	Designation
1.	Mr. Amit Goela	Chairman
2.	Mr. Manish Kumar Gupta	Member
3.	Mr. Sushil Kapadia	Member

c) Meeting and Attendance during the year:

During the year under review, Two Nomination & Remuneration Committee meeting was held on 12th August, 2017 and 08th February, 2018. The attendance of each member of the Committee is given below:

S.No.	Name of the Member	Number of Meetings attended
1.	Mr. Amit Goela	2
2.	Mr. Manish Kumar Gupta	2
3.	Mr. Sushil Kapadia	2

Nomination & Remuneration policy

Brief description of the Policy

- The Committee shall identify and ascertain the integrity, qualification, expertise and experience of the person for appointment as Director, KMP or at Senior Management level and recommend to the Board his/her appointment.



- A person should possess adequate qualification, expertise and experience for the position he / she is considered for appointment. The Committee has discretion to decide whether qualification, expertise and experience possessed by a person is sufficient / satisfactory for the concerned position
- The Company shall not appoint or continue the employment of any person as Whole time Director who has attained the age of seventy years Provided that the term of the person holding this position may be extended beyond the age of seventy years with the approval of shareholders by passing a special resolution based on the explanatory statement annexed to the notice for such motion indicating the justification for extension of appointment beyond seventy years

Remuneration

- The Remuneration of Directors should be in accordance with the provisions of the Companies Act, 2013 read with Schedule-V of the companies Act, 2013 as amended from time to time.
- To ensure that the level and components of remuneration is reasonable and sufficient to attract, retain and motivate Directors, KMP and other employees of the quality required to run the Company successfully.
- No director/KMP/ other employee are involved in deciding his or her own remuneration.
- The trend prevalent in the similar industry, nature and size of business are kept in view and given due weight age to arrive at a competitive quantum of remuneration.
- It is to be ensured that relationship of remuneration to the performance is clear & meets appropriate performance benchmarks which are unambiguously laid down and communicated.
- Improved performance should be rewarded by increase in remuneration and suitable authority for value addition in future.
- Remuneration packages should strike a balance between fixed and incentive pay, where applicable, reflecting short and long term performance objectives appropriate to the Company's working and goals.
- Provisions of all applicable laws with regard to making payment of remuneration to the Board of Directors, KMP and Senior Management, as may be applicable from time to time, shall be complied.
- Whenever, there is any deviation from the Policy, the justification/reasons should also be indicated/ disclosed adequately.

Details of remuneration paid to Directors

Details of remuneration to Managerial Persons of the Company during the financial year 2017-18 is given below:

Name of the Director	Salary allowances & Perquisites (₹)	Sitting Fees paid (₹)	Commission Paid	Total (₹)	No. of Shares held as on 31.03.2018
Virender Kumar Agarwal	3,001,488	-	-	3,001,488	1,206,191
Seema Rani Agarwal	2,428,704	-	-	2,428,704	642,250
Mayank Agarwal	1,922,736	-	-	1,922,736	270,997
Amit Goela	-	13500	-	13500	NIL
Manish Kumar Gupta	-	13500	-	13500	NIL
Sushil Kapadia	-	8500	-	8500	NIL

Evaluation of the Board's Performance

During the year, the Board adopted a formal mechanism for evaluating its performance as well as that of its Committees and individual Directors. The exercise was carried out through a structured evaluation process covering various aspects of the Boards functioning such as composition of the Board & Committees, experience & competencies, performance of specific duties & obligations, governance issues etc. Separate exercise was carried out to evaluate the performance of individual Directors including the Board Chairman who were evaluated on parameters such as attendance, contribution at the meetings and otherwise, independent judgement, safeguarding of minority shareholders interest etc.

The evaluation of the Independent Directors was carried out by the entire Board and that of the Chairman and the Non-Independent Directors were carried out by the Independent Directors.

The Directors were satisfied with the evaluation results, which reflected the overall engagement of the Board and its Committees with the Company.

5. STAKEHOLDERS RELATIONSHIP COMMITTEE

a) Brief Description of terms of reference:

The terms of reference of the Stakeholders Relationship Committee are extensive covering the mandatory requirements under Regulation 20(4) read with Part D of Schedule II of SEBI (Listing Obligations & Disclosure Requirements) Regulations, 2015 and Section 178 of the Companies Act, 2013.

The role of the Committee is to periodically review and redress the shareholders' and investors' complaints included but not limited to the matters pertaining to transfer of shares, issue of duplicate share certificates, non-receipt of annual report and non-receipt of declared dividend, etc. The Committee oversees the performance of the Registrar and Transfer Agents and recommends measures for overall improvement in the quality of investor services.

b) Composition and Chairperson:

S. No.	Name of the Member	Designation
1.	Mr. Amit Goela	Chairman
2.	Mrs. Seema Rani Agarwal	Member
3.	Mr. Sushil Kapadia	Member

a) Meetings and Attendance during the year:

During the year under review, Four Stakeholder Relationship Committee meetings were held on 29th May, 2017, 12th August, 2017, 10th November, 2017 and 08th February, 2018. The attendance of each member of the Committee is given below.

S. No.	Name of the Member	Number of Meetings attended
1.	Mr. Amit Goela	4
2.	Mrs. Seema Rani Agarwal	4
3.	Mr. Sushil Kapadia	4

d) Name and designation of the Compliance Officer :

Ms. Deepa Dudani- Company Secretary appointed as Company Secretary cum Compliance Officer of the Company w.e.f. 07th of March, 2018.

e) Number of Shareholders complaints received so far: 9
f) Number of Shareholders complaints not resolved to the satisfaction of shareholder: Nil
g) Number of pending complaints: Nil
6. GENERAL BODY MEETINGS
a) Location, date and time for last three Annual General meetings are :

Financial Year	Date	Venue	Time
2014-15	25 th September, 2015	Kamat Lingapur Hotel, 1-10-44/2, Chikoti Gardens, Begumpet, Hyderabad-500016	4:00 P.M.
2015-16	05 th August, 2016	Kamat Lingapur Hotel, 1-10-44/2, Chikoti Gardens, Begumpet, Hyderabad-500016	11.30 A.M.
2016-17	02 nd September, 2017	D& J Grande Hotel, 4-3-51/C, K.S. Lane, Hanuman Tekdi, Sultan Bazar, Hyderabad - 500095, India	11.30 A.M.

b) Special Resolution passed in the previous three (3) Annual general meeting (AGMs)

Date	No. of Special Resolutions passed	Particulars of Special Resolution
09 th August, 2014	3	1.Re-appointment of Mr. Virender Kumar Agarwal as Managing Director of the company 2.Re-appointment of Ms. Seema Rani Agarwal as Joint Managing Director of the company. 3.Increase the borrowing limits pursuant to the provisions of Section 180(1)[c]
25 th September, 2015	2	1.To approve and ratify the appointment of Mr. Mayank Agarwal as the Whole-time Director for further period of 5(five) years 2.To approve the Change of Address of RTA for keeping Register of Members and other records.
05 th August,2016	1	1.Creation of charge / mortgage etc. on Company's movable or immovable properties in terms of Section 180(1) (a) of Companies Act, 2013

c) Whether special resolutions were put through postal ballot last year : No

At the ensuing Annual General Meeting, there is no resolution proposed to be passed through postal ballot.

d) Person who conducted the postal ballot exercise: Not Applicable
e) Whether any resolution is proposed to be conducted through postal ballot: No
f) Procedure for postal ballot: Not Applicable
g) Details of Extra-Ordinary General Meetings held during the Financial Year: Nil
7. OTHER DISCLOSURES :

- a) During the period under review, the Company had not entered into any material transaction with any of its related parties. None of the transactions with any of related parties were in conflict with the Company's interest. Attention of members is drawn to the disclosure of transactions with related parties set out in Note No. 32 of Audited Financial Statements, forming part of the Annual Report.

All related party transactions are negotiated on an arm's length basis in the ordinary course of business, and are intended to further the Company's interests.

- b) The Company has complied with the requirements of Stock Exchanges, SEBI and all other statutory authorities on all matters related to the capital markets during the last three years. There were no penalty imposed nor did any strictures pass on the Company by Stock Exchanges, SEBI and all other statutory authorities relating to above The Company has not received any material Demand, Show Cause, Prosecution, Penalty Notice etc.

c) Whistle Blower policy:

The Company has adopted a Whistle Blower Policy, to provide a formal mechanism to the Directors and employees to report their concerns about unethical behavior, actual or suspected fraud or violation of the Company's Code of Conduct or ethics policy.

The Policy provides for adequate safeguards against victimization of employees who avail of the mechanism and also provides for direct access to the Chairman of the Audit Committee. The Company promotes ethical behavior in all its business activities and has put in place a mechanism for reporting illegal or unethical behavior. It is affirmed that no personnel of the Company has been denied access to the Audit Committee.

d) The company has submitted the compliance report on Corporate Governance within the prescribed time pursuant to the Listing Agreement.

e) CEO and CFO Certificate :

In terms of the SEBI Listing Regulations, 2015, the Certificate duly signed by Managing Director and Chief Financial Officer of the Company was placed before the Board of Directors along with the financial statements for the year ended 31st March, 2018, at its meeting held on 29th May, 2018. The same is annexed herewith.

8. MEANS OF COMMUNICATION :

a. The Quarterly, half-yearly and yearly financial Results are published in the Business Standard (English Daily Newspaper) and Nava Telangana (Telugu Daily Newspaper) and are also posted on the Company's website at www.suryaamba.com

b. Information released to the press at the time of declaration of results is also sent to all Stock Exchanges where the shares of the Company are listed for the benefit of investors

9. GENERAL SHAREHOLDER INFORMATION

a. Annual General Meeting

Date **24th August, 2018**

Time 11.30 A.M.

Venue D&J Grande Hotel, 4-3-51/C, K.S. Lane, Hanuman Tekdi, Sultan Bazar, Hyderabad-500095, India

b. Financial Calendar 1st April, 2017 to 31st March, 2018

c. Date of Book closure 18th August, 2018 to 24th August, 2018 (both days inclusive)

d. Dividend Payment Date Within 30 days from the date of Annual General Meeting

e. Listed on stock exchange Bombay Stock Exchange Limited

Scrip Code : 533101

Phiroze Jeejeebhoy Towers, Dalal Street, Mumbai - 400 001

f. Market Price Data:

High, low and close during the month in last financial year and performance in comparison to broad based indices such as BSE Sensex, etc. Company's shares are being traded on BSE only the high, low & close prices during each month are given below:

Month	Bombay Stock Exchange			
	High (₹)	Low (₹)	Close (₹)	Volume (Nos)
April-2017	77.20	63.00	74.30	28,879
May-2017	78.00	53.30	54.50	31,269
June-2017	63.90	48.55	51.80	21,827
July-2017	65.85	52.00	58.00	13,263
August-2017	70.00	42.50	70.00	29,516
September-2017	70.00	54.30	59.25	16,070
October - 2017	69.50	60.40	65.90	4,845
November-2017	69.75	61.00	66.70	25,454
December-2017	73.75	64.00	68.15	40,756
January-2018	79.40	64.75	71.30	89,863
February-2018	79.40	65.35	76.70	29,410
March-2018	76.80	68.00	69.70	20,027

g. Stock Performance in Comparison to broad-based indices such as BSE Sensex

The Share Price of the Company has been moving with the trends of indices

Month	Share Price in BSE		BSE- Sensex	
	High (₹)	Low (₹)	High (₹)	Low (₹)
April-2017	77.20	63.00	30,184.22	29,241.48
May-2017	78.00	53.30	31,255.28	29,804.12
June-2017	63.90	48.55	31,522.87	30,680.66
July-2017	65.85	52.00	32,672.66	31,017.11
August-2017	70.00	42.50	32,686.48	31,128.02
September-2017	70.00	54.30	32,524.11	31,081.83
October-2017	69.50	60.40	33,340.17	31,440.48
November-2017	69.75	61.00	33,865.95	32,683.59
December-2017	73.75	64.00	34,137.97	32,565.16
January-2018	79.40	64.75	36,443.98	33,703.37
February-2018	79.40	65.35	36,256.83	33,482.81
March-2018	76.80	68.00	34,278.63	32,483.84

h. Registrar & Transfer Agents:

M/s. Karvy Computershare Private Limited

Karvy Selenium Tower B, Plot No.31 & 32, Gachibowli,
Financial District, Nanakaramguda, Serilingampally, Hyderabad- 500 032. Phone No. 040-44655000
Fax No.040-23420814
E-mail: einward@karvy.com, Website: www.karvycomputershare.com

i. Share transfer System:

The Board of Directors has delegated the power of approving transfer of shares to the Managing Director of the Company and the details regarding the transfers are placed before the Board of Directors at the subsequent meeting for their approval. The Company's Registers and Share Transfer Agent is M/s. Karvy Computer share Private Limited, Hyderabad, who look after shares transfers and other related works. The Company ensures that all transfers are affected within stipulated time period from the date of their lodgement with the Company.

In terms of SEBI circular No. D&CC/FITTC/CR-16 dated 31-12-2002, Secretarial Audit will be conducted on quarterly basis by a Practicing Company Secretary for the purpose of, inter alia, reconciliation of the total submitted Equity share capital with the depositories and in the physical form with the total issued/paid-up equity capital of the Company. Certificates so placed before the Board of Directors are forwarded to Bombay Stock Exchange Limited, where the shares of the Company are listed.

j. Distribution of Shareholding:

i. Shareholding pattern as on 31st March, 2018

S.N o.	Category	No. of Shares held	Percentage of Shareholding
1	BANKS	870	0.03
2	CLEARING MEMBERS	2192	0.07
3	H U F	35835	1.22
4	BODIES CORPORATES	33662	1.15
5	MUTUAL FUNDS	64	0.00
6	NON RESIDENT INDIANS	6014	0.21
7	NRI NON - REPATRIATION	746	0.03
8	PROMOTER GROUP	2159202	73.64
9	RESIDENT INDIVIDUALS	693359	23.65
	Total	2931944	100.00

ii. Distribution of Shareholding as on 31st March, 2018

S.No.	Share of Debenture Holding of Nominal Value of ₹	Share/ Debenture Holders		Share/ Debenture Amount	
		Number	% to Total	In ₹	% to Total
1	upto 1 - 5000	2779	92.42	2451150	8.36
2	5001 - 10000	117	3.89	925200	3.16
3	10001 - 20000	54	1.80	770140	2.63
4	20001 - 30000	14	0.47	366310	1.25
5	30001 - 40000	11	0.37	378790	1.29
6	40001 - 50000	8	0.27	358730	1.22
7	50001 - 100000	11	0.37	889030	3.03
8	100001 & ABOVE	13	0.43	23180090	79.06
	Total:	3007	100.00	29319440	100.00

iii. Shareholding pattern as on 31st March, 2018

Category of Shareholder	As on 31.03.2018		
	No. of Share holders	Total No. of Shares	% of Shareholding
(A) Promoter's Holding			
Indian Promoters	7	2159202	73.64
Total Promoter's Holding (A)	7	2159202	73.64
(B) Public Shareholding			
(1) Institutional Investors			
Mutual Funds	2	64	0.00
Financial Institutions/Banks	3	870	0.03
(2) Non-Institutional Investors			
Bodies Corporate	59	33662	1.15
Individuals	2624	729194	24.87
(3) Others			
Non-Resident Indians	8	6014	0.21
Overseas Corporate Bodies	Nil	Nil	-
Non Resident Indian Non Repatriable	6	746	0.03
Trusts	Nil	Nil	-
Clearing Members	2	2192	0.07
Total Public Shareholding (B)	2704	772742	26.36
Shares held by Custodian against			
Depository Receipts [c]	Nil	Nil	-
TOTAL (A+B+ C)	2711	2931944	100.00



h. Dematerialization of Shares & Liquidity:

The shares of the Company are compulsorily traded in DE-MAT form in the Stock Exchanges where they are listed. The shares are available for dematerialization on both the Depositories viz., National Securities Depository Limited(NSDL) and Central Depository Services(India) Limited(CDSL).

As on 31st March, 2018, 28,68,000 Equity shares were dematerialized representing 97.82% of the total paid up equity share capital of the Company. The ISIN allotted to the company's scrip is INE360J01011. The shares of the Company are actively traded at Bombay Stock Exchange Limited, Mumbai.

Address of Registrar for Dematerialization of Shares:

M/s. Karvy Computershare Private Limited
 Karvy Selenium Tower B, Plot No.31 & 32, Gachibowli,
 Financial District, Nanakaramguda, Serilingampally, Hyderabad- 500 032.
 Phone No. 040-44655000 Fax No.040-23420814
 E-mail: einward@karvy.com
 Website: www.karvycomputershare.com

i. Outstanding GDRs/ADRs/Warrants or any Convertible instruments, conversion date and likely impact on Equity: Not applicable

k. Plant Locations:

Survey No.300, Mauza - Nayakund, Parseoni Road, Dist. Nagpur, Maharashtra- 441 105

l. Address for Correspondence:

For transfer/dematerialization of shares, change of Address of members and other:	Any queries relating to Annual reports, etc. queries relating to the shares of the Company
M/s. Karvy Computershare Private Limited Karvy Selenium Tower B, Plot No.31 & 32, Gachibowli, Financial District, Nanakaramguda, Serilingampally, Hyderabad- 500 032. Phone No. 040 44655000 Fax No.040 23420814 E-mail: einward@karvy.com	The Compliance Officer, Suryaamba Spinning Mills Limited Surya Towers, 1 st Floor, 105, Sardar Patel Road, Secunderabad- 500 003. Phone No.040-27813360 E-mail: cssuryaamba@gmail.com , samba.ngp@gmail.com

DECLARATION

As provided under the SEBI Listing Regulations, 2015, all Board members and Senior Management Personnel have affirmed compliance with Suryaamba Spinning Mills Limited Code of Conduct for the year ended 31st March, 2018.

By Order of the Board
For Suryaamba Spinning Mills Limited

Place: Nagpur, Maharashtra
 Date : July 20, 2018

Virender Kumar Agarwal
 Managing Director
 DIN : 00013314

Seema Rani Agarwal
 Jt. Managing Director
 DIN : 01430206

CERTIFICATE BY THE CHIEF EXECUTIVE OFFICER [CEO] & CHIEF FINANCIAL OFFICER [CFO]

To
The Board of Directors,
M/s. Suryaamba Spinning Mills Limited

We, Virender Kumar Agarwal, Managing Director and Gajanan Chhawsaria, CFO of Suryaamba Spinning Mills Limited hereby certify to the Board that:

- a. We have reviewed the financial statements and the cash flow statements for the year ended 31st March, 2018 and certify that to the best of our knowledge and belief;
 - i. These statements do not contain any materially untrue statement nor omit any material fact not contain statements that might be misleading; and
 - ii. These statements together present a true and fair view of the Company's affairs and are in compliance with the existing accounting standards, applicable laws and regulations.
- b. There are, to the best of our knowledge and belief, no transactions entered into by the Company during the year, which are fraudulent, illegal or violative of the Company's code of conduct;
- c. We accept responsibility for establishing and maintaining internal controls in the Company and that we have evaluated the effectiveness of the internal control systems of the Company and we have disclosed to the auditors and the audit committee, deficiencies in the design or the operation of internal controls, if any, of which we are aware and the steps that we have taken or propose to take and rectify the identified deficiencies
- d. We have indicated to the auditors and the Audit Committee of:
 - i. Significant changes in the internal control during the year;
 - ii. Significant changes in accounting policies during the year and that the same have been disclosed in the notes to the financial statements; and
 - iii. There are no instances of significant fraud of which we have become aware.
 - (a) We affirm that we have not denied any personnel access to the Audit Committee of the Company (in respect of matters involving alleged misconduct).
 - (b) We further declare that all Board Members and designated Senior Management have affirmed compliance with the Code of Conduct for the Current year

By Order of the Board
For Suryaamba Spinning Mills Limited

Place: Nagpur, Maharashtra
Date : May 29, 2018

Virender Kumar Agarwal Managing Director DIN : 00013314	Gajanan Chhawsaria CFO
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CERTIFICATE ON CORPORATE GOVERNANCE

To,
The Members of
SURYAAMBA SPINNING MILLS LIMITED

This report contains details of compliance of conditions of Corporate Governance by Suryaamba Spinning Mills Limited ('the Company') for the year ended 31st March, 2018 as stipulated in regulations 17-27, clause (b) to (i) of regulation 46 (2) and paragraphs C, D and E of Schedule V of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 ('Listing Regulations') pursuant to the Listing Agreement of the Company with Stock Exchanges.

Management's Responsibility for compliance with the conditions of Listing Regulations

1. The compliance with the terms and conditions contained in the corporate governance is the responsibility of the Management of the Company including the preparation and maintenance of all relevant supporting records and documents.

Auditor's Responsibility

2. Our examination was limited to procedures and implementation thereof adopted by the Company for ensuring the compliance of the conditions of Corporate Governance. It is neither an audit nor an expression of opinion on the financial statements of the Company.
3. Pursuant to the requirements of the Listing Regulations, it is our responsibility to provide a reasonable assurance whether the Company has complied with the conditions of Corporate Governance as stipulated in Listing Regulations for the year ended 31st March, 2018.
4. We conducted our examination in accordance with the Guidance Note on Reports or Certificates for Special Purposes issued by the Institute of Chartered Accountants of India (ICAI). The Guidance Note requires that we comply with the ethical requirements of the Code of Ethics issued by ICAI.
5. We have complied with the relevant applicable requirements of the Standard on Quality Control (SQC) Quality Control for Firms that Perform Audits and Reviews of Historical Financial Information, and Other Assurance and Related Services Engagements.

Opinion

6. In our opinion, and to the best of our information and according to explanations given to us, we certify that the Company has complied with the conditions of Corporate Governance as stipulated in the above-mentioned Listing Regulations.
7. We state that such compliance is neither an assurance as to the future viability of the Company nor the efficiency or effectiveness with which the management has conducted the affairs of the Company.

For S. Venkatadri & Co.,
Chartered Accountants
Firm's Regn No.- 004614S

(K.SRINIVASA RAO)
PARTNER
M.No. 201470

Place : Hyderabad
Date : May 29, 2018

Independent Auditors' Report

TO THE MEMBERS OF SURYAAMBA SPINNING MILLS LIMITED

Report on the Ind AS Financial Statements

We have audited the accompanying Ind AS financial statements of SURYAAMBA SPINNING MILLS LIMITED ("the Company"), which comprise the Balance Sheet as at March 31, 2018, and the Statement of Profit and Loss (including Other Comprehensive Income), the Cash Flow Statement and the Statement of Changes in Equity for the year then ended, and a summary of significant accounting policies and other explanatory information (hereinafter referred to as "the Ind AS financial statements").

Management's Responsibility for the Ind AS Financial Statements

The Company's Board of Directors is responsible for the matters stated in Section 134(5) of the Companies Act, 2013 ("the Act") with respect to the preparation of these Ind AS financial statements that gives a true and fair view of the financial position, financial performance including other comprehensive income, cash flows and the changes in equity of the Company in accordance with the accounting principles generally accepted in India, including the Indian Accounting Standards (Ind AS) specified in the Companies (Indian Accounting Standard) Rules, 2016 (as amended) prescribed under Section 133 of the Act.

This responsibility also includes the maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding the assets of the Company and for preventing and detecting frauds and other irregularities; selection and application of appropriate accounting policies; making judgments and estimates that are reasonable and prudent; and design, implementation and maintenance of adequate internal financial controls, that were operating effectively for ensuring the accuracy and completeness of the accounting records, relevant to the preparation and presentation of the Ind AS financial statements that gives a true and fair view and are free from material misstatement, whether due to fraud or error.

Auditor's Responsibility

Our responsibility is to express an opinion on these Ind AS financial statements based on our audit. In conducting our audit, we have taken into account the provisions of the Act and the Rules made thereunder including the accounting and auditing standards and the matters which are required to be included in the audit report under the provisions of the Act and the Rules made thereunder.

We conducted our audit of Ind AS financial statement in accordance with the Standards on Auditing specified under Section 143(10) of the Act. Those Standards require that we comply with ethical requirements and plan and perform the audit to obtain the reasonable assurance about whether the Ind AS financial statements is free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the Ind AS financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the Ind AS financial statements, whether due to fraud or error. In making those risk assessments; the auditor considers internal financial control relevant to the Company's preparation of the Ind AS financial statements that gives a true and fair view in order to design the audit procedures that are appropriate in the circumstances. An audit also includes evaluating the

appropriateness of the accounting policies used and the reasonableness of the accounting estimates made by Company's Directors, as well as evaluating the overall presentation of the Ind AS financial statements.

We believe that the audit evidence obtained by us is sufficient and appropriate to provide a basis for our audit opinion on the Ind AS financial statements.

Opinion

In our opinion and to the best of our information and according to the explanations given to us, the aforesaid Ind AS financial statements give the information required by the Act in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India including Ind AS, of the state of affairs of the Company as at March 31, 2018, and its profit (including total comprehensive income), its cash flows and the changes in equity for the year ended on that date.

Other Matter

The comparative financial information of the Company for the year ended March 31, 2017 and the transition date Opening Balance Sheet as at April 01, 2016 included in these Ind AS financial statements, are based on the previously issued statutory financial statement for the year ended on March 31, 2017 and March 31, 2016 prepared in accordance with the Companies (Accounting Standards) Rules, 2006 (as amended) audited by us whose report dated May 29, 2017 and June 10, 2016 respectively expressed an unmodified opinion on those financial statements, as adjusted for the differences in accounting principles adopted by the Company on the transition to Ind AS, which have been audited by us.

Our opinion on the Ind AS financial statements and our Report on Other Legal and Regulatory Requirements below are not modified in respect of these matters.

Report on Other Legal and Regulatory Requirements

1. As required by the Companies (Auditors' Report) Order, 2016 ("the Order") issued by the Central Government in terms of Sub - Section (11) of Section 143 of the Act, we give in Annexure - "A" a statement on the matters specified in paragraph 3 and 4 of the Order.
2. As required by Section 143(3) of the Act, based on our audit, we report that:
 - a. We have sought and obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purposes of our audit;
 - b. In our opinion, proper books of account as required by the law have been kept by the Company so far as it appears from our examination of those books;
 - c. The Ind AS financial statements dealt with by this report are in the agreement with the relevant books of account;
 - d. In our opinion, the aforesaid Ind AS financial statements comply with the Indian Accounting Standards prescribed under Section 133 of the Act read with the relevant rules issued thereunder;

- e. On the basis of the written representation received from the directors as on March 31, 2018 taken on the record by the Board of Directors, none of directors is disqualified as on March 31, 2018, from being appointed as a director in term of Section 164(2) of the Act.
- f. With respect to adequacy of the internal financial controls over financial reporting of the Company, and the operating effectiveness of such control, refer to our separate report in Annexure – “B”. Our report expresses an unmodified opinion on the adequacy and operating effectiveness of the Company’s internal financial controls over financial reporting.
- g. With respect to the other matters to be included in the Independent Auditor’s Report in accordance with the Rule 11 of the Companies (Audit and Auditors) Rules, 2014, as amended, in our opinion and to the best of our information and according to the explanations given to us;
- (i) The Company has disclosed the impact of pending litigations on its financial position in its Ind AS financial statements – “Refer Notes No. 34”.
- (ii) The provisions has been made in Ind AS financial statements, as required under the applicable law or accounting standards, for material foreseeable losses, if any, on long term contracts including derivative contracts.
- (iii) There has been no delay in transferring the amounts, required to be transferred, to the Investor Education and Protection Fund by the Company.

For S. VENKATADRI & CO.
Chartered Accountants
FRN No. 004614S

PLACE : HYDERABAD
DATED: MAY 29, 2018

K. SRINIVASA RAO
Partner
Membership No. 201470

Annexure "A" to the Independent Auditors' Report

(Referred to in Paragraph 1 under "Report on the Other Legal and Regulatory Requirements" Section of Our Report of Even Date)

Report on the Companies (Auditor's Report) Order, 2016 ("the Order") issued by the Central Government in term of Sub - Section (11) of Section 143 of the Companies Act, 2013 ("the Act") of SURYAAMBA SPINNING MILLS LIMITED ("the Company")

- i) In respect of the Company's fixed assets:
 - (a) The Company has maintained proper records in the electronic mode showing the full particulars, including quantitative details and situation of fixed assets.
 - (b) The fixed assets were physically verified by the management in accordance with a regular programme of verification which, in our opinion, provides for physical verification of all the fixed assets at reasonable intervals. According to the information and explanation given to us, no material discrepancies were noticed on such physical verification. In our opinion, this periodicity of physical verification is reasonable having regards to the size of the Company and the nature of its fixed assets.
 - (c) According to the information and explanations given to us and on the basis of our examination of the records of the Company produced and verified by us, we report that, the title deeds of immovable properties of land and buildings which are freehold land, are held in the name of the Company as at the Balance Sheet date.
- ii) In respect of the Company's inventories:

As explained to us, inventories except goods in transit and stock lying with the third parties have been physically verified during the year by the management at reasonable intervals. In our opinion, the frequency of such verification is reasonable and adequate. For stock lying with third parties at the year end, written confirmations have been obtained. As explained to us, there was no material discrepancies noticed on such physical verification of inventories as compared to the book records. However, the deficiencies if any, noticed on such physical verification have been properly dealt with in the books of accounts.
- iii) According to the information and explanations given to us, the Company has not granted any loans, secured or unsecured, to any companies, firms, and limited Liabilities partnerships or other parties are covered in the register maintained under section 189 of Companies Act, 2013. Hence, the sub - clause (a), (b) and (c) of the said clause are not applicable to the Company.
- iv) According to the information and explanations given to us, the Company has not provided any loans, guarantee, and securities and not made any investments as per the provisions of Section 185 and 186 of the Act. Hence, the provision of the clause (iv) of the said Order are not applicable to the Company.
- v) The Company has not accepted any deposits during the year and does not have any unclaimed deposits as at March 31, 2018 from the Public in accordance with the provision of Section 73 to Section 76 or any other provisions of the Companies Act, 2013 and the rules made thereunder.
- vi) We have broadly reviewed the cost records maintained by the Company pursuant to the Companies (Cost Records and Audit) Rules, 2014, as amended prescribed by the Central Government under section 148(1) of the Companies Act, 2013, and are of the opinion that, prima facie, the prescribed cost record have been made and maintained. However, we have not made a detailed examination of the cost records with a view to determine whether they are accurate or complete.
- vii) According to the information and explanations given to us and on the basis of our examination of the records of the Company, in respect of statutory dues, we report that:
 - (a) The Company has generally been regular in depositing the undisputed statutory dues, including Provident Fund, Employees' State Insurance, Income Tax, Sales Tax, Service Tax, Goods and Service



Tax, Value Added Tax, Duties of Custom, Duties of Excise, Cess and other material statutory dues applicable to it with the appropriate authorities in India.

According to the information and explanations given to us, no undisputed amounts payable in respect of Provident Fund, Employees' State Insurance, Income Tax, Goods and Service Tax, Sales Tax, Value Added Tax, Service Tax, Duties of Custom, Duties of Excise, Cess and Other Material Statutory Dues were in arrears as at March 31, 2018 for a period of more than six months from the date they became payable.

(b) According to the information and explanation given to us and based on the records of the Company's examined by us, there are no material dues of Duties of Customs, Income Tax, Goods and Service Tax, Sales Tax, Duties of Excise, Service Tax and Value Added Tax which have not been deposited with the appropriate authority on account of any dispute.

- vii) According to the information and explanation given to us and based on the records of the Company's examined by us, the Company has not defaulted in the repayments of dues to the financial institution, banks, government or debenture holder during the year.
- ix) The Company has not raised any moneys by way of initial public offer or further public offer (including debt instruments). However, the term loan have been applied for the purpose for which the loans were obtained except the funds deployed temporarily elsewhere.
- x) According to the information and explanation given to us and on the basis of examination of records of the Company, we report that no fraud by the Company or no material fraud on the Company by any of its officers or employees has been noticed or reported during the course of audit.
- xi) According to the information and explanations given to us and the basis of examinations of the records of the Company, the Company has paid and provided the Managerial Remuneration in accordance with the requisite approvals mandated by the provision of the Section 197 read along with the Schedule - V of the Act.
- xii) The Company is not a Nidhi Company and hence the reporting under clause 3(xii) of the Order is not applicable to the Company.
- xiii) According to information and explanations given to us and based on our examination of the records of the Company, all transactions with the related parties are in compliance with Section 177 and Section 188 of the Act where applicable and details of such transactions have been disclosed in the Ind AS financial statements as required by the applicable Indian Accounting Standards.
- xiv) During the year, the Company has not made any preferential allotment or private placement of shares or fully or partly convertible debentures and hence the reporting under clause 3(xiv) of the said Order is not applicable to Company.
- xv) In our opinion and according to the information and explanation given to us, during the year, the Company has not entered into any non – cash transactions with its Directors or the persons connected with him and hence the provisions of Section 192 of the Act are not applicable. Thus, reporting under clause 3 (xv) of the Order is not applicable to the Company.
- xvi) The Company is not required to be registered under Section 45-IA of the Reserve Bank of India Act, 1934

For S. VENKATADRI & CO.
Chartered Accountants
FRN No. 004614S

K. SRINIVASA RAO.
Partner
Membership No. 201470

PLACE : HYDERABAD
DATED: MAY 29, 2018

Annexure "B" to the Independent Auditors' Report

(Referred to in Paragraph 2(f) under "Report on the Other Legal and Regulatory Requirements" Section of Our Report of Even Date)

Report on the Internal Financial Controls Over Financial Reporting under Clause (i) of Sub - Section 3 of Section 143 of the Companies Act, 2013 ("the Act")

We have audited the internal financial controls over financial reporting of **SURYAAMBA SPINNING MILLS LIMITED** ("the Company") as of March 31, 2018 in conjunction with our audit of the Ind AS financial statements of the Company for the year ended on that date.

Management's Responsibility for Internal Financial Controls

The Company's management is responsible for establishing and maintaining internal financial controls based on the internal control over financial reporting criteria established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls over Financial Reporting issued by the Institute of Chartered Accountants of India ("ICAI"). These responsibilities include the design, implementation and maintenance of adequate internal financial controls that were operating effectively for ensuring the orderly and efficient conduct of its business, including adherence to the Company's policies, the safeguarding of its assets, the prevention and detection of frauds and errors, the accuracy and completeness of the accounting records, and the timely preparation of reliable financial information, as required under the Companies Act, 2013.

Auditors' Responsibility

Our responsibility is to express an opinion on the Company's internal financial controls over financial reporting based on our audit. We conducted our audit in accordance with the Guidance Note on Audit of Internal Financial Controls over Financial Reporting (the "Guidance Note") and the Standards on Auditing, issued by ICAI and prescribed under Section 143(10) of the Companies Act, 2013, to the extent applicable to an audit of internal financial controls, both applicable to an audit of Internal Financial Controls and both, issued by the Institute of Chartered Accountants of India. Those Standards and the Guidance Note require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether adequate internal financial controls over financial reporting were established and maintained and if such controls operated effectively in all material respects.

Our audit involves performing procedures to obtain audit evidence about the adequacy of the internal financial controls system over financial reporting and their operating effectiveness. Our audit of internal financial controls over financial reporting included obtaining an understanding of internal financial controls over financial reporting, assessing the risk that a material weakness exists, and testing and evaluating the design and operating effectiveness of internal control based on the assessed risk. The procedures selected depend on the auditors' judgment, including the assessment of the risks of material misstatement of the Ind AS financial statements, whether due to fraud or error.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion on the Company's internal financial controls system over financial reporting.

Meaning of Internal Financial Controls over Financial Reporting

A company's internal financial control over financial reporting is a process designed to provide reasonable assurance regarding the reliability of financial reporting and the preparation of Ind AS financial statements for external purposes in accordance with generally accepted accounting principles including Ind AS.

A Company's internal financial control over financial reporting includes those policies and procedures that (1) pertain to the maintenance of records that, in reasonable detail, accurately and fairly reflect the transactions and dispositions of the assets of the Company; (2) provide reasonable assurance that transactions are recorded as necessary to permit preparation of Ind AS financial statements in accordance with generally accepted accounting principles including Ind AS, and that receipts and expenditures of the Company are being made only in accordance with authorizations of management and Directors of the Company; and (3) provide reasonable assurance regarding prevention or timely detection of unauthorized acquisition, use, or disposition of the Company's assets that could have a material effect on the Ind AS financial Statements.

Inherent Limitations of Internal Financial Controls over the Financial Reporting

Because of the inherent limitations of internal financial controls over financial reporting, including the possibility of collusion or improper management override of controls, material misstatements due to error or fraud may occur and not be detected. Also, projections of any evaluation of the internal financial controls over financial reporting to future periods are subject to the risk that the internal financial control over financial reporting may become inadequate because of changes in conditions, or that the degree of compliance with the policies or procedures may deteriorate.

Opinion

In our opinion, to the best of our information and according to the explanations given to us, the Company has, in all material respects, an adequate internal financial controls system over financial reporting and such internal financial controls over financial reporting were operating effectively as at March 31, 2018, based on the internal control over financial reporting criteria established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting issued by the Institute of Chartered Accountants of India.

For **S. VENKATADRI & CO.**
Chartered Accountants
FRN No. 004614S

PLACE : HYDERABAD
DATED: MAY 29, 2018

K. SRINIVASA RAO.
Partner
Membership No. 201470

Balance Sheet As at 31st March 2018
(Figures in ₹ Lakhs)

Particulars	Notes	As at 31st March 2018	As At 31st March 2017	As At 1st April 2016
ASSETS				
1. NON-CURRENT ASSETS				
(a) Property, Plant & Equipment	03	5,978.63	6,014.02	5,119.04
(b) Intangible Assets		-	-	-
(c) Capital Work-in-Progress	04	29.83	28.34	165.78
(d) Financial Assets				
- Other Financial Assets	05	57.07	75.90	215.95
(e) Other Non-current Assets	06	174.72	226.21	260.23
Total Non-current assets		6,240.25	6,344.47	5,761.00
2. CURRENT ASSETS				
(a) Inventories	07	1,743.24	1,646.91	1,114.31
(b) Financial Assets				
- Trade Receivables	08	1,209.33	983.92	1,264.37
- Cash and Cash Equivalents	09A	8.99	12.89	6.43
- Other Balances with Bank	09B	12.37	13.35	13.56
- Other Financial Assets	05	17.33	12.97	16.97
(c) Current Tax Assets (Net)		-	-	-
(d) Other Current Assets	06	692.26	846.77	731.58
Total Current Assets		3,683.52	3,516.81	3,147.22
TOTAL ASSETS		9,923.77	9,861.28	8,908.22
EQUITY AND LIABILITIES				
EQUITY				
(a) Equity Share Capital	10	293.19	293.19	293.19
(b) Other Equity	11	2,308.76	2,109.06	2,067.38
Total Equity		2,601.95	2,402.25	2,360.57
LIABILITIES				
1. Non-current liabilities				
(a) Financial Liabilities				
- Borrowings	12	2,851.30	3,375.21	2,850.46
- Other Financial Liabilities	13	3.00	2.28	2.28
(b) Long Term Provisions	14	427.50	388.81	311.08
(c) Deferred Tax Liabilities (Net)	15	470.25	479.57	445.33
(d) Other Non-current Liabilities	16	-	-	-
Total Non-current liabilities		3,752.05	4,245.87	3,609.15
2. CURRENT LIABILITIES				
(a) Financial Liabilities				
- Borrowings	17	1,857.14	1,646.07	1,613.39
- Trade Payables	18	763.81	647.63	692.48
- Other Financial Liabilities	13	786.83	747.36	438.62
(b) Other Current Liabilities	16	45.87	77.31	54.03
(c) Short Term Provisions	14	84.55	74.43	74.43
(d) Current Tax Liabilities (Net)	19	31.57	20.36	65.55
Total Current Liabilities		3,569.77	3,213.16	2,938.50
TOTAL EQUITY AND LIABILITIES		9,923.77	9,861.28	8,908.22

Significant Accounting Policies

The accompanying notes are forming integral part of the Financial Statements

As per our report of even date attached

 For **S. VENKATADRI & CO.**

Chartered Accountants

FRN No.: 004614S

K. SRINIVASA RAO

Partner

Membership No. 201470

Place : Hyderabad

Dated: May 29, 2018

1 & 2

VIRENDER KUMAR AGRAWAL

Managing Director

DIN No : 00013314

G N CHHAWARIA

Chief Financial Officer

Place : Nagpur

Dated: May 29, 2018

For and on behalf of the Board
SEEMA RANI AGARWAL

Jt. Managing Director

DIN No : 01430206

DEEPA DUDANI

Company Secretary

Place : Nagpur

Dated: May 29, 2018

Statement of Profit and Loss For the Year ended 31st March 2018 (Figures in ₹ Lakhs)

Particulars	Notes	For the year ended 31st March 2018	For the year ended 31st March 2017
I. REVENUE			
1 Revenue from Operations	20	15,212.85	13,367.19
2 Other Operating Revenue	21	81.02	575.33
3 Other Income	22	44.51	17.13
II. Total Income (1 TO 3)		15,338.38	13,959.65
III. EXPENSES :			
1 Cost of Materials Consumed	23	9,364.41	8,952.72
2 Purchases of Stock-in-Trade		-	-
3 "Changes in Inventories of Finished Goods, Work-in-Progress and Stock-in-Trade"	24	(10.79)	(351.25)
4 Employee Benefits Expense	25	1,847.86	1,707.11
5 Other Expenses	26	2,630.41	2,469.84
IV. Total Expenses (1 TO 5)		13,831.88	12,778.43
V. Earning Before Interest, Tax, Depreciation & Amortization (EBITDA) (II - IV)		1,506.50	1,181.23
1 Finance Costs	27	705.64	634.52
2 Depreciation and Amortization Expense	28	446.29	404.24
VI. Profit Before Exceptional Item and Tax		354.57	142.47
1 Exceptional Items		-	-
VII. Profit Before Tax (PBT)		354.57	142.47
VIII. Tax Expenses:			
1 Current Tax	29	97.08	59.07
2 Deferred Tax	15	(9.46)	20.25
3 MAT Credit Entitlement / (Utilization)		29.63	14.50
4 Income Tax Related to Earlier Year		2.63	-
IX. Total Tax Expenses (1 TO 4)		119.88	93.82
X. Profit After Tax (PAT) (VII - IX)		234.69	48.65
XI. Other Comprehensive Income			
A) Items that will not be reclassified to Statement of Profit and Loss			
(a) Remeasurements of the Defined Benefit Plans		47.16	42.31
(b) Income Tax Expenses on the above		(15.59)	(13.99)
B) Items that will be reclassified subsequently Statement of Profit and Loss		-	-
XII. Total Other Comprehensive Income		31.57	28.32
XIII. Total Comprehensive Income for the year (X+XII)		266.26	76.98
XIV Earnings per Equity Share			
Basic - (In ₹)	40	8.00	1.66
Diluted - (In ₹)		8.00	1.66

Significant Accounting Policies

The accompanying notes are forming integral part of the Financial Statements

As per our report of even date attached

 For **S. VENKATADRI & CO.**

Chartered Accountants

FRN No.: 0046145

K. SRINIVASA RAO

Partner

Membership No. 201470

Place : Hyderabad

Dated: May 29, 2018

VIRENDER KUMAR AGRAWAL

Managing Director

DIN No : 00013314

G N CHHAWARIA

Chief Financial Officer

Place : Nagpur

Dated: May 29, 2018

SEEMA RANI AGARWAL

Jt. Managing Director

DIN No : 01430206

DEEPA DUDANI

Company Secretary

Place : Nagpur

Dated: May 29, 2018

1 & 2

For and on behalf of the Board

Statement of Changes in Equity for the year ended 31st March 2018 (Figures in ₹ Lakhs)

Particulars	As at 31st March 2018		As at 31st March 2017			
	Number	(₹ In Lakhs)	Number	(₹ In Lakhs)		
A) Equity Share Capital						
Balance at the beginning of the reporting period	2,931,944	293.19	2,931,944	293.19		
Net issued Share Capital at beginning of reporting period	2,931,944	293.19	2,931,944	293.19		
Changes in Equity Share Capital during reporting period	-	-	-	-		
Balance at the end of the reporting period	2,931,944	293.19	2,931,944	293.19		
B) Other Equity						
Particulars	Invest ment Subsidy	Capital Redemption Reserve	Securities Premium	General Reserve	Retained Earnings	Total
Balance as at 01 April 2016 (A)	30.00	57.53	358.96	1,159.99	460.91	2,067.38
Additions During the Year :						
Net Profit / (Loss) during the year	-	-	-	-	48.65	48.65
Transferred from Statement of Profit and Loss	-	-	-	0.50	-	0.50
Items of Other Comprehensive Income for the year (Net of Taxes)						
Remeasurement of benefit of defined benefits plan	-	-	-	-	28.32	28.32
Total Comprehensive Income for the year 2016 - 2017 (B)	30.00	57.53	358.96	1,160.49	537.88	2,144.85
Reductions during the year:						
Final Dividend	-	-	-	-	(29.32)	(29.32)
Income Tax on Final Dividend	-	-	-	-	(5.97)	(5.97)
Transferred to General Reserve	-	-	-	-	(0.50)	(0.50)
Total Reductions during the year (C)	-	-	-	-	(35.79)	(35.79)
Balance as at March 31, 2017 (D) = (B - C)	30.00	57.53	358.96	1,160.49	502.09	2,109.06
	Reserves & Surplus					
Particulars	Invest ment Subsidy	Capital Redemption Reserve	Securities Premium	General Reserve Lakhs)	Retained Earnings	Total
Balance as at 01 April 2017 (D)	30.00	57.53	358.96	1,160.49	502.09	2,109.06
Additions During the Year :						
Net Profit / (Loss) during the year	-	-	-	-	234.69	234.69
Transferred from Statement of Profit and Loss	-	-	-	0.50	-	0.50
Items of Other Comprehensive Income for the year (Net of Taxes)						
Remeasurement of benefit of defined benefits plan	-	-	-	-	31.57	31.57
Total Comprehensive Income for the year 2017 - 2018 (E)	30.00	57.53	358.96	1,160.99	768.35	2,375.82
Reductions during the year:						
Adjustment in respect of Gratuity Provision (Net of Taxes)	-	-	-	-	(31.28)	(31.28)
Final Dividend	-	-	-	-	(29.32)	(29.32)
Income Tax on Final Dividend	-	-	-	-	(5.97)	(5.97)
Transferred to General Reserve	-	-	-	-	(0.50)	(0.50)
Total Reductions during the year (F)	-	-	-	-	(67.06)	(67.06)
Balance as at March 31, 2018 (G) = (E - F)	30.00	57.53	358.96	1,160.99	701.28	2,308.76

Significant Accounting Policies

The accompanying notes are forming integral part of the Financial Statements

As per our report of even date attached

 For **S. VENKATADRI & CO.**

 Chartered Accountants
 FRN No.: 004614S

K. SRINIVASA RAO

 Partner
 Membership No. 201470
 Place : Hyderabad
 Dated: May 29, 2018

1 & 2

VIRENDER KUMAR AGRAWAL

 Managing Director
 DIN No : 00013314

G N CHHAWSARIA

Chief Financial Officer

 Place : Nagpur
 Dated: May 29, 2018

For and on behalf of the Board
SEEMA RANI AGARWAL

 Jt. Managing Director
 DIN No : 01430206

DEEPA DUDANI

Company Secretary

 Place : Nagpur
 Dated: May 29, 2018

Cash Flow Statement For the Year ended 31st March 2018
(Figures in ₹ Lakhs)

Sr. No.	Particulars	For the year ended 31st March 2018	For the year ended 31st March 2017
A.	CASH FLOW FROM OPERATING ACTIVITIES		
	Net Profit/(Loss) before Tax for the year as per the Statement of Profit or Loss	354.57	142.47
	Adjustments for :		
	Depreciation and Amortisation Expenses	446.29	404.24
	Finance Cost	705.64	634.52
	Interest Income	(8.59)	(5.73)
	Rental Income	(6.80)	(9.65)
	Preliminary Expenses Written Off	-	0.46
	(Surplus) / Loss on Disposal of Property, Plants and Equipments (Net)	(0.40)	(0.85)
	Operating Profit before Working Capital Changes	1,490.71	1,165.46
	Changes in Working capital		
	Adjustments for :		
	(Increase) / Decrease in Trade Receivables	(225.41)	280.45
	(Increase) / Decrease in Financial Assets	14.46	144.05
	(Increase) / Decrease in Inventories	(96.33)	(532.60)
	(Increase) / Decrease in Other Current Assets	154.51	(115.65)
	Increase / (Decrease) in Trade Payables	116.18	(44.85)
	Increase / (Decrease) in Financial Liabilities	41.18	308.95
	Increase / (Decrease) in Short Term Borrowings	211.07	32.68
	Increase / (Decrease) in Other Current Liabilities	(31.44)	23.28
	Increase / (Decrease) in Short Term Provisions	(12.87)	(68.05)
	Cash Generated from Operating Activities	1,662.06	1,193.72
	Income Tax Paid (Net of Refund) during the year	(65.52)	(35.53)
	Net Cash Generated / (Used) from Operating Activities	1,596.54	1,158.19
B.	CASH FLOW FROM INVESTING ACTIVITIES		
	Investment in Property, Plants and Equipments	(417.20)	(1,299.84)
	Investment / (Transfer) in Capital Work-in-Progress	(1.49)	137.44
	Disposal of Property, Plants and Equipments	6.30	0.63
	Surplus / (Loss) on Disposal of Property, Plants and Equipments	0.40	0.85
	Capital Advances	21.86	18.83
	Rental Income	6.80	9.65
	Interest Income	8.58	5.73
	Net Cash Generated / (Used) from Investing Activities	(374.75)	(1,126.71)

(Figures in ₹ Lakhs)

Sr. Particulars No.	For the year ended 31st March 2018		For the year ended 31st March 2017	
C. CASH FLOW FROM FINANCING ACTIVITIES				
Proceeds/(Repayments) from Non - Current Borrowings	(523.91)		524.75	
Increase / (Decrease) in Long Term Provisions	39.13		120.04	
Finance Cost	(705.64)		(634.52)	
Dividend and Dividend Distribution Tax Paid	(35.29)		(35.29)	
Net Cash Received/(Used) from Financing Activities		(1,225.71)		(25.02)
D. Net Increase/(Decrease) in Cash and Cash Equivalants (A + B + C)		(3.91)		6.46
E. Cash and cash equivalents at the beginning of the year		12.89		6.43
F. Cash and cash equivalents at the end of the year		8.99		12.89
G. Increase/(Decrease) in Cash and Cash Equivalants (G=F-E)	(3.91)		6.46	

Notes

a) The above Cash Flow Statement has been prepared under the "Indirect Method" as set out in the Indian Accounting Standards (Ind AS - 7) - "**Statement of Cash Flow**".

b) **Cash and Cash Equivalants Comprises of:**

(Figures in ₹ Lakhs)

Sr. Particulars No.	For the year ended 31st March 2018		For the year ended 31st March 2017	
1 Balances with Banks				
i) Current Accounts		17.84		25.07
Less: Unpaid / Unclaimed Dividend		(12.37)		(13.35)
ii) Cash Credit Account				-
iii) Deposits with Bank with the Maturity of less than 3 Months				-
2 Cheques and Drafts on Hand				-
3 Cash in Hand		3.51		1.18
4 Cash and Cash Equivalants in the Cash Flow Statements (Total of 1 to 3)		8.99		12.89

Significant Accounting Policies

1 & 2

The accompanying notes are forming integral part of the Financial Statements

For and on behalf of the Board

As per our report of even date attached

For **S. VENKATADRI & CO.**

Chartered Accountants

FRN No.: 004614S

VIRENDER KUMAR AGRAWAL

Managing Director

DIN No : 00013314

SEEMA RANI AGARWAL

Jt. Managing Director

DIN No : 01430206

K. SRINIVASA RAO

Partner

Membership No. 201470

Place : Hyderabad

Dated: May 29, 2018

G N CHHAWARIA

Chief Financial Officer

Place : Nagpur

Dated: May 29, 2018

DEEPA DUDANI

Company Secretary

Place : Nagpur

Dated: May 29, 2018

Notes to the Financial Statements

1. Corporate Information

SURYAAMBA SPINNING MILLS LIMITED (the "Company") is textile manufacturing Company with the presence of almost twelve years in the textile industries. The Company is mainly engaged in the business of manufacturing of Specialty Synthetic Spun Yarn. The Company has established itself in the domestic and in the international market with a wide range of products from 100% polyester and viscose spun yarn as well as blended synthetic yarn, used for weaving.

The Company has its wide network of operations in the local as well as in the export market. The Company sells its product through the multiple channels including wholesale, retails etc. The Company is a Public Limited Company domiciled and incorporated under the Provisions of the Companies Act applicable in India. Its shares are listed on the Bombay Stock Exchange of India (BSE). The Registered Office of the Company is located at 1st Floor, Surya Towers, 105, S. P. Road, Secunderabad (T.G.) – 500003.

SIGNIFICANT ACCOUNTING POLICIES

2. BASIS OF PREPARATION

a) Accounting Convention

These Ind AS financial statements of the Company have been prepared in accordance with Indian Accounting Standard (hereinafter referred to as the "Ind AS") as notified by the Ministry of Corporate Affairs pursuant to the Section 133 of the Companies Act, 2013 ("the Act") read along with the Companies (Indian Accounting Standard) Rules, 2015 and the Companies (Indian Accounting Standard) Amendment Rules, 2016 and other relevant Provisions of the Companies Act as applicable in India. For all the periods up to and including the year ending March 31, 2017, the Company had prepared and presented its financial statements in accordance with the Accounting Standards notified under Section 133 of Companies Act, 2013, read together with the Rule 7 of the Companies (Accounts) Rules, 2014 ("Indian GAAP") and other relevant Provisions of the Companies Act as applicable in India. This Ind AS financial statement for the year ended March 31, 2018 is the first financial statements that the Company has prepared in accordance with the Ind AS. For the detailed explanations on how the transition from Indian GAAP to Ind AS has affected the Company's Balance Sheet, Statement of Profit and Loss and the Statement of Cash Flows is mentioned under the "Note No. 31".

This Ind AS financial statement have been prepared and presented under the Historical Cost Convention, on accrual basis of accounting except for certain financial assets and financial liabilities that are measured at the fair values at the end of each reporting period, as stated in the accounting policies set out below. The accounting policies have been applied consistently over all the periods presented in these Ind AS financial statements, including the preparation of Opening Ind AS Balance Sheet as at April 01, 2016 being the date of transition to the Ind AS.

b) Use of Estimates

The preparation of these Ind AS financial statements in conformity with Ind AS requires the management to make estimates, judgments and assumptions. These estimates, judgments and assumptions affect the application of accounting policies and the reported amount of assets and liabilities, the disclosures of contingent assets and liabilities at the date of Ind AS financial

statements and reported amount of revenues and expenses during the period. The application of the accounting policies that require critical accounting estimates involving complex and subjective judgments and the use of assumptions in these Ind AS financial statement have been disclosed in "Note No. 2.1". Accounting estimates could change from period to period. Actual results could differ from those estimates. Appropriate changes in estimates are made as the management becomes aware of the changes in circumstances surrounding the estimates. Changes in estimates are reflected in the Ind AS financial statements in the period in which changes are made and, if material, their effects are disclosed in the "Notes to the Ind AS financial statements".

c) **Current / Non - Current Classification**

Any assets or liabilities are classified as Current if it satisfies any of the following conditions:

- i) The assets / liabilities are expected to be realized / settled in the Company's normal operating cycle;
- ii) The assets is intend for sales or consumptions;
- iii) The assets / liabilities are held primarily for the purpose of trading;
- iv) The assets / liabilities are expected to be realized / settled within a 12 month of period after the end of the reporting period.
- v) The assets is considered as Current when it is as Cash or Cash Equivalents unless it is restricted from being exchanged or used to settle a liability for at least 12 month after the reporting period.
- vi) In the case of liabilities, the Company does not have an unconditional right to defer the settlement of the liabilities for at least 12 month after the end of the reporting period.

All other assets and liabilities are classified as Non – Current.

For the purpose of above classification, the Company has ascertained its normal operating cycle as 12 months. This is based on the nature of services and the time between the acquisition of assets or inventories for processing and their realization in Cash or Cash Equivalents.

2.1 **Summary of Significant Accounting Policies:**

a) **Business Combinations**

Business Combinations are accounted for using the acquisition method. At the acquisition date, identifiable assets acquired and liabilities assumed are measured at fair values. For this purpose, the liabilities assumed include the Contingent Liabilities representing present obligation and they are measured at their acquisition date fair value irrespective of the fact that outflow of the resources embodying economics benefits is not probable. The consideration transferred is measured at fair value at the acquisition date and include the fair value of any contingent considerations. However, Deferred Tax Assets or Liabilities and any liabilities or assets relating to the employee benefits arising from a Business Combination are measured and recognized in accordance with the requirements of Ind AS - 12, "Income Taxes" and Ind AS - 19, "Employee Benefits", respectively.

Where the consideration transferred exceeds the fair value of the net identifiable assets acquired and liabilities assumed, the excess is recorded as "Goodwill". Alternatively, in case of bargain purchase wherein the consideration transferred is lower than fair value of the net identifiable assets acquired and liabilities assumed, the difference is recorded as a gain in the other comprehensive income and accumulated in equity as capital reserve. The costs of acquisition excluding those relating to the issue of equity or debts are charged to the Statement of Profit or Loss in the period in which they are incurred.

In case of the Business Combination involving entities under common control, the above policies do not apply. Business Combinations involving entities under common control are accounted for using

the pooling of interest method. The net assets of the transferor entity or businesses are accounted at their carrying amounts on the date of the acquisition subject to necessary adjustments required to harmonize the accounting policies. Any excess or shortfall of the consideration paid over the share capital or transferor entity or business is recognized as capital reserve under other equity.

b) Property, Plants and Equipments

Measurement at Recognition:

An Item of Property, Plants and Equipment that qualifies as an asset is measured on initial recognition at cost, net of recoverable taxes, if any less accumulated depreciation/amortization and impairment losses, if any.

The Company identifies and determines cost of each part of an item of Property, Plants and Equipment separately. If the part has a cost which is significant to the total cost of that item of Property, Plant and Equipment and has a useful life that is materially different from that of remaining items.

The cost comprises of its purchase price including import duties and other non - refundable purchase taxes or levies, directly attributable to the cost of bringing the asset to its present location and working condition for its intended use and the initial estimate of decommissioning, restoration and similar liabilities, if any. Any trade discount and rebates are deducted in arriving at the purchase price of such Property, Plants and Equipments.

Such cost also includes the cost of replacing a part of the Plants and Equipments and the borrowing cost of the long term construction projects, if the recognition criteria are met. When the significant parts of Property, Plants and Equipment are required to be replaced at periodical intervals, the Company recognizes such part as individual assets with specific useful lives and depreciates them accordingly. Likewise, when a major inspection is performed, its cost is recognized in the carrying amount of the Plants and Equipments as a replacement if the recognition criteria are satisfied.

All other repair and maintenance costs are recognized in the Statement of Profit and Loss as incurred. The present value of the expected cost for the decommissioning of an asset after its use is included in the cost of the respective asset if the recognition criteria for a provision are met.

All costs, including administrative, financing and general overhead expenses, as are specifically attributable to construction of a project or to the acquisition of a Property, Plants and Equipments or bringing it to its present location and working condition, is included as a part of the cost of construction of a project or as a part of the cost of Property, Plants and Equipments, till the commencement of commercial production. Adjustments arising from exchange rate variations attributable to the Property, Plants and Equipments are capitalized as aforementioned. Borrowing cost relating to the acquisition / construction of Property, Plants and Equipments which takes the substantial period of time to get ready for its intended use are also included in the cost of Property, Plants and Equipments / cost of constructions to the extent they relate to the period till such Property, Plants and Equipments are ready to be put to use. Any subsequent expenditure related to an item of Property, Plants and Equipments is added to its book value only and only if it increases the future economic benefits from the existing Property, Plants and Equipments beyond its previously assessed standard of performance. Any items such as spare parts, stand by equipment and servicing equipment that meet the definitions of the Property, Plants and Equipments are capitalized at cost and depreciated over the

useful life of the respective Property, Plants and Equipments. Cost is in the nature of repair and maintenances are recognized in the Statement of Profit and Loss as and when incurred.

Capital Work-in-Progress and Capital Advances

Cost of any Property, Plants and Equipments not ready for intended use, as on the Balance Sheet date, is shown as a "Capital Work-in-Progress". Any advances given towards acquisition of Property, Plants and Equipments outstanding at each Balance Sheet date are disclosed as "Other Non – Current Assets".

Depreciation

Depreciation on each part of Property, Plants and Equipment is provided to the extent of the depreciable amount of the assets on the basis of "Straight Line Method (SLM)" on the useful life of the Property, Plants and Equipments as estimated by the management and is charged to the Statement of Profit and Loss as per the requirement of Schedule - II to the Companies Act, 2013. The estimated useful life of the Property, Plants and Equipments has been assessed based on the technical advice which is considered in the nature of the Property, Plants and Equipments, the usage of the Property, Plants and Equipments, expected physical wear and tear of the Property, Plants and Equipments, the operating conditions, anticipated technological changes, manufacturer warranties and maintenance support of the Property, Plants and Equipments etc.

When the parts of an item of the Property, Plants and Equipments have different useful life, they are accounted for as a separate item (major components) and are depreciated over their useful life of the principal Property, Plants and Equipments whichever is less.

The useful life of the items of Property, Plant and Equipment as estimated by the management is mentioned below:

Sr. No.	Name of Property, Plants and Equipments	Useful Life (In Years)
1.	Factory Building	30 Years
2.	Building (Other than Factory Building)	60 Years
3.	Plants and Equipments (Including Continuous Process Plant)	25 Years
4.	Furniture and Fixtures	10 Years
5.	Office Equipments	10 Years
6.	Computer and Other Data Processing units	03 Years
7.	Motor Vehicles	08 Years
8.	Electrical Installation and Equipment	10 Years
9.	Workshop Equipments	25 Years
10.	Testing and Other Equipments	25 Years

The management believes that the useful life as given above is best to represent the period over which management expects to use these Property, Plants and Equipments. Hence the useful lives for these assets are different from the useful life as prescribed under the Part C of the Schedule -II to the Companies Act, 2013.

The Company operates the plants on triple shift basis and the management has increase the depreciation on the Plants and Equipments by 100%. Freehold Land is not depreciated. Leasehold land and their improvement are amortized over the period of the lease.

The useful lives, residual value of each part of an item of Property, Plants and Equipments and Intangible Assets and the method of depreciation are reviewed at the end of each financial year, if any, of these expectation differ from the previous estimates, such change is accounted for as a Change in Accounting Estimate and adjusted prospectively, if appropriate.

Derecognition

The carrying amount of an item of Property, Plants and Equipment and Intangible Assets is derecognized on disposal or when no future economic benefits are expected from its use or disposal. The gain or loss arising from such derecognition of the Property, Plants and Equipments is measured as the difference between the net disposal proceeds and the carrying amount of the Property, Plants and Equipments and is recognized in the Statement of Profit and Loss when the Property, Plants and Equipments are derecognized.

Transition to Ind AS

On the transition to Ind AS, the Company has elected to measure all the items of Property, Plants and Equipments at the carrying value measured as per Previous GAAP as deemed Cost as at April 01, 2016.

c) Intangible Assets

Measurement at recognition

Intangible assets acquired separately measured on the initial recognition at cost. Intangible assets arising on the acquisition of business are measured at fair value as at the date of acquisition. Internally generated intangible assets including research costs are not capitalized and the related expenditure is recognized in the Statement of Profit and Loss in the period in which the expenditure is incurred. Intangible assets are carried at cost less accumulated amortization and accumulated impairment loss, if any.

Amortization

Intangible assets with finite lives are amortized on a "Straight Line Basis" over the estimated useful economics life of such intangible assets. The amortization expenses on intangible assets with the finite lives are recognized in the Statement of Profit and Loss.

The amortization period and the amortization method for an intangible asset with the finite useful life are reviewed at the end of each financial year. If any of these expectations differ from previous estimates, such changes are accounted for as a change in an accounting estimate.

Derecognition

The carrying amount of an intangible asset is recognized on disposal or when no future economic benefits are expected from its use or disposal. The gain or loss arising from the derecognition of an intangible asset is measured as the difference between the net disposal proceeds and the carrying amount of the intangible asset and is recognized in the Statement of Profit and Loss when such asset is derecognized.

d) Borrowing Cost

Borrowing cost that is directly attributable to the acquisition, construction or production of an assets t h a t necessarily takes a substantial period of time to get ready for it intend use or sale are capitalized as a part of the cost of respective Property, Plants and Equipments. All other borrowing cost is expensed in the

period in which they occur. Borrowing costs consist of interest and other cost that the Company incurs in connection with the borrowing of funds. Borrowing cost also include exchange differences to the extent regarded as an adjustment to the borrowing costs.

e) Impairment

Any assets that have an indefinites useful life, for example Goodwill, are not subject to amortization and are tested for impairment annually and whenever there is an indication that an asset may be impaired. Assets that are subject to depreciation and amortization and assets representing investments in subsidiary and associates companies are reviewed for impairment, whenever events or change in circumstances indicate that carrying amount may not be recoverable. Such circumstances include, though are not limited to, significant or sustained decline in the revenues or earning and material adverse changes in the economic environment.

An impairment loss is recognized whenever the carrying amount of an asset or its cash generating unit (CGU) exceeds its recoverable amount. The recoverable amount of an asset is greater of its fair value less cost to sells and value in use. To calculate value in use, the estimated future cash flows are discounted to their present value using pre - tax discount rate that reflects current market rates and the risk specific to the assets. For an asset that does not largely independent cash inflows, the recoverable amount is determined for the cash generating unit (CGU) to which the assets belong; fair value less cost to sell is the best estimate of the amount obtainable from the sales of an asset in the arm's length transaction between knowledgeable, willing parties, less the cost of disposal.

Impairment losses, if any, are recognized in the Statement of Profit and Loss and included in depreciation and amortization expense. Impairment loss are reversed in the Statement of Profit and Loss only to the extent that the asset's carrying amount does not exceed the carrying amount that would have been determined if no impairment loss had previously been recognized.

f) Inventories

Inventories of the raw material, work-in-progress, finished goods; packing material, stores and spares, components, consumables and trading stock are carried at lower of cost and net realizable value. However, raw material and other items held for use in production of inventories are not written down below Cost if the finished goods in which they will be incorporated are expected to be sold at or above cost. The comparison of cost and net realizable value is made on an item by item basis. Cost of inventories included the cost incurred in bringing the each product to its present location and conditions are accounted as follows:

a) Raw Material:- Cost included the purchase price and other direct or indirect costs incurred to bring the inventories into their present location and conditions. Cost is determined on First in First out basis (FIFO).

b) Finished Goods and Work-in-Progress:- Cost included cost of direct materials and the labour cost and a proportion of manufacturing overhead based on the normal operating capacity, but excluding the borrowing costs. Cost is determined on First in First out basis (FIFO).

c) Trading Stock:- Cost included the purchase price and other direct or indirect costs incurred in bringing the inventories to their present location and conditions. Cost is determined on weighted average basis.

All other inventories of stores and spares, consumables, project material at site are valued at cost. The stock of waste or scrap is valued at net realizable value. Excise duty wherever applicable is provided on the finished goods lying within the factory and bonded warehouse at the end of the reporting period.

g) Financial Assets

Initial Recognition and Measurement

The Company recognizes the all of its financial assets in its Balance Sheet when it becomes a party to the contractual provision of the instrument. All the financial assets are recognized initially at the fair value, plus in the case of financial assets not recorded at fair value through profit and loss (FVTPL), transaction cost that are attributable to the acquisition of the financial assets.

Where fair value of financial assets at the initial recognition is different from its transaction price, the difference between the fair value and transaction price is recognized as gain or loss in the Statement of Profit and Loss at the initial recognition. If the fair value is determined through a quoted market price in an active market for an identical asset (i.e. level 1 input) or through a valuation technique that uses data from observable market (i.e. level 2 input).

In case fair value is not determined using a level 1 or level 2 input as mentioned above, the difference between the fair value and transaction price is deferred appropriately and recognized as a gain or loss in the Statement of Profit and Loss only to the extent that such gain or loss arises due to change in factor that market participants take into account when pricing the financial asset. However, the trade receivable that does not contain a significant financing component is measured at transaction price.

Subsequent Measurement

For subsequent measurement, the Company classifies the financial asset in accordance with below criteria:

- i) The Company business model for managing its financial assets; and
- ii) The contractual cash flow characteristics of the financial assets.

Based on the above criteria, the Company classifies its financial assets into the following categories:

i) Financial Assets measured at amortized cost

A financial asset is measured at the amortized cost if both the following conditions are met:

- a) The Company's business model objective for managing its financial asset is to hold the financial assets in order to collect contractual cash flows, and
- b) The contractual terms of the financial asset that gives rise on specified date to cash flows that are solely payments of principal and interest on the principal amount outstanding. This category applies to the cash and bank balances, trade receivables, loans and other financial assets of the Company. Such financial assets are subsequently measured at amortized cost using the "Effective Interest Method (EIR)".

Under the Effective Interest Method, the future cash receipts are exactly discounted to the initial recognition value using the effective interest rate. The cumulative amortization using the effective interest Method of the difference between the initial recognition amount and maturity amount is added to the initial recognition value (net of principal repayments, if any) of the financial assets over the relevant period of the financial asset to arrive at the amortized cost at each reporting period. The corresponding effect of amortization under effective interest method is recognized as interest income over the relevant period of the financial asset. The same is included under "Other Income" in the Statement of Profit and Loss. The amortized cost of its financial asset is also adjusted for loss allowance, if any.

ii) Financial assets measured at fair value through other comprehensive income (FVTOCI):-

A financial asset is measured at FVTOCI if both of the following conditions are met:

- a) The Company's business model objective for managing the financial asset is achieved both by collecting contractual cash flow and selling the financial assets, and
- b) The contractual term of the financial asset give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding.

This category applies to certain investments in debt instruments. Such financial assets are subsequently measured at fair value at each reporting date. Fair value changes are recognized in the other comprehensive income (OCI). However, the Company recognizes interest income and impairment Losses and its reversals in the Statement of Profit and Loss.

On derecognition on such financial assets, cumulative gain or loss previously recognized in other comprehensive income is reclassified from equity to Statement of Profit and Loss. Further, the Company, through an irrevocable election at initial recognition, has measured certain investments in equity instruments at FVTOCI. The Company has made such election on an instrument by instrument basis. These equity instruments are neither held for trading nor are contingent consideration recognized under a Business Combination. Pursuant to such irrevocable election, subsequent changes in the fair value of such equity instruments are recognized in other comprehensive income. However, the Company recognizes dividend income from such instruments in the Statement of Profit and Loss.

On derecognition of such financial assets, cumulative gain or loss previously recognized in other comprehensive income is not reclassified from the equity to Statement of Profit and Loss. However, the Company may transfer such cumulative gain or loss into retained earning within equity.

iii) Financial assets measured at fair value through profit or loss (FVTPL)

A financial asset is measured at FVTPL unless it is measured at amortized cost or at FVTOCI as explained above. This is a residual category applied to all other investments of the Company excluding investments in subsidiary and associate companies. Such financial assets are subsequently measured at fair value at each reporting date. Fair value changes are recognized in the Statement of Profit and Loss.

Derecognition

A financial asset (or, where applicable, a part of a financial asset or part of a group of similar financial asset) is derecognized (i.e. removed from the Company's Balance Sheet) when any of the following occurs:

- i) The contractual right to cash flow from the financial assets expires;
- ii) The Company transfers its contractual rights to receive cash flow of the financial assets and has substantially transferred all the risks and rewards of ownership of the financial assets;
- iii) The Company retains the contractual rights to receive cash flows but assumes a contractual obligation to pay the cash flows without material delay to one or more recipients under a 'pass through' arrangement (thereby substantially transferring all the risk and rewards of the ownership of the financial assets);
- iv) The Company neither transfers nor retains substantially all the risk and rewards of ownership and does not retain control over the financial asset.

In case where the Company has neither transferred nor retained substantially all of the risk and rewards of the financial assets, but retains control over the financial assets, the Company continued to recognize such financial asset to the extent of its continuing involvement in the financial asset. In that case, the Company also recognizes an associated liability. The financial asset and the associated liability are measured on a basis that reflects the right and obligation that the Company has retained, On derecognition of a financial asset, (except as mentioned in 'ii' above for financial assets measured at

FVTOCI), the difference between the carrying amount and the consideration received is recognized in the Statement of Profit and Loss.

Impairment of Financial Assets

The Company applies expected credit losses (ECL) model for measurement and recognition of losses allowances on the following:

- i) Trade receivables and lease receivable
- ii) Financial assets measured at amortized cost (other than trade receivables and lease receivable)
- iii) Financial assets measured at fair value through other comprehensive income (FVTOCI)

In case of trade receivable and lease receivable, the Company follows a simplified approach wherein an amount equal to lifetime ECL is measured and recognized as loss allowance. In case of other assets (listed as 'ii' and 'iii' above), the Company determines if there has been a significant increase in credit risk of the financial asset since initial recognition. If the credit risk of such assets has not increased significantly, an amount equal to 12 month ECL is measured and recognized as loss allowance. However, if credit risk has increased significantly, an amount equal to lifetime ECL is measured and recognized as loss allowance.

Subsequently, if the credit quality of the financial asset improves such that there is no longer a significant increase in credit risk since initial recognition, the Company reverts to recognizing loss allowance based on 12 month ECL.

ECL is difference between all contractual cash flows that are due to the Company in accordance with the contract and all the cash flows that entity expects to receive (i.e. all cash shortfalls), discounted at the original effective interest rate. Lifetime ECL are the expected credit losses resulting from all possible default events over the expected life if a financial asset. 12 month ECL is a portion of the lifetime ECL which results from default events that are possible within 12 months from the reporting period.

ECL are measured in a manner that they reflect unbiased and probability weighted amounts determined by a range of outcomes, taking into account the time value of money and other reasonable information available as a result of past events, current conditions and forecast of future economic benefits. As a practical expedient, the Company uses a provision matrix to measure lifetime ECL on its portfolio of trade receivable. The provision matrix is prepared based on historically observed default rates over the expected life of trade receivable and is adjusted for forward looking estimates. At each reporting date, the historically observed default rates and changes in the forward looking estimates are updated.

ECL impairment loss allowance (or reversal) recognized during the period is recognized as income /expense in the Statement of Profit and Loss under the head of "Other Expenses".

h) Financial Liabilities

Initial Recognition and measurement

The Company recognizes financial liabilities in its Balance Sheet when it becomes a party to the contractual provisions of the instruments. All the financial liabilities are recognized initially at fair value minus, in case of financial liabilities not recorded at fair value through profit or loss (FVTPL), transaction costs that are attributable to the acquisition of the financial liabilities. Where the fair value of a financial liabilities at initial recognition is different from its transaction price, the difference between the fair value and the transaction price is recognized as a gain or losses in the Statement of Profit and Loss at initial recognition if the fair value is determined through a quoted market price in an active market for an identical asset (i.e. level 1 input) or through a valuation technique that uses the data from observable markets (i.e. level 2 input).

In case the fair value is not determined using a level 1 or 2 input as mentioned above, the difference between the fair value and transaction price is deferred appropriately and recognized as a Gain or Loss in the Statement of Profit and Loss only to the extent that such gain or loss arises due to change in factor that market participants take into account when pricing the financial liabilities.

Subsequent Measurement

All the financial liabilities of the Company are subsequently measured at amortized cost using the effective interest method defined as above. Under the Effective Interest Method, the future cash payments are exactly discounted to the initial recognition value using the effective interest rate. The cumulative amortization using the effective interest method of the difference between the initial recognition amount and the maturity amount is added to the initial recognition value (net of principal repayments, if any) of the financial liabilities over the relevant period of the financial liabilities to arrive at the amortized cost at each reporting date. The corresponding effect of the amortization under effective interest method is recognized as interest expenses over the relevant period of the financial liabilities. The same is included under "Finance Costs" in the Statement of Profit and Loss.

Derecognition

A financial liability is derecognized when the obligation under the liability is discharged or cancelled or expires. When an existing financial liability is replaced by another form the same lender on substantially different terms, or the terms of an existing liability are substantially modified such an exchange or modification is treated as the derecognition of the original liability and the recognition of new liability. The difference between the carrying amount of the financial liability derecognized and the consideration paid is recognized in the Statement of Profit and Loss.

i) Derivative Financial Instruments and Hedge accounting

Recognition and Measurement of the fair value Hedge

Hedging instruments is initially recognized at fair value on the date on which a derivative contract is entered into and is subsequently measured at fair value at each reporting date. Gain or loss arising from such changes in the fair value of hedging instrument is recognized in the Statement of Profit and Loss. Hedging instrument is recognized as a financial asset in the Balance Sheet if it's fair value as at reporting date is positive as compared to carrying value and as a financial liability if it's fair value as at reporting date is negative as compared to carrying value.

Hedge item (recognized financial liability) is initially recognized at fair value on the date of entering into contractual obligation and is subsequently measured at amortized cost. The hedging gain or loss on the hedged item is adjusted to the carrying value of the hedged item as per the effective interest method and the corresponding effect is recognized in the Statement of Profit and Loss.

Derecognition

On the recognition of the hedged item, the unamortized fair value of the hedging instrument adjusted to the hedged item, is recognized in the Statement of Profit and Loss.

j) Fair Value

The Company measured financial instrument at fair value in accordance with the accounting policies as mentioned above. Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date. The fair value measurement is based on the presumption that the transaction to sell the asset or transfer the liability takes place neither:

- In the principle market for the asset or liabilities, or
- In the absence of principle market, in the most advantageous market for the asset or liability.

All the asset and liability for which fair value is measured or disclosed in the Ind AS financial statements are categorized within the fair value hierarchy that categories into three levels, described as follows, the inputs to valuation techniques used to measure value. The fair value hierarchy gives the highest priority to quoted prices in active market for identical assets or liabilities (Level 1 inputs) and the lowest priority to unobservable inputs (Level 3 inputs).

Level 1 – Quoted (unadjusted) market price in active markets for identical asset or liabilities.

Level 2 – Inputs other than quoted price included within Level 1 that are observable for the asset or liability, either directly or indirectly.

Level 3 – Inputs that are unobservable for the asset or liabilities.

For the asset or liabilities that are recognized in the Ind AS financial statement at fair value on a recurring basis, the Company determines whether transfers have occurred between levels in the hierarchy by re – assessing categorization at the end of each reporting period and disclose the same.

k) Foreign Currency Translation

Initial Recognition

On the initial recognition, transaction in foreign currencies entered into by the Company are recorded in the functional currency i.e. {INR (?)}, by applying to the foreign currency amount, the spot exchange rate between the functional currency and foreign currency at the date of transaction. Any exchange differences arising on the foreign exchange transactions settled during the current year are recognized in the Statement of Profit and Loss.

Measurement of foreign currency items at reporting date

Foreign currency monetary items of the Company are translated at the closing exchange rate (i.e. the exchange rate prescribed by the Reserve Bank of India at the end of reporting period i.e. RBI Reference Rate at the end of the reporting period). Non monetary items that are measured at historical cost in a foreign currency are translated using the exchange rate at the date of transaction.

Non – monetary items that are measured at fair value in foreign currency are translated using the exchange rate at the date when fair value is measured.

Exchange difference arising out of these translations is recognized in the Statement of Profit and Loss.

l) Revenue Recognitions

Revenue is recognized when it is probable that economic benefit associated with the transaction flows to the Company in ordinary course of its activities and the amount of revenue can be measured reliably, regardless of when the payment is being made. Revenue is measured at the fairvalue of consideration received or receivable, taking into the account contractually defined terms of payments, net of its returns, trade discounts and volume rebates allowed.

Revenue includes only the Gross Inflows of Economic Benefits, including the Excise Duty, received and receivable by the Company, on its own account. Amount collected on behalf of third parties such as Goods and Service Tax (GST), Value Added Tax (VAT) and Sales Tax are excluded from Revenue.

Sale of Products

Revenue from sale of products is recognized when the Company transfers all significant risks and rewards of ownership to the buyer, while the Company retains neither continuing managerial involvement nor effective control over the product sold, which generally coincide with dispatch. Revenue from export sales is recognized on shipment basis based on the bill of lading.

Rendering of Services

Revenue from Job Work Services is recognized based on the services rendered in accordance with the terms of the Contracts.

Export Incentives

Export Incentives under the various schemes are accounted in the year of exports.

Interest Income and Royalty Income

For all the financial instruments measured at amortized cost and interest bearing financial assets classified as fair value through other comprehensive income, interest income is recognized using effective interest method (EIR). EIR is the rate that exactly discounts the estimated future cash receipts over the expected life of the financial instruments or a shorter period, where appropriate, to the net carrying amount of the financial assets.

Royalty income is recognized on an accrual basis in accordance with the substance of the relevant agreement.

Dividend Income

Dividend Income is generally recognized when the Company's right to receive is established which Surplus and (Loss) on Disposal of Property, Plants and Equipments / Investments Surplus or (Loss) on sale of Property, Plants and Equipments or Investment is recorded on transfer of title from the Company, and is determined as the difference between the sales price and the carrying value of the Property, Plants and Equipments or Investments and other incidental expenses related to such sale proceeds.

Rental Income

Rental Income arising from operating lease on investments properties is accounted for on a straight line basis over the lease term except the case where the incremental lease reflect inflationary effect and rental income is accounted in such case by actual rent for the period.

Insurance Claim

Claim receivable on account of insurance is accounted for to the extent the Company is reasonably certain of their ultimate collections.

Other Income

Revenue from other income is recognized when the payment of that related income is received or credited.

m) Cash and Cash Equivalents

Cash and Cash Equivalents in the Balance Sheet comprises cash at banks and cash in hand and also the short term deposits with maturity of three month or less, which are subject to an insignificant risk of changes in value. For the Purpose of the Statement of Cash Flows, Cash and Cash Equivalents consists cash and short term deposits, as defined above.

n) Government Grants and Subsidies**Recognition and Measurement**

Subsidies are measured at amounts receivable from the government which are non - refundable are recognized as income when there is a reasonable assurance that the Company will comply all the

necessary conditions attached with them. Any income from the subsidies is recognized on a systematic basis over the periods in which the related costs that are intended to be compensated by such subsidies are recognized.

When the grants relates to an expense items, it is recognized as income on a systematic basis over the period that the related costs, for which it is intended to compensate, are expensed. When the grants relates to an assets, it is recognized as income in equal amounts over the expected useful life of the related assets.

When the Company receives grants of Non – monetary assets, the asset and the grants are recorded at fair value amounts and released to the Statements of Profit and Loss over the expected useful life in a pattern of consumptions of benefit of the underlying asset by equal annual installments.

Export Incentives

Export Incentive under the various schemes notified by the government is accounted for in the year of exports based on eligibility and when there is no uncertainty in receiving the same.

Presentation

Income from Subsidies is presented on gross basis under the "Revenue from Operations". Income arising from the below market rate of interest loans are presented on gross basis under the head of "Other Income".

o) Income Taxes

Tax expense is the aggregate amount included in the determination of Statement of Profit or Loss for the period in respect of current tax and deferred tax.

Current Tax

Current tax is the amount of income tax payable in respect of taxable profit for the period. Taxable profit differs from "Profit Before Tax" as reported in the Statement of Profit and Loss because of items of income or expense that are taxable or deductible in other years and Items that are never taxable or deductible under Income Tax Act, 1961.

Current tax is measured using tax rates that have been enacted by the end of reporting period for the amount expected to be recovered from or paid to the taxation authorities.

Deferred Tax

Deferred tax is recognized on temporary differences between the carrying amounts of the assets and liabilities in the Ind AS financial statements and the corresponding tax bases used in the computation of taxable profit under Income Tax Act, 1961. Deferred tax liabilities are generally recognized for all taxable temporary differences. However, in case of temporary difference that arises from initial recognition of assets or liabilities in a transaction (other than business combination) that affect neither the taxable profit nor the accounting profit, Deferred tax liabilities are not recognized. Also, for temporary difference if any that may arise from initial recognition of Goodwill, Deferred tax liabilities are not recognized.

Deferred tax assets are generally recognized for all deductible temporary differences to the extent it is probable that taxable profit will be available against which those deductible temporary differences can be utilized. In case of temporary differences that arises from the initial recognition of assets or liabilities in a

transaction (other than business combination) that affect neither the taxable profit nor accounting profit, deferred tax assets are not recognized.

The carrying amount of deferred tax assets is reviewed at each Balance Sheet date and reduced to the extent that it is no probable that sufficient taxable profit will be available to allow the benefits of part or all of such deferred tax assets to be utilized. Deferred tax assets and liabilities are measured at the tax rates that have been enacted or substantially enacted by the Balance Sheet date are expected to apply to taxable income in the years in which those temporary differences are expected to be recovered or settled.

Presentation

Current and Deferred Tax are recognized as income or expenses in the Statement of Profit and Loss, except when they relate to items that are recognized in other comprehensive income, in which case, the current and deferred tax income / expense are recognized in the other comprehensive income. The Company offsets current tax assets and current tax liabilities, where it has a legally enforceable right to set off the recognized amount and where it intends either to settle on net basis, or to realize the asset on net basis, or to realize the asset and settle the liability simultaneously. In case of deferred tax assets and liabilities, the same are offset if the Company has a legally enforceable right to set off corresponding current tax assets against current tax liabilities and the deferred tax assets and liabilities relates to income tax levied by the same tax authority of the Company.

p) Provisions and Contingencies

The Company recognizes the provisions when a there is present obligation (legal or constructive) as a result of a past events exists and it is probable that an outflow of resources embodying economic benefits will be required to settle such obligation and the amount of such obligation can be reliably estimated.

If the effect of time value of money is material, provisions are discounted using a current pre tax rate that reflects, when appropriate, the risks specific to the liability. When discounting is used, the increase in the provision due to the passage of time is recognized as a "Finance Costs".

A disclosure of contingent liability is made when there is possible obligation or a present obligation that may, but probably will not require an outflow of resources embodying the economic benefits or the amount of such obligation can't be measured reliably. When there is a possible obligation or a present obligation in respect of which likelihood of outflow if resources embodying the economic benefits is remote, no provision or disclosure is made.

q) Measurement of EBITDA

The Company has opted to present Earnings before Interest (Finance Cost), Tax, Depreciation and Amortization (EBITDA) as a separate line item on the face of Statement of Profit and Loss for the period ended. The Company measure EBITDA on the basis of Profit / (Loss) from Continuing Operations.

r) Employee Benefits

Short Term Employee Benefits

All the employee benefits payable wholly within 12 months of rendering the services are classified as short term employee benefits and they are recognized in the period in which the employee renders the related service. The Company recognizes the undiscounted amount of short term employee benefits expected to

be paid in exchange for services rendered as a liability (accrued expenses) after deducting any amount already paid.

Post Employment Benefits

I. Defined Contribution Plans:- Defined contribution plans are employee state insurance scheme and government administered pension fund scheme for all applicable employees and superannuation scheme for eligible employee.

Recognition and Measurement of Defined Contribution Plans

The Company recognizes contribution payable to defined contribution plan as expenses in the Statement of Profit and Loss when the employees render services to the Company during the reporting period. If the contribution payable for services received from employee before reporting date exceeds the contribution already paid, the deficit payable is recognized as a liability after deducting the contribution already paid. If the contribution already paid exceeds the contribution due for services received before the reporting date, the excess is recognized as an asset to the extent that the prepayment will lead to, for example, a reduction in future payments or a cash refund.

II. Defined Benefit Plans

i) Provident Fund Schemes:- The Company makes specified monthly contribution towards employee provident fund scheme to a separate trust administrated by the Company. The minimum interest payable by the trust to the beneficiaries is being notified by the Government every year. The Company has an obligation to make good shortfall, if any, between the return on investments of the trust and notified interest rate.

ii) Gratuity Scheme:- The Company operates a defined benefits gratuity plan for employees. The Company has unfunded gratuity obligation.

iii) Pension Scheme:- The Company operates a defined benefits plan for certain employees and its payable upon the employee satisfying certain conditions, as approved by the Board of Directors.

iv) Post Retirement Medical Plan Benefit:- The Company operates a defined post retirement medical plan benefit for certain specified employees and its payable upon the employee satisfying certain conditions.

Recognition and Measurement of Defined Benefit Plans

The Cost of providing defined benefits is determined using the projected unit credit method with actuarial valuations being carried out at each reporting period. The defined benefit obligations recognized in the Balance Sheet represent the present value of defined benefit obligation as reduced by the fair value of the plan assets, if applicable. Any defined benefit assets (negative defined benefit obligation resulting from this calculation) is recognized representing the present value of available refunds and reductions in future contributions to the plan.

All expenses represented by current service cost, past service cost, if any, and net interest on the defined benefit liability / (asset) are recognized in the Statement of Profit and Loss. Remeasurements of the net defined benefit liability / (asset) comprising actuarial gain and losses and the return on the plan assets (excluding the amounts included in net interest on the net defined benefits liabilities / (assets)), is recognized in "Other Comprehensive Income". Such measurements are not reclassified to the Statement of Profit and Loss in the subsequent periods.

The Company presents the above liability / (asset) as current and non - current in the Balance Sheet as per actuarial valuation by the independent actuary; however, the entire liability towards gratuity is considered as current as the Company will contribute this amount to gratuity fund within next 12 months.

Other Long Term Employee Benefits

Entitlement to annual leave and sick leave are recognized when they accrued to the employees. Sick leave can only be availed while annual leave can either be availed or encashed subject to a restriction on maximum number of accumulation of leave. The Company determines the Liability for such accumulated leaves using the projected accrued benefit method with actuarial valuations being carried out at each Balance Sheet date.

s) Research and Development

Expenditure on research is recognized as an expense when it is incurred. Expenditure on development which does not meet the criteria for recognition as an intangible asset is recognized as an expense when it is incurred. Item of Property, Plants and Equipment and acquired intangible assets utilized for research and development are capitalized and depreciated in accordance with the policies stated for Property, Plants and Equipment and Intangible Assets.

t) Event after Reporting Date

Where events occurring after the Balance Sheet date provide evidence of condition that existed at the end of reporting period, the impact of such events is adjusted within the Ind AS financial statements. Otherwise, events after the Balance Sheet date of material size or nature are only disclosed.

u) Non - current assets held for sale

The Company classifies non - current assets as held for sale if their carrying amount will be recovered principally through a sale rather than through continuing use of the assets and actions required to complete such sale indicate that it is unlikely that significant changes to the plan to sell will be made or that the decision will be withdrawn. Also, such assets are classified as held for sale only if the management expects to complete the sale within one year from the date of classification. Non - current assets classified as held for sale are measured at the lower of their carrying amount and the fair value less cost to the sell. Non - current assets are not depreciated or amortized.

Earnings per Share

Basic Earnings per Equity Share are computed by the dividing their net profit attributable to the equity holders of the Company by the weighted average number of equity shares outstanding during the period. Diluted Earnings per Shares are computed by the dividing the net profit attributable to the equity holders of the Company by the weighted average number of equity shares considered for deriving Basic Earnings per Shares and also the weighted average number of equity shares that could have been issued upon conversion of all dilutive potential equity shares. The dilutive earning per shares is adjusted for the proceeds receivable had the equity shares been actually issued at fair value (i.e. the average market value of the outstanding equity shares).

Dilutive potential equity shares are deemed converted as of the beginning of the period, unless issued at a later date. Dilutive potential equity shares are determined independently for each period presented. The number of equity shares and potentially dilutive equity shares are adjusted retrospectively for all periods

presented for any share splits and bonus shares issues including for changes effected prior to the approval of the Ind AS financial statements by the Board of Directors.

w) Dividend Distributions

The Company recognizes a liability to make cash or non – cash distribution to the equity holders of the Company when the distribution is authorized and the distribution is no longer at the discretion of the Company. As per the Companies Act, 2013, a distribution is authorized when it is approved by the shareholder's. A corresponding amount is recognized directly in equity. Non – cash distributions are measured at the fair value of the assets to be distributed with fair value remeasurement recognized directly in equity. Upon the distribution of non – cash assets, any difference between the carrying amount of the liabilities and the carrying amount of the assets distributed is recognized in the Statement of Profit and Loss.

x) Cash Flow Statements

Cash flows are reported using the "Indirect Method", whereby profit for the period is adjusted for the effects of transactions of a non – cash nature, any deferral or accruals of past or future operating cash receipts or payments and item of income or expenses associated with investing or financing cash flows. The cash flow from operating, investing and financing activities of the Company is segregated.

y) Derivative and Hedge Accounting

Derivative instrument used by the Company included the forward contract. The Company formally established a hedge relationship between the forward contract ("hedging instruments") and recognized the financial assets / financial liabilities ("hedge item") through a formal documentation at the inception of the hedge. Forward contracts are designated as hedging instruments against changes in the fair value of the recognized assets and liabilities (fair value hedge) and against highly probable forecast transactions (cash flow hedge). The effectiveness of the hedge instruments is assessed at the inception and on an ongoing basis.

Derivative instruments such as forward contract are initially measured at fair value. When a forward contract is designated as a cash flow hedge, the effective portion of the change in the fair value of the contract is recognized in the other comprehensive income and accumulated in other equity under "Effective Portion of Cash Flow Hedge". Amount recognized in the other equity is subsequently reclassified to the Statement of Profit and Loss upon the occurrence of the related forecasted transaction. Any ineffective portion of the change in the fair value of the contract is recognized immediately in the Statement of Profit and Loss. Changes in the fair value of the forward contracts designated as fair value hedge are recognized in the Statement of Profit and Loss.

z) Other Income

Other income is comprised primarily of interest income, rental income, dividend income, gain / (loss) on disposal of Property, Plants and Equipments and Investments and foreign exchange gain /(loss) on forward and option contracts and on translation of other assets and liabilities. Interest income is recognized using the effective interest method. Dividend income is recognized when the right to receive payment is established.

Event Occurring After Balance Sheet Date

All the events occurring after the Balance Sheet date up to the date of the approval of the Ind AS financial statement of the Company by the Board of Directors on May 29, 2018, have been considered, disclosed

and adjusted, wherever applicable, as per the requirement of Ind AS – 10 “Event After the Reporting Period”.

RECENT ACCOUNTING PRONOUNCEMENTS

Standard issued but not yet effective

Appendix B to Ind AS – 21, Foreign Currency Transactions and Advance Considerations

On March, 2018, the Ministry of Corporate Affairs has notified the Companies (Indian Accounting Standards) Amendment Rules, 2018 containing Appendix B to Ind AS – 21, foreign currency transactions and advance consideration, which clarifies the date of the transactions for the purpose of determining the exchange rate to use on initial recognition of the related assets, expenses or income, when an entity has received or paid advance consideration in foreign currency. This amendment will come into the force from April 01, 2018. The Company has evaluated the effect of this on the Ind AS financial statements and the impact is not material.

Ind AS – 115, Revenue from Contract with Customer’s

On March, 2018, the Ministry of Corporate Affairs has notified the Ind AS – 115, Revenue from Contract Customer’s. The core principle of the new standard is that an entity should recognize the revenue to depict the transfer of promised goods or services to customers in an amount that reflects the consideration to which the entity expects to be entitled in exchange for those goods or services. Further, the new standard requires enhanced disclosures about the nature, amount, timing and uncertainty of revenue and cash flows arising from the entity’s contract with customers.

The standards permit two possible methods of transitions:

- Retrospective Approach – Under this approach the standard will be applied retrospectively to each prior reporting period presented in accordance with Ind AS – 8, Accounting Policies, Changes in Accounting, Estimates and Errors.
- Cumulative Catch-up Approach – Retrospectively with cumulative effect of initially applying the standard recognized at the date of initial application.

The effective date for adoption of Ind AS – 115 is financial period beginning on or after April 01, 2018. The Company will adopt the standard on April 01, 2018 and comparative for the year ending or ends March 31, 2018 will not be retrospectively adjusted. The effect of adoption of Ind AS – 115 is expected to be insignificant.

Impact of Implementation of the Goods and Service Tax (GST) on the Ind AS Financial Statements

In accordance with the Ind AS – 18, “Revenue” and Schedule - III of the Companies Act 2013, sales for the previous year ended March 31, 2017 were reported gross of excise duty and net of value added tax (VAT) / sales tax. Excise duties were reported as a separate expense line item in the Statement of Profit and Loss. Consequent to the introduction of the Goods and Service Tax (GST) with effect from July 01, 2017, VAT / Sales Tax, Excise Duty etc. have been subsumed into the GST and accordingly the same is not recognized as a part of the sales as per the requirement of the Ind AS – 18. This has resulted in lower reported sales in the current year in comparison to the sales reported under the Pre – GST structure of indirect tax. With the change in structure of indirect taxes, expenses are also being reported the net of taxes. Accordingly the Ind AS financial statement for the year ended March 31, 2018 and in particular, sales, absolute expenses, element of working capital (inventories, trade payable / trade receivable, other current assets, current liabilities) and ration in the percentage of sales, are not compatible with the figures of the previous year.

However, the Company under Pre – GST structures were outside the purview of the Excise Duty, thus the impact of the above will not affect the revenue from operation of the Company.

KEY ACCOUNTING ESTIMATES AND JUDGEMENTS

The preparation of the Company's Ind AS financial statements require the management to makes the judgments, estimates and assumptions that affect the reported amount of revenue, expenses, assets and liabilities, and the accompanying disclosures, and the disclosure of the contingent liabilities. Uncertainty about these assumptions and the estimates could results in outcomes that require a material adjustment to the carrying amount of the assets or liabilities affected in the future period.

Critical Accounting Estimates and Assumptions The key assumptions concerning the future and other key sources of estimation uncertainty at the reporting date, that have a significant risk of causing a material adjustment to the carrying amount of the assets or liabilities within the next financial year, are described below:

Tax Expenses

The Company's tax jurisdiction is in India. Significant judgments are involved in estimating budgeted profit for the purpose of paying advance tax, determining the provision for income taxes, including the amount expected to be paid / recovered for uncertain tax positions (Refer Note No.29). Deferred tax assets are recognized for unused tax credits to the extent that it is probable that taxable profit of the Company will be available against which the losses can be utilized. Significant management judgments is required to determine the amount of the deferred tax assets that can be recognized, based upon the likely timing and the level of future taxable profits together with future tax planning strategies.

The Company has ₹ 149.36 Lakhs (March 31, 2017 ₹ 178.99 Lakhs, April 01, 2016 ₹194.19 Lakhs) of the MAT credits carried forward. These credits will be expires in next 6 – 9 Years. The Company has taxable temporary difference and tax planning opportunities available that could partly support the recognition of these credits as deferred tax assets. On this basis, the Company has determined that it can recognize the deferred tax assets on the tax credits carried forwarded (Refer Note No. 6).

B) Business Combination and Intangible Assets

Business Combinations are accounted for using the Ind AS – 103, Business Combinations. Ind AS –1 0 3 requires the identifiable intangible assets and contingent consideration to be fair valued in order to ascertain the net fair value of identifiable assets, liabilities and contingent liabilities of the acquiree.

Significant estimates are required to be made in determining the value of contingent consideration and intangible assets. These valuations are conducted by independent valuation reports.

C) Property, Plants and Equipments

Property, Plants and Equipments represents a significant proportion of the assets base of the Company. The Change in respect of the periodic depreciation is derived after determining an Property, Plants and Equipments represents a significant proportion of the assets base of the Company. The Change in respect of the periodic depreciation is derived after determining an at the time the asset is acquired and reviewed periodically, including at the each financial year end.

The lives are based on the historical experience with the similar assets as well as anticipation of the future events, which may impact their life, such as changes in technical and commercial obsolescence arising

from changes or improvements in the production or form a change in market demand of the products or service output of the assets.

D) Impairment of Trade Receivables

The impairment provisions for trade receivables are based on the assumptions about the risk of defaults and expected loss rates. The Company uses judgments in making these assumptions and selecting the inputs to the impairment calculation, based on the Company, past history, existing market conditions as well as forward looking estimates at the end of each reporting period.

E) Legal and Other Disputes

The Company provides for anticipated settlement cost where an outflow of resources is considered probable and a reliable estimate may be made of the likely outcome of the dispute and legal and other expenses arising from claims against the Company. These estimates take into the account the specific circumstances of each such dispute and the relevant external advice which are inherently judgmental and could change substantially over the time as new facts emerge and each such dispute progresses.

F) Defined Benefit Plans

The cost of defined benefit plans and other post employment benefits and the present value of the obligation are determined by using the actuarial valuation. An actuarial valuation involves making the various assumptions that may differ from actual developments in the future. These include the determination of the discount rate, future salary increase, mortality rate and future pension increases. Due to the complexities involved in the valuation and its long term nature, a defined benefit obligation is highly sensitive to changes in these assumptions. All assumptions are reviewed at each reporting date.

The parameter most subject to change is the discount rate. In determining the appropriate discount rate, management considers the interest rates of the Government Bonds in currencies consistent with the currencies of the post employment benefits obligation and extrapolated as needed along needed the yield curve to correspond with the expected term of the defined benefit obligation. The underlying bonds are excluded from analysis of the bonds on which the discount rate is based, on the basis that they do not represent high quality corporate bonds. The morality rate is based on the publicly available morality tables. Those morality tables tend to change only at intervals in response to demographic changes. Future salary increases are based on expected inflation rate for the Country (Refer Note No. 39).

G) Fair Value Measurement of Financial Instruments

When the fair value of the financial assets and financial liabilities recorded in the Ind AS financial statements can't be measured based on the quoted price in active markets, their fair value is measured using the valuation technique, including the discounted cash flow model, which involve various judgments and assumptions.

H) Preference Shares

Preference Shares, which are mandatorily redeemable on a specific dates is classified as "Borrowings" under the head of "Non - Current Liabilities". The portion of the interest expenses on the preference shares are recognized in the Statement of Profit and Loss under the head of "Finance Costs".

Notes to the Financial Statements

03. Property, Plant and Equipment

(Figures in ₹ Lakhs)

Particulars	Gross Block				Accumulated Depreciation				Net Block	
	As at 01-Apr-2017	Additions	Deductions	As at 31-Mar-2018	As at 01-Apr-2017	Additions	Deductions	As at 31-Mar-2018	As at 31-Mar-2018	As at 31-Mar-2017
a Tangible Assets										
Land	166.71	-	-	166.71	-	-	-	-	166.71	166.71
Buildings :										
Factory Buildings	1,857.76	-	-	1,857.76	488.71	57.72	-	546.43	1,311.33	1,369.05
Non-Factory Buildings	916.75	70.65	-	987.40	155.75	14.69	-	170.44	816.96	761.00
Plant and Equipment :										
Workshop Equipment	3.19	-	-	3.19	2.84	0.01	-	2.85	0.34	0.35
Plant and Machinery #	6,186.15	330.92	68.36	6,448.71	2,760.54	323.83	63.20	3,021.17	3,427.54	3,425.61
Testing Equipment	18.75	-	-	18.75	9.58	0.59	-	10.17	8.58	9.17
Electrical Installations	404.88	2.39	-	407.27	282.62	23.08	-	305.70	101.57	122.26
Weighing Machines	4.41	-	-	4.41	2.87	0.08	-	2.95	1.46	1.54
Water Works	7.12	-	-	7.12	2.95	0.37	-	3.32	3.80	4.17
Furniture and Fixtures	64.14	2.69	-	66.83	38.42	3.55	-	41.97	24.86	25.72
Office equipment	33.61	0.73	-	34.34	25.78	1.24	-	27.02	7.32	7.83
Vehicles	203.99	9.30	25.00	188.29	88.68	19.41	23.86	84.24	104.05	115.31
Data Processing Equipment	67.45	0.52	-	67.97	62.15	1.71	-	63.86	4.11	5.30
Total	9,934.91	417.20	93.36	10,258.75	3,920.90	446.29	87.06	4,280.13	5,978.63	6,014.02
Previous Year	8,679.69	1,299.84	44.62	9,934.91	3,560.65	404.24	43.99	3,920.90	6,014.02	5,119.04

03. Property, Plant and Equipment

(Figures in ₹ Lakhs)

Particulars	Gross Block				Accumulated Depreciation				Net Block	
	As at 01-Apr-2016	Additions	Deductions	As at 31-Mar-2017	As at 01-Apr-2016	Additions	Deductions	As at 31-Mar-2017	As at 31-Mar-2017	As at 31-Mar-2016
a Tangible Assets										
Land	166.71	-	-	166.71	-	-	-	-	166.71	166.71
Buildings :										
Factory Buildings	1,630.93	226.82	-	1,857.76	432.84	55.87	-	488.71	1,369.05	1,198.10
Non-Factory Buildings	916.75	-	-	916.75	141.35	14.40	-	155.75	761.00	775.40
Plant and Equipment :										
Workshop Equipment	3.19	-	-	3.19	2.82	0.01	-	2.84	0.35	0.36
Plant and Machinery #	5,172.13	1,046.08	32.06	6,186.15	2,514.61	277.99	32.06	2,760.54	3,425.61	2,657.52
Testing Equipment	18.75	-	-	18.75	8.98	0.60	-	9.58	9.17	9.77
Electrical Installations	386.10	18.78	-	404.88	259.97	22.65	-	282.62	122.26	126.13
Weighing Machines	4.41	-	-	4.41	2.80	0.08	-	2.87	1.53	1.61
Water Works	7.12	-	-	7.12	2.57	0.38	-	2.95	4.17	4.55
Furniture and Fixtures	58.52	5.62	-	64.14	34.78	3.64	-	38.42	25.73	23.74
Office equipment	32.16	1.45	-	33.61	24.18	1.61	-	25.78	7.83	7.99
Vehicles	216.55	-	12.56	203.99	77.97	22.64	11.93	88.68	115.31	138.58
Data Processing Equipment	66.37	1.08	-	67.45	57.78	4.37	-	62.15	5.30	8.59
Total	8,679.69	1,299.84	44.62	9,934.91	3,560.65	404.24	43.99	3,920.90	6,014.02	5,119.04
Previous Year	7,985.96	693.72	-	8,679.69	3,198.65	362.00	-	3,560.65	5,119.04	4,787.32

Notes # The amount of upfront fees previously capitalized under the head of Property, Plants and Equipments now reversed back and charged to the Statement of Profit and Loss under the head of "Finance Costs" and the amount of depreciation charged earlier on the same amount is also reversed back from the deduction column.

Notes (i) Refer "Notes No 31", "Point No 1 of Exemption Paragraph", for exemption availed in respect of Property, Plants and Equipments.

Notes (ii) The amount of Contractual Commitments for the purpose of acquisition or constructions of the Property, Plants and Equipments is disclosed under "Notes No. 35", if any.

Notes to the Financial Statements

04. Capital Work-in-Progress

(Figures in ₹ Lakhs)

Particulars	As at 31st March 2018	As at 31st March 2017	As at 1st April 2016
For Factory Building	-	-	-
For Non Factory Building	29.83	28.34	165.78
For Plant and Machinerics	-	-	-
For Others	-	-	-
Total	29.83	28.34	165.78

05. Other Financial Assets

(Figures in ₹ Lakhs)

Particulars	As at 31st March 2018	As at 31st March 2017	As at 1st April 2016
<u>Non-Current</u>			
Statutory Deposits	-	-	-
Security Deposits	0.64	0.64	0.64
Other Deposits	2.46	2.64	152.94
Term Deposits held as Margin Money against Bank Guarantee and Other Commitments*	53.97	72.62	62.37
Total (A)	57.07	75.90	215.95
<u>Current</u>			
Statutory Deposits	-	-	-
Accrued Interest on Term Deposits	17.33	12.97	16.97
Other Deposits	-	-	-
Total (B)	17.33	12.97	16.97
Total (A+B)	74.40	88.86	232.92

* Held as lien by the banks or financial institution against the bank guarantee provided to M.S.E.B. and other institutions amounting to ₹35.20 Lakhs (₹ 35.20 Lakhs as at March 31, 2017 and ₹ 35.20 Lakhs as at April 01, 2016).

* Held as lien by the banks or financial institution against the bank guarantee provided to custom authorities and sales tax institutions amounting to ₹ 18.05 Lakhs (₹ 18.05 Lakhs as at March 31, 2017 and ₹ 18.05 Lakhs as at April 01, 2016).

06. Other Non Current Assets

(Figures in ₹ Lakhs)

Particulars	As at 31st March 2018	As at 31st March 2017	As at 1st April 2016
<u>Non-Current</u>			
Capital Advances	25.36	47.22	66.05
MAT Credit Entitlement	149.36	178.99	194.18
Total (A)	174.72	226.21	260.23
<u>Current</u>			
<u>Advances other than Capital Advances</u>			
Advances / Claims recoverable in Cash or in Kind	325.81	515.26	479.44
Balances with Government Authorities	298.88	210.90	162.68
Advances to Employees	3.84	1.88	4.75
Duty Credit Entitlements	44.70	104.21	36.34
Other Receivables	19.03	14.52	48.36
Total (B)	692.26	846.77	731.58
Total (A+B)	866.98	1,072.99	991.81

Notes to the Financial Statements

07. Inventories

(Figures in ₹ Lakhs)

Particulars	As at 31st March 2018	As at 31st March 2017	As at 1st April 2016
(Valued at Lower of Cost and Net Realizable Value)			
Raw Materials	620.51	557.67	386.62
Stores & Spares Inventory	153.21	130.51	120.22
Finished Goods Inventory	453.83	511.08	248.19
Work-in-Process Inventory	515.50	447.64	358.93
Waste	0.19	-	0.35
Total	1,743.24	1,646.91	1,114.31

08. TRADE RECEIVABLES:

(Figures in ₹ Lakhs)

Particulars	As at 31st March 2018	As at 31st March 2017	As at 1st April 2016
Secured, Considered Good	-	-	-
Unsecured, considered good*	1,209.33	983.92	1,264.37
Unsecured, Considered Doubtful	-	-	-
Less :- Allowance for unsecured doubtful debts	-	-	-
Total	1,209.33	983.92	1,264.37

* Refer "Note No. 30" for Credit Risk and Market Risk of Trade Receivables.

09. CASH AND CASH EQUIVALENTS:

(Figures in ₹ Lakhs)

Particulars	As at 31st March 2018	As at 31st March 2017	As at 1st April 2016
A) Balances with Banks			
In Current Accounts	5.48	11.71	4.36
In Cash Credit Accounts	-	-	-
Cash in hand	3.51	1.18	2.07
Total	8.99	12.89	6.43
B) Other Balance with Banks			
Unpaid Dividend*	12.37	13.35	13.56
Term Deposits with Original Maturity of More than 3 Months	-	-	-
Total	12.37	13.35	13.56
Total (A+B)	21.35	26.25	19.99

* The Company can utilize these balances only towards the settlement of "Unclaimed Dividend".

Notes to the Financial Statements

10. EQUITY SHARE CAPITAL

(Figures in ₹ Lakhs)

Particulars	As at 31st March 2018		As at 31st March 2017		As at 1st April 2016	
	Number	(₹ In Lakhs)	Number	(₹ In Lakhs)	Number	(₹ In Lakhs)
Authorised						
Equity shares of ₹ 10/- each (parvalue)	5,000,000	500.00	5,000,000	500.00	5,000,000	500.00
Issued, subscribed and fully paid-up						
Equity shares of ₹10/- each	2,931,944	293.19	2,931,944	293.19	2,931,944	293.19
Total		293.19		293.19		293.19
a) Reconciliation of the number of shares and amount outstanding at the beginning and at the end of the reporting period :						
Particulars	As at 31st March 2018		As at 31st March 2017		As at 1st April 2016	
	Number	(₹ In Lakhs)	Number	(₹ In Lakhs)	Number	(₹ In Lakhs)
Equity shares						
At the beginning of the reporting period	2,931,944	293.19	2,931,944	293.19	2,931,944	293.19
Add: Issued during the reporting period	-	-	-	-	-	-
Less: Buyback during the reporting period	-	-	-	-	-	-
Outstanding at the end of the reporting period	2,931,944	293.19	2,931,944	293.19	2,931,944	293.19
b) Terms / Rights attached to Equity Shares						
i) The Company has only one class of shares referred to as Equity Shares having a par value of ₹ 10 per share. Each holder of Equity Shares is entitled to one vote per share.						
ii) The Company declares and pays the dividend in Indian Rupees (₹). The final dividend proposed by the Board of Directors is subject to the approval of the shareholders in the ensuing Annual General Meeting, except in case of interim dividend.						
iii) In the event of liquidation of the Company, the holders of equity shares will be entitled to receive remaining assets of the Company, after distribution of all preferential amounts. The distribution will be in the proportion to the number of equity shares held by the shareholders.						
c) Details of shareholders holding more than 5% shares in the Company						
Particulars	As at 31st March 2018		As at 31st March 2017		As at 1st April 2016	
	No. of Shares held	% of Holding	No. of Shares held	% of Holding	No. of Shares held	% of Holding
Virenderkumar Agarwal	1,206,191	41.14	1,206,191	41.14	1,206,191	41.14
Seemarani Agarwal	642,250	21.91	642,250	21.91	642,250	21.91
Mayank Agarwal	270,997	9.24	270,997	9.24	270,997	9.24
Total Nos. of Shares Held	2,119,438	72.29	2,119,438	72.29	2,119,438	72.29

Notes to the Financial Statements

11. OTHER EQUITY

(Figures in ₹ Lakhs)

Particulars	Reserves & Surplus					Total
	Investment Subsidy	Capital Redemption Reserve	Securities Premium	General Reserve	Retained Earnings	
Balance as at 01 April 2016 (A)	30.00	57.53	358.96	1,159.99	460.91	2,067.38
Additions during the year:						
Net Profit / (Loss) during the year	-	-	-	-	48.65	48.65
Addition During the Year	-	-	-	0.50	-	0.50
Items of Other Comprehensive Income for the year (Net of Tax)	-	-	-	-	-	-
Other comprehensive income for the year	-	-	-	-	28.32	28.32
Total Comprehensive Income for the year 2016 - 2017 (B)	30.00	57.53	358.96	1,160.49	537.88	2,144.85
Reductions during the year:						
Equity Dividend for the financial year 2016-17 (Amount Rs 10 per share)	-	-	-	-	(29.32)	(29.32)
Tax on Equity Dividend	-	-	-	-	(5.97)	(5.97)
Transfer to General Reserve	-	-	-	-	(0.50)	(0.50)
Total Reductions during the year (C)	-	-	-	-	(35.79)	(35.79)
Balance as at March 31, 2017 (D) = (B - C)	30.00	57.53	358.96	1,160.49	502.09	2,109.06
Particulars	Reserves & Surplus					Total
	Investment Subsidy	Capital Redemption Reserve	Securities Premium	General Reserve	Retained Earnings	
Balance as at 01 April 2017 (D)	30.00	57.53	358.96	1,160.49	502.09	2,109.06
Additions during the Year:						
Net Profit / (Loss) during the year	-	-	-	-	234.69	234.69
Addition During the Year	-	-	-	0.50	-	0.50
Other comprehensive income for the year	-	-	-	-	31.57	31.57
Total Comprehensive Income for the year 2017 - 2018 (E)	30.00	57.53	358.96	1,160.99	768.35	2,375.82
Reductions during the year:						
Adjustment in respect of Gratuity Provision (Net of Taxes)	-	-	-	-	(31.28)	(31.28)
Equity Dividend for the financial year 2017-18 (Amount Rs 10 per share)	-	-	-	-	(29.32)	(29.32)
Tax on Equity Dividend	-	-	-	-	(5.97)	(5.97)
Transfer to General Reserve	-	-	-	-	(0.50)	(0.50)
Total Reductions during the year (F)	-	-	-	-	(67.07)	(67.06)
Balance as at March 31, 2018 (G) = (E - F)	30.00	57.53	358.96	1,160.99	701.28	2,308.76

Description of nature and purpose of the Reserves:

- General Reserves:-** General Reserve is created from time to time by way of transfer of profits from retained earnings for the purpose of appropriation. General Reserve is created by a transfer from one component of equity to the another Component of the equity and it is not a part of other comprehensive income.
- Securities Premium Account:-** Securities Premium Account is used to record the premium on issue of equity or preference shares. These reserve is utilized in accordance with the provisions of the Companies Act, 2013.
- Investment Subsidy:-** Investment Subsidy is created at the time of receipt of capital subsidy for setting up the project from the Governmental authorities. Investment subsidy will not be utilized for any purpose, it will stand as it is in the other equity.
- Capital Redemption Reserve:-** Capital Redemption Reserve is created at the time of redemption of preference share by the Company by way of transferring the nominal value of redeemed preference shares. Capital Redemption Reserve is utilized only for the issue of bonus shares by the Company.

Notes to the Financial Statements

12. BORROWINGS (NON CURRENT)

(Figures in ₹ Lakhs)

Particulars	As at 31st March 2018	As at 31st March 2017	As at 1st April 2016
Secured			
A) Term loans			
a) From State Bank of India			
Term loan - I	492.96	670.61	929.94
Term loan - II	331.37	441.69	96.81
Term loan - III	419.31	523.74	-
Total (a)	1,243.64	1,636.04	1,026.75
b) From Others			
Aditya Birla Finance Ltd,	-	101.92	115.66
Edelweiss Retail Finance Limited	118.71	155.12	186.48
Total (b)	118.71	257.04	302.14
Total (A)	1,362.35	1,893.08	1,328.89
B) Vehicle hire purchase loan			
From ICICI Bank Limited	5.69	8.81	17.51
From HDFC Bank Limited	30.79	43.58	55.23
Total (B)	36.48	52.39	72.74
C) Unsecured loan			
From Directors	207.49	161.64	197.14
From Body Corporates	471.98	495.10	478.68
Total (C)	679.47	656.74	675.83
Preference Share Capital			
Authorized			
1,500,000 Cumulative Redeemable Preference Shares of ₹ 100 Each	1,500.00	1,500.00	1,500.00
Issued, Subscribed and Fully Paid Up			
773,000 8% Cumulative Redeemable Preference Shares of ₹ 100 Each	773.00	773.00	773.00
Total (A+B+C)	2,851.30	3,375.21	2,850.46

Nature of Securities

- a) Term Loan amounting ₹ 1658.59 Lakhs from State Bank of India, Industrial Finance Branch, Bharat Nagar, Nagpur (March 31, 2017, ₹1944.08 Lakhs, April 01, 2016, ₹ 1186.75 Lakhs) are secured by the first pari -passu charge by way of hypothecation of entire movable and immovable Property, Plants and Equipments presently held and held in near future by the Company except on the few machineires on which Edelwiss Retail Finance having their first charge.
- b) Term Loan amounting ₹ 118.71 Lakhs from Edelwiss Retail Finance Limited (March 31, 2017, ₹ 155.12 Lakhs, April 01, 2016, ₹ 186.48 Lakhs) are secured by the first pari - passu charge by way of hypothecation of the machineries against which the Company has borrowed the funds.

Notes to the Financial Statements

- c) Term Loan amounting ₹ NIL from Aditya Birla Finance Limited (March 31, 2017, ₹ 101.92 Lakhs, April 01, 2016 ₹ 115.66 Lakhs) are secured by the first pari - passu charge by way of hypothecation of one of the flat under the name of Joint Managing Director, Smt. Seema Rani Agrawal situated at 83, Anmol Apartment, Kadbi Chowk, Nagpur.
- d) Hire Purchase Loans on Vehicles from the financial institution are secured by the hypothecation of the respective Vehicle against which funds has been obtained by the Company.
- e) All the loans are also further secured by the unconditional and irrevocable personal guarantees of three of the Directors, Shri Virendra Kumar Agrawal, Smt. Seema Rani Agrawal and Shri Mayank Agrawal.

Term of Repayments

- a) **"Term Loan - 1"**
from State Bank of India has to be repaid on Quarterly Installment basis which started from January 24, 2013 and the full and final installment to be repay on or before July 31, 2021 which carries the rate of interest 14.45% per annum.
- b) **"Term Loan - 2"**
from State Bank of India has to be repaid on Monthly Installment basis which started from January 11, 2016 and the full and final installment to be repay on or before December 31, 2022 which carries the rate of interest 12.60% per annum.
- c) **"Term Loan - 3"**
from State Bank of India has to be repaid on Monthly Installment Basis which started from 1st November, 2016 and the Full and Final Installment to be repay on or before 31st July, 2023 which carries the Rate of Interest 12.60% per annum.
- d) Term Loan from Aditya Birla Finance Limited has to be repaid on Monthly Installment basis which started from March 05, 2015 and the full and final installment to be repay on or before April 05, 2021 which carries the rate of interest 12.00% per annum.
- e) Term Loan from Edelwiss Retail Finance Limited has to be repaid on Monthly Installment basis which is started from June 05, 2015 and the full and final installment to be repay on or before October 05, 2020 which carries the rate of interest 15.00% per annum.
- f) Vehicle Hire Purchase Loan from HDFC Bank Limited has to be repaid on Monthly Installment of ₹ 0.87 Lakhs which started from April 07, 2014 and the full and final Installment to be repay on or before February 07, 2022 which carries the rate of interest 9.35% per annum.
- g) Vehicle Hire Purchase Loan from ICICI Bank Limited has to be repaid on Monthly Installment of ₹ 1.01 Lakhs which started from May 01, 2016 and the full and final installment to be repay on or before April 01, 2021 which carries the rate of interest 9.35% per annum.
- h) All other loans from the Inter - Corporate, Other parties and Related parties are repayable on demand basis, which carries the interest at the rate of 12% - 15%.

Notes to the Financial Statements

Preference Share Capital

a) Reconciliation of the shares and amount outstanding at the beginning and at the end of the reporting period :

Particulars	As at 31st March 2018		As at 31st March 2017		As at 1st April 2016	
	Number	(₹ In Lakhs)	Number	(₹ In Lakhs)	Number	(₹ In Lakhs)
At the beginning of the reporting period	773,000	773.00	773,000	773.00	773,000	773.00
Add: Issued during the reporting period	-	-	-	-	-	-
Less: Buyback during the reporting period	-	-	-	-	-	-
Outstanding at the end of the reporting period	773,000	773.00	773,000	773.00	773,000	773.00

b) Details of Cumulative Redeemable Preference Shares

Particulars	As at 31st March 2018		As at 31st March 2017		Date of Share Issue	Date of Redemptions
	No. of Shares held	(₹ In Lakhs)	No. of Shares held	(₹ In Lakhs)		
8% Cumulative Redemable Preference Share of ₹ 100 Each	550,000	550.00	550,000	550.00	15-Jul-2011	17-Jul-2023
8% Cumulative Redemable Preference Share of ₹ 100 Each	223,000	223.00	223,000	223.00	20-Mar-2012	19-Mar-2024
Total Nos. of Shares Held	773,000	773.00	773,000	773.00	-	-

c) Terms / Rights attached to Preference Shares

- i) The Company has only one class of Preference Shares having a par value of ₹ 100 per share.
- ii) The Company declares and pays the dividend in Indian Rupees (₹).

Notes to the Financial Statements

13. Other Financial Liabilities

(Figures in ₹ Lakhs)

Particulars	As at 31st March 2018	As at 31st March 2017	As at 1st April 2016
Non-Current			
Others			
Retention Money related to Capital Expenditures	-	-	-
Rental Deposits	3.00	2.28	2.28
Other Payables	-	-	-
Total (A)	3.00	2.28	2.28
Current			
Current Maturities of Long Term Debts			
Current Maturities of Term Loan from Banks	414.96	308.04	160.00
Current Maturities of Hire Purchase Loans	23.21	20.35	17.60
Investor Education and Protection Fund*			
Unclaimed / Unpaid Dividend	12.37	13.35	13.56
Others			
Interest Accrued but not yet due	-	62.15	-
Audit Fees Payable	1.57	1.57	0.23
Payable towards Expenses	145.43	147.24	57.82
Payable to Employees	189.30	194.66	189.41
Total (B)	786.83	747.36	438.62
Total (A+B)	789.83	749.64	440.90

* There are no amount due for payments towards the "Investor Education and Protection Fund" under section 125 of the Companies Act, 2013 as at the end of the Reporting Period.

14. PROVISIONS

(Figures in ₹ Lakhs)

Particulars	As at 31st March 2018	As at 31st March 2017	As at 1st April 2016
Non-Current			
Provisions for employee benefits			
Gratuity (Unfunded)	404.98	339.64	272.96
Leave Encashment (Unfunded)	22.52	49.17	38.13
Total (A)	427.50	388.81	311.08
Current			
Provisions for employee benefits			
Provision of Gratuity	8.49	-	-
Provision of Leave Encashment	1.63	-	-
Others			
Interest Expenses on Preference Shares	61.84	61.84	61.84
Income Tax on Interest on Preference Shares	12.59	12.59	12.59
Total (B)	84.55	74.43	74.43
Total (A+B)	512.05	463.24	385.51

Notes to the Financial Statements

15. DEFERRED TAX LIABILITIES (NET)

(Figures in ₹ Lakhs)

Particulars	As at 31st March 2018	As at 31st March 2017	As at 1st April 2016
Deferred Tax Liabilities at the beginning of the year	479.57	445.33	371.80
Deferred Tax Liabilities / (Assets) on account of timing differences	(9.46)	20.12	66.90
On account of remeasurement of defined benefit plans	15.59	13.99	6.64
On account of adjustment in respect of Property, Plants and Equipments	-	0.14	-
On account of adjustment in Gratuity Provision	(15.45)	-	-
Deferred Tax Liabilities at the end of the year	470.25	479.57	445.33

16. OTHER LIABILITIES

(Figures in ₹ Lakhs)

Particulars	As at 31st March 2018	As at 31st March 2017	As at 1st April 2016
Non-Current			
Others			
Deferred Revenue arising from Grants and Subsidies	-	-	-
Total (A)	-	-	-
Current			
Revenue received in Advances			
Advances Received from Customers	33.98	64.97	43.23
Statutory Dues Payables			
Indirect Tax Payable	11.89	10.38	8.92
Withholding Tax Payable	-	1.96	1.88
Total (B)	45.87	77.31	54.03
Total (A+B)	45.87	77.31	54.03

17. BORROWINGS (CURRENT)

(Figures in ₹ Lakhs)

Particulars	As at 31st March 2018	As at 31st March 2017	As at 1st April 2016
Secured			
Loans Repayable on Demand			
Working Capital Loans From Banks	684.32	518.90	1,613.39
FCNB with State Bank of India	1,053.39	968.86	-
Unsecured	1,737.71	1,487.76	1,613.39
Export Packing Credits (EPC)	119.43	158.31	-
Total	1,857.14	1,646.07	1,613.39

Nature of Securities

a) Working Capital Loans from the Banks and Financial Institution are secured by way of first pari - passu charges on hypothecation of entire inventories, book debts, claims and other receivables related with the Company presently held and held in the near future and also the first charge on Corporate office of the Company situated at "Kanha Apartment, Nagpur" by way of second charge on all the movable and immovable Property, Plants and Equipments except on machineries having encumbered charge is created by Edelwiss Retail Finance Limited for ₹ 2.01 Lakhs in which the State Bank of India created the second charge.

b) All the Working Capital Loans are further secured by the unconditional and irrevocable personal guarantees of three Directors, Shri Virendra Kumar Agrawal, Smt. Seema Rani Agrawal and Shri Mayank Agrawal.

Notes to the Financial Statements

18. TRADE PAYABLES

(Figures in ₹ Lakhs)

Particulars	As at 31st March 2018	As at 31st March 2017	As at 1st April 2016
Trade Payables (Including Acceptance)*			
Due to Micro and Small Enterprises**	40.24	92.51	3.70
Due to Others	723.57	555.12	688.78
Total	763.81	647.63	692.48

Notes * Refer " **Notes No. 30** " for the Information of Credit Risk and Market Risk.

Notes ** The Company has certain dues to the suppliers of Micro, Small and Medium Enterprises Development Act, 2006 ("MSMED Act 2006"). The disclosure pursuant to the said MSMED Act, 2006 are as follows:

Particulars	As at 31st March 2018	As at 31st March 2017	As at 1st April 2016
Principal amount due to the suppliers registered under the MSMED Act, 2006 and remaining amount unpaid at the end of the year	40.24	92.51	3.70
Interest due to the suppliers registered under the MSMED Act, 2006 and remaining unpaid at the end of the year	-	-	-
Principal amount paid to the suppliers registered under the MSMED Act, 2006 beyond the stipulated day during the year	-	-	-
Interest paid, under Section 16 of MSMED Act, 2006 to the suppliers registered under the Act, beyond the "Appointed Day" during the year	-	-	-
Interest due or payable towards the suppliers registered under the MSMED Act, 2006 for the payments already made	-	-	-
Further interest remaining due and payable for the earlier year	-	-	-

19. CURRENT TAX LIABILITIES (NET)

(Figures in ₹ Lakhs)

Particulars	As at 31st March 2018	As at 31st March 2017	As at 1st April 2016
Provision for Income Tax (Net)			
Provision for Income Tax	97.08	73.57	99.53
Less :- Advance Income Tax	65.00	35.00	30.00
Tax Deducted at Source Receivables	0.51	0.53	2.49
Income tax for earlier year	-	3.19	1.49
MAT Credit Utilized During the Year	-	14.50	-
Total	31.57	20.36	65.55

Notes to the Financial Statements

20. REVENUE FROM OPERATIONS

(Figures in ₹ Lakhs)

Particulars	As at 31st March 2018	As at 31st March 2017
<u>Sale of products</u>		
Domestic Market	11,288.07	9,283.30
Export - Direct	2,253.76	2,719.48
Export - Merchants	1,671.02	1,363.52
Total Sale of products	15,212.85	13,366.30
<u>Sale of Services</u>		
Job Work Receipts	-	0.89
Total Sale of products	-	0.89
Total	15,212.85	13,367.19

21. OTHER OPERATING REVENUE

(Figures in ₹ Lakhs)

Particulars	As at 31st March 2018	As at 31st March 2017
Waste Sales	12.11	11.51
Export Benefit Entitlements	30.22	444.53
Duty Draw Back Credit	38.69	119.30
Total	81.02	575.33

22. OTHER INCOME

(Figures in ₹ Lakhs)

Particulars	As at 31st March 2018	As at 31st March 2017
<u>Interest Income</u>		
On Investments measured at Fair Value through Other Comprehensive Income	-	-
On Other Financial Assets carried at Amortized Cost	6.01	5.73
On Other Assets	2.57	-
<u>Insurance Claim</u>	8.93	-
<u>Other Non - Operating Revenues</u>		
Income from Rent	6.80	9.65
Balances Written off	-	-
<u>Other Gain or (Loss)</u>		
Net Foreign Exchange Gain	19.28	-
Net Gain on Disposal of Property, Plants and Equipments	0.40	0.85
Sale of Scraps - Others	0.52	0.90
Total	44.51	17.13

Notes to the Financial Statements

23. COST OF MATERIALS CONSUMED

(Figures in ₹ Lakhs)

Particulars	As at 31st March 2018	As at 31st March 2017
Raw materials at the beginning of the year	557.67	386.62
Add :- Purchases made during the year	9,427.25	9,123.77
Less :- Raw materials at the end of the year	620.51	557.67
Total Raw materials consumed	9,364.41	8,952.72

24. CHANGES IN INVENTORIES OF FINISHED GOODS, WORK-IN-PROCESS AND STOCK-IN-TRADE:

(Figures in ₹ Lakhs)

Particulars	As at 31st March 2018	As at 31st March 2017
Stock at the beginning of the year		
Finished goods - Yarn	511.08	248.19
Stock-in-process	447.64	358.93
Waste	-	0.35
Total	958.72	607.47
Stock at the end of the year		
Finished goods - Yarn	453.83	511.08
Stock-in-process	515.49	447.64
Waste	0.19	-
Total	969.51	958.72
(INCREASE)/DECREASE IN STOCK	(10.79)	(351.25)

25. EMPLOYEE BENEFIT EXPENSES*

(Figures in ₹ Lakhs)

Particulars	As at 31st March 2018	As at 31st March 2017
Salary, Wages, Incentives and Managerial Remuneration	1,608.16	1,490.08
Contributions to:		
Provident Fund	44.80	43.71
Pension Fund	65.18	61.83
Other Fund	24.36	8.27
Bonus	59.84	60.90
Staff Welfare Expenses	45.52	42.33
Total	1,847.86	1,707.11

* Refer " Note No. 39 " for further references.

Notes to the Financial Statements

26. OTHER EXPENSES

(Figures in ₹ Lakhs)

Particulars	As at 31st March 2018	As at 31st March 2017
Consumption of Stores and Spares	323.17	193.83
Packing materials and charges	279.04	225.09
Power & Fuel	989.86	1,321.46
Job Work Charges	31.60	18.98
<u>Repairs and Maintenance Expenses</u>		
For Plant and Machineires	12.44	13.69
For Building	10.71	8.54
For Other Maintenance Charges	33.59	32.80
Rent, Rates and taxes	61.82	50.55
Licence Fees	2.32	3.02
Conveyance and Travelling expenses	53.29	52.30
Directors Sitting Fees	0.32	1.08
Insurance	8.42	8.37
Foreign Exchange Loss	-	8.56
Legal and Professional Charges	29.03	15.77
Postage, Telephone & Mobile Expenses	12.98	14.23
Selling and Distribution Expenses	722.35	446.61
Administrative and Other Expenses	37.46	29.49
Payment to Auditor (Refer Note No. 29.1)	1.73	1.72
Cost Audit Fees	0.45	0.45
Sundry Balances Witten Off	0.64	7.00
Security Expenses	19.19	16.29
Total	2,630.41	2,469.84

26.1. PAYMENTS TO AUDITORS

(Figures in ₹ Lakhs)

Particulars	As at 31st March 2018	As at 31st March 2017
<u>As Auditor's:</u>		
Statutory Audit Fee	1.44	1.43
Tax Audit Fee	0.29	0.29
Certification Fee and Other Services	-	-
For Reimbursement of Expenses	-	-
Total	1.73	1.72

Notes to the Financial Statements

27. FINANCE COST

(Figures in ₹ Lakhs)

Particulars	As at 31st March 2018	As at 31st March 2017
Interest on Financial Liabilities carried at Amortized Cost		
Interest on Term Loans	208.07	165.98
Interest on Working Capital Loans	223.53	185.79
Interest on Other Loans	6.62	7.49
Interest on Loans from Other Parties	97.06	102.84
Other Interest Expenses	95.93	97.99
Interest Expenses on Preference Shares (Inclusive of Corporate Income Tax)	74.43	74.43
Total	705.64	634.52

28. DEPRECIATION AND AMORTISATION EXPENSES

(Figures in ₹ Lakhs)

Particulars	As at 31st March 2018	As at 31st March 2017
Depreciation	446.29	404.24
Total	446.29	404.24

29. CURRENT TAX

(Figures in ₹ Lakhs)

Particulars	As at 31st March 2018	As at 31st March 2017
Reconciliation of Tax Expenses and Accounting Profit for the Year as under:		
Profit / (Loss) for Before Income Tax	354.58	142.47
Income Tax Expenses Calculated @ 20.389%*	72.29	29.05
Tax Effect on Non - Deductible Items	24.79	30.02
Tax Effect on Deductible Items	-	-
Adjustments in respect of Current Income Tax of Previous Year	97.08	59.07
Total	97.08	59.07

* The tax rate used for reconciliation of the above is the Corporate tax rate (Minimum Alternative Tax (MAT)) of 20.389% payable by the Corporate entities in India on Taxable Profit under Indian Income Tax Laws.

Notes to the Financial Statements

30a. Category Wise Classification of Financial Instruments

(Figures in ₹ Lakhs)

	Notes	As at 31st March 2018	As at 31st March 2017	As at 1st April 2016
A) Financial Assets				
Non - Current				
Financial Assets measured at Fair Value through Profit and Loss (FVTPL)				
Investment in Quoted Mutual Funds		-	-	-
Investment in Unquoted Mutual Funds		-	-	-
Forward Exchange Contracts (Net)		-	-	-
Total (A)		-	-	-
B) Financial Assets measured at Fair Value through Other Comprehensive Income (FVTOCI)				
Investment in Quoted Equity Shares		-	-	-
Investment in Quoted Debentures or Bonds		-	-	-
Total (B)		-	-	-
C) Financial Assets measured at Amortized Cost				
Security Deposits	5	0.64	0.64	0.64
Other Deposits	5	2.46	2.64	2.43
Term Deposits held as Margin Money against Bank Guarantee and Other Commitments	5	53.97	72.62	62.37
Total (C)		57.07	75.90	65.44
Total (A+B+C)		57.07	75.90	65.44
A) Financial Assets				
Current				
Financial Assets measured at Fair Value through Profit and Loss (FVTPL)				
Investment in Quoted Mutual Funds		-	-	-
Investment in Unquoted Mutual Funds		-	-	-
Forward Exchange Contracts (Net)		-	-	-
Total (A)		-	-	-
B) Financial Assets measured at Fair Value through Other Comprehensive Income (FVTOCI)				
Investment in Quoted Equity Shares		-	-	-
Investment in Quoted Debentures or Bonds		-	-	-
Total (B)		-	-	-
C) Financial Assets measured at Amortized Cost				
Investment in Unquoted Government Securities		-	-	-
Trade Receivables	07	1,209.33	983.92	1,264.37
Cash and Bank Balances	08	8.99	12.89	6.43
Other Balances with Banks	08a	12.37	13.35	13.56
Accrued Interest on Term Deposits	09	17.33	12.97	16.97
Total (B)		1,248.01	1,023.13	1,301.32
Total (A+B+C)		1,248.01	1,023.13	1,301.32

Notes to the Financial Statements

(Figures in ₹ Lakhs)

	Notes	As at 31st March 2018	As at 31st March 2017	As at 1st April 2016
<u>Financial Liabilities</u>				
<u>Non - Current</u>				
<u>Financial Liabilities measured at Amortised Cost</u>				
Borrowings from Banks	13	1,243.63	1,636.04	1,026.75
Borrowings from Financial Institutions	13	118.71	257.04	302.14
Borrowings for Hire Purchase Loans	13	36.48	52.39	72.74
Inter - Corporate and Related Parties Loans	13	679.47	656.74	675.83
Preference Share Capital	13	773.00	773.00	773.00
Rental Deposits	13	-	-	-
Total		2,851.30	3,375.21	2,850.46
<u>Financial Liabilities</u>				
<u>Current</u>				
<u>Financial Liabilities measured at Amortised Cost</u>				
Working Capital Loans from Bank	17	1,737.71	1,487.76	1,613.39
Export Packing Credits (EPC)	17	119.43	158.31	-
Trade Payables	18	763.81	647.63	692.48
Current Maturities of Long Term Loans	19	438.17	328.39	177.60
Unpaid / Unclaimed Dividend	19	12.37	13.35	13.56
Interest Accrued but not yet due	19	-	62.15	-
Payable towards Services	19	1.57	1.57	0.23
Payable towards Expenses	19	145.43	147.24	57.82
Payable towards Employees	19	189.30	194.66	189.41
Total		3,407.78	3,041.06	2,744.49

Notes to the Financial Statements

Note No. - 30B - Fair Value Measurements

i) Financial Instruments measured at fair value through other comprehensive income and Financial Instruments measured at fair value through profit or loss

The Company neither holds any quoted or unquoted equity shares nor holds quoted or unquoted debentures or bonds nor holds quoted or unquoted mutual funds, so the reporting under the said clause does not apply to the Company for all the Reporting Periods presented in Ind AS financial statements.

The Company neither has any financial liabilities which has to be measured at fair value through profit or loss so the reporting under the Ind AS – 109, Fair Value does not apply to the Company in respect of all the reporting periods presented in Ind AS financial statements.

ii) Financial Instruments measured at amortized cost

The carrying amount of financial assets and financial liabilities measured at amortized cost in the presented Ind AS financial statements are a reasonable approximation of the fair value since the Company does not anticipate that the carrying amounts would be significantly different from the value that would eventually be received or settled.

“Note No. – 30C” – Financial Risk Management – Objectives and Policies

The Company's financial liabilities comprise mainly the borrowings, trade and other payables. The Company's financial assets comprise mainly of inventories, cash and cash equivalents, other balances with banks, trade other receivables.

The Company is exposed to the Market Risk, Credit Risk and Liquidity Risk. The Board of Directors (“the Board”) oversees the management of these financial risks through its Risk Management Committee. The Risk Management Policy of the Company formulated by the Risk Management Committee and approved by the Board, states the Company's approach to address uncertainties in its endeavor to achieve its stated and implicit objectives. It prescribes the roles and responsibilities and the Company's managements, structure for managing the risk and the framework for Risk Management. The framework seeks to identify, assess and mitigate the financial risk in order to minimize the potential adverse effect on the Company's financial performance. The following disclosures summarize the Company's exposure to the financial risks and the information regarding use of derivatives employed to manage the exposures to such risks. Quantitative Sensitivity Analysis has been provided to reflect the impact of reasonably possible changes in market rate on financial results, cash flows and financial positions of the Company.

1) Market Risk

Market Risk is the risk that the fair value of future cash flows of a financial instrument will fluctuate because of changes in market prices. Market Risk comprises three types of Risk: “Interest Rate Risk, Currency Risk and Other Price Risk”. Financial instrument affected by the Market Risk includes borrowings, trade payable, trade receivables and derivative financial instruments.

a) Interest Rate Risk

Interest Rate Risk is the risk that fair value or future cash flows of a financial instrument will fluctuate because of changes in market interest rates. Since the Company has insignificant interest bearing borrowings, the exposure to risk of changes in market interest rates is minimal. The Company has not used any interest rate derivatives.

Notes to the Financial Statements

b) Foreign Currency Risk

Foreign Currency Risk is the risk that the fair value or future cash flows of an exposure will fluctuate due to changes in foreign exchange rates. The Company enters into forward exchange contracts with one year maturity to hedge against its foreign currency exposures relating to recognized underlying the liabilities and firm commitments. The Company's policy is to hedge its exposures above pre defined thresholds from recognized changes in foreign exchange rates. The Company enters into forward exchange contracts with one year maturity to hedge against its foreign currency exposures relating to recognized underlying the liabilities and firm commitments. The Company's policy is to hedge its exposures above pre defined thresholds from recognized liabilities and firm commitments that fall due in the prescribed time limits. The Company does not enter into any derivative instruments for trading or speculative purpose.

The Carrying amount of Company's Foreign Currency denominated monetary items are as follows:

Currency	Liabilities			Assets		
	31st Mar 2018	31st Mar 2017	1st Apr 2016	31st Mar 2018	31st Mar 2017	1st Apr 2016
USD (\$)	3,393,534	1,494,000	687,286	838,358	--	679,059
Others	--	--	--	--	--	--

The above table represents the total exposure of the Company towards its foreign exchange denominated liabilities (net). The details of the exposure hedged using forward exchanges contracts are given as a part of "Note No. 38A" and the details of unhedged exposures are given as part of "Note No. 38B".

c) Other Price Risk

Other Price Risk is the Risk that the fair value of a financial instrument will fluctuate due to changes in market traded price. Other Price Risk arises from financial assets such as investments in equity instruments and bonds.

The Company is exposed to price risk arising mainly from investments in equity instruments recognized at FVTOCI. As at March 31, 2018, the carrying value of such equity instruments recognized at amounts FVTOCI amounts to ₹ NIL (March 31, 2017 ₹ NIL and ₹ NIL as April 01, 2016).

The Company is also exposed to price risk arising from investments in bonds recognized at FVTOCI. As at March 31, 2018, the carrying value of such instruments recognized at amounts FVTOCI amounts to ₹ NIL (March 31, 2017 ₹ NIL and ₹ NIL as April 01, 2016). These being in the debt instruments, the exposure to risk of changes in the market rate are minimal.

2) Credit Risk

Credit Risk refers to the risk that the counterparty will default on its contractual obligations resulting in financial losses to the Company. Credit Risk arises primarily from financial assets such as trade receivables, other balances with banks and other receivables.

The Company has adopted a policy of only dealing with counterparties that have sufficiently high credit rating. The Company's exposure and credit ratings of its counterparties are continuously monitored and the aggregate value of transactions is reasonably spread amongst the counterparties.

Credit Risk arising from other balances with banks is limited and there is no collateral held against these because the counterparties are banks and recognized financial institutions with high credit rating assigned by the international credit rating agencies.

The average credit period on sale of products is less than 30 days. Credit Risk arising from trade receivable is managed in accordance with the Company's established policy, procedures and control relating to customer credit risk management. Credit quality of a customer is assessed based on detailed study of credit worthiness and accordingly individual credit limits are defined / modified.

Notes to the Financial Statements

The concentration on credit risk is limited due to the fact that the customer base is large. There is no customer representing more than 10% of total balance of trade receivables.

For trade receivable, as a practical expedient, the Company computes credit loss allowance based on a provision matrix. The provision matrix is prepared based on the historically observed default rates over the expected life of trade receivables and is adjusted for forward - looking estimates. The provision on trade receivable is not ascertained and estimated by the Company's management because in normal circumstances the Company has received the advance payment from its customers before dispatches of consignments.

3) Liquidity Risk

Liquidity Risk is the risk that the Company will encounter difficulty in raising the funds to meet the commitments associated with financial instruments that are settled by delivering cash or another financial asset. Liquidity risk may result from an inability to sell a financial asset quickly at close to its fair value.

The Company has an established liquidity risk management framework for managing its short term, medium term and long term funding and liquidity management requirements. The Company's exposure to liquidity risk arises primarily from mismatches of the maturities of financial assets and liabilities. The Company manages the liquidity risk by maintaining adequate funds in the cash and cash equivalents. The Company also has adequate credit facilities agreed with banks to ensure that there is sufficient cash to meet all its normal operating commitment in a timely and cost effective manner.

The table below analysis derivate and non - derivate financial liabilities of the Company into the relevant maturity grouping based on the remaining period from the reporting date to the contractual maturity date. The amounts disclosed in the table are the contractual undiscounted cash flows:

(Figures in ₹ Lakhs)

As at 31st March 2018	Less than 1 Year	Between 1 to 5 Year	More than 5 Year	Total	Carrying Value
Borrowings	1,857.14	2,851.30	--	4,708.44	4,708.44
Other Financial Liabilities	786.83	3.00	--	789.83	789.83
Trade Payables	763.81	--	--	763.81	763.81

As at 31st March 2017	Less than 1 Year	Between 1 to 5 Year	More than 5 Year	Total	Carrying Value
Borrowings	1,646.07	3,375.21	--	5,021.28	5,021.28
Other Financial Liabilities	747.36	2.28	--	749.64	749.64
Trade Payables	647.62	--	--	647.62	647.62

As at 31st March 2016	Less than 1 Year	Between 1 to 5 Year	More than 5 Year	Total	Carrying Value
Borrowings	1,613.39	2,850.46	--	4,463.85	4,463.85
Other Financial Liabilities	438.62	2.28	--	440.90	440.90
Trade Payables	692.48	--	--	692.48	692.48

"Notes - 30D" - Capital Management

For the purpose of the Company's capital management, capital includes issued capital and all other equity reserves attributable to the equity shareholders of the Company. The primary objective of the Company when managing capital is to safeguard its ability to continue as a going concern and to maintain an optimal capital structure so as to maximize shareholders value.

As at March 31, 2018, the Company has only one class of equity shares and has low debts. Consequent to such capital structure, there are no externally imposed capital requirements. In order to maintain or achieve an optimal capital structure, the Company allocates its capital for distribution as dividend or re-investment into business based on its long term financial plans.

Notes to the Financial Statements

“Note No. 31” – “First Time Adoption of Ind AS”

The Company’s financial statement for the year ended March 31, 2018, are prepared in accordance with the Ind AS notified under the Companies (Indian Accounting Standards) Rules, 2015. For the purpose of transition to Ind AS, the Company has followed the guidance prescribed in Ind AS – 101, “First Time Adoption of Indian

Accounting Standards”, with April 01, 2016 as the transition date.

The transition to Ind AS has resulted in changes in the presentation of financial statements, disclosure in the notes thereto and accounting policies and principals. The accounting policies set out in the “Note No. 1” and

“Note No. 2” have been applied in preparing its Ind AS financial statements for the year ended March 31, 2018 including the comparative information for the year ended March 31, 2017 and the Opening Ind AS Balance Sheet on the date of transition i.e. April 01, 2016. The “Note No. 31” explains the principal adjustment made by the Company in restating its financial statements prepared under Previous GAAP for the following periods are as follows:

- a) Balance Sheet as at **April 01, 2016** (“Transition Date”);
- b) Balance Sheet as at **March 31, 2017**;
- c) Statement of Profit or Loss for the year ended **March 31, 2017**; and
- d) Statement of Cash Flow for the year ended **March 31, 2017**.

Exception

1) Estimates Exception:- Upon the assessment of the estimates made under the “Indian GAAP”, the Company has concluded that there was no necessity to revise such estimates under the Ind AS, except where estimates were required by Ind AS and not required by Indian GAAP.

2) The Company has classified its financial assets in accordance with the Ind AS – 109, “Financial Instruments” on the basis of the facts and circumstances that exists at the date of transition to Ind AS.

Exemption

Ind AS – 101 “First Time Adoption of Indian Accounting Standards”, allows first – time adopters, exemption from the retrospective application and exemption from application of certain requirements under Ind AS.

The Company has availed the following exemption as per “Ind AS – 101”:

1) The Company has elected to apply the deemed cost option available under the Para D7AA of Ind AS 101 i.e. all the items of the Property, Plants and Equipments and Intangible Assets have been recognized in the Ind AS financial statements as at the date of transition to the Ind AS at the Carrying value measured as per Previous GAAP.

2) The requirement of Ind AS 20 – “Accounting for Government Grants and disclosures of Government Assistance” and Ind AS 109 – “Financial Instruments”, in respect of such recognition and measurement interest free loans from Government authorities and other assistance is opted to be applied prospectively to all the Grants received after the date of transition to Ind AS. Consequently, the carrying amount of such interest free loans as per the financial statements of the Company prepared under the Previous GAAP is considered for recognition in opening the Ind AS financial statements.

Reconciliation

- 1) Total Comprehensive Income for the year ended **March 31, 2017**;
- 2) Equity as at April 01, 2016 and **March 31, 2017**.

Notes to the Financial Statements

31. FIRST TIME ADOPTION OF Ind AS

(Figures in ₹ Lakhs)

Effect of Ind AS adoption on the Balance Sheet as at April 01, 2016	Foot Notes	Previous GAAP	Effect of Transition	Ind AS
ASSETS				
NON-CURRENT ASSETS				
Property, Plant & Equipments		5,119.04	-	5,119.04
Other Intangible Assets		-	-	-
Capital work-in-progress		165.78	-	165.78
<i>Financial Assets</i>				
- Other financial assets		215.95	-	215.95
Other Non-current Assets		260.23	-	260.23
Total Non-current assets		5,761.00	-	5,761.00
CURRENT ASSETS				
Inventories		1,114.31	-	1,114.31
<i>Financial Assets</i>				
- Trade receivables		1,264.37	-	1,264.37
- Cash and cash equivalents		6.43	-	6.43
- Other Balances with Bank		13.56	-	13.56
- Other financial assets		16.97	-	16.97
Current tax assets (net)		-	-	-
Other Current Assets	1	731.43	0.15	731.58
Total Current assets		3,147.07	0.15	3,147.22
TOTAL ASSETS		8,908.07	0.15	8,908.22
EQUITY AND LIABILITIES				
EQUITY				
Equity Share Capital	2	1,066.19	(773.00)	293.19
Other Equity	3, 4 & 5	2,038.73	28.65	2,067.38
Total Equity		3,104.92	(744.35)	2,360.57
LIABILITIES				
Non-current liabilities				
<i>Financial Liabilities</i>				
- Borrowings	2	2,077.46	773.00	2,850.46
- Other financial liabilities		2.28	-	2.28
Long Term Provisions		311.08	-	311.08
Deferred tax liabilities (Net)	5	438.69	6.64	445.33
Other Non-current Liabilities		-	-	-
Total Non-current liabilities		2,829.51	779.64	3,609.15
CURRENT LIABILITIES				
<i>Financial Liabilities</i>				
- Borrowings		1,613.39	-	1,613.39
- Trade payables	1	692.33	0.15	692.48
- Other financial liabilities		438.62	-	438.62
Other Current Liabilities		54.03	-	54.03
Short Term Provisions	3	109.72	(35.29)	74.43
Current Tax Liabilities (Net)		65.55	-	65.55
Total Current liabilities		2,973.64	(35.14)	2,938.50
TOTAL EQUITY AND LIABILITIES		8,908.07	0.15	8,908.22

Notes to the Financial Statements

(Figures in ₹ Lakhs)

Effect of Ind AS adoption on the Balance Sheet as at April 01, 2017	Foot Notes	Previous GAAP	Effect of Transition	Ind AS
ASSETS				
NON-CURRENT ASSETS				
Property, Plant & Equipments	6	6,027.45	(13.43)	6,014.02
Other Intangible Assets		-	-	-
Capital work-in-progress		28.34	-	28.34
<i>Financial Assets</i>				
- Other financial assets		75.90	-	75.90
Other Non-current Assets		226.21	-	226.21
Total Non-current assets		6,357.90	(13.43)	6,344.47
CURRENT ASSETS				
Inventories		1,646.91	-	1,646.91
<i>Financial Assets</i>				
- Trade receivables		983.92	-	983.92
- Cash and cash equivalents		12.89	-	12.89
- Other Balances with Bank		13.35	-	13.35
- Other financial assets		12.97	-	12.97
Current tax assets (net)		-	-	-
Other Current Assets		846.77	-	846.77
Total Current assets		3,516.81	-	3,516.81
TOTAL ASSETS		9,874.71	(13.43)	9,861.28
EQUITY AND LIABILITIES				
EQUITY				
Equity Share Capital	2	1,066.19	(773.00)	293.19
Other Equity	3, 4, 5 & 6	2,107.96	1.10	2,109.06
Total Equity		3,174.15	(771.90)	2,402.25
LIABILITIES				
Non-current liabilities				
<i>Financial Liabilities</i>				
- Borrowings	2	2,602.21	773.00	3,375.21
- Other financial liabilities		2.28	-	2.28
Long Term Provisions		388.81	-	388.81
Deferred tax liabilities (Net)	5 & 6	458.81	20.76	479.57
Other Non-current Liabilities		-	-	-
Total Non-current liabilities		3,452.11	793.76	4,245.87
CURRENT LIABILITIES				
<i>Financial Liabilities</i>				
- Borrowings		1,646.07	-	1,646.07
- Trade payables		647.63	-	647.63
- Other financial liabilities		747.36	-	747.36
Other Current Liabilities		77.31	-	77.31
Short Term Provisions	3	109.72	(35.29)	74.43
Current Tax Liabilities (Net)		20.36	-	20.36
Total Current liabilities		3,248.45	(35.29)	3,213.16
TOTAL EQUITY AND LIABILITIES		9,874.71	(13.43)	9,861.28

Notes to the Financial Statements

(Figures in ₹ Lakhs)

Effect of Ind AS adoption on the Statement of Profit or Loss for the year ended March 31, 2017	Foot Notes	Previous GAAP	Effect of Transition	Ind AS
REVENUE				
Revenue from operations	7	13,367.19	-	13,367.19
Other Operating Revenue		575.33	-	575.33
Other income		17.13	-	17.13
TOTAL REVENUE (I)		13,959.65	-	13,959.65
EXPENSES				
Cost of materials consumed		8,952.72	-	8,952.72
Purchases of stock-in-trade		-	-	-
Changes in inventories of finished goods, work-in-progress and stock-in-trade		(351.25)	-	(351.25)
Employee benefits expense	4	1,664.80	42.31	1,707.11
Other expenses		2,469.84	-	2,469.84
TOTAL [II]		12,736.11	42.31	12,778.43
Earning Before Interest, Tax, Depreciation & Amortization (EBITDA) (II - IV)		1,223.54	(42.31)	1,181.23
Finance costs	2 & 6	546.25	88.26	634.52
Depreciation and amortization expense	6	404.65	(0.41)	404.24
Profit Before Exceptional Item & Tax		272.64	(130.17)	142.47
Exceptional Items		-	-	-
Profit Before Tax (PBT)		272.64	(130.17)	142.47
Tax expense:				
Current tax		59.07	-	59.07
Deferred tax	6	20.12	0.14	20.25
MAT Credit Entitlement / (Utilization)		14.50	-	14.50
Income Tax Related to Earlier Year		-	-	-
Total Tax Expenses		93.69	0.14	93.82
Profit After Tax (PAT) (VII - IX)		178.95	(130.30)	48.65
Other Comprehensive Income				
A) Items that will not be reclassified to statement of profit and loss				
(a) Remeasurements of the defined benefit plans	4	-	-	42.31
(b) Income Tax Expenses on the above	4	-	-	(13.99)
Total Other Comprehensive Income (a + b)		-	-	28.32
Total Comprehensive Income for the year		178.95	(130.30)	76.97

* Under the "Previous GAAP", there was no concept of Other Comprehensive Income. Under the Ind AS, specified items of income, expenses, gain or losses are required to be presented in Other Comprehensive Income.

Notes to the Financial Statements

A. Reconciliation of Total Comprehensive Income for the year ended March 31, 2017 (Figures in ₹ Lakhs)

Nature of Adjustments	Foot Notes	Ind AS
Net Profit / (Loss) as per Previous GAAP		178.95
Adjustments during the year:		
Remeasurement Benefits of Defined Benefit Plans	4	(42.31)
Effect of Measuring the Financial Instruments at the Fair Value		
Adjustment in respect of Finance Costs	2 & 6	(88.26)
Adjustment in respect of Depreciation	6	0.41
Deferred Taxes	6	(0.14)
Net Profit / (Loss) as per Ind AS		48.65
Other Comprehensive Income (Net of Taxes)	4	28.32
Total Comprehensive Income as per Ind AS		76.97

B. Reconciliation of Other Equity for the year ended March 31, 2017 and April 01, 2016 (Figures in ₹ Lakhs)

	Foot Notes	31st March 2017	31st March 2016
Reserves and Surplus as per Previous GAAP (i)		2,107.96	2,038.73
Effects of measuring the Financial Instruments		-	-
Adjustment for Proposed Dividend	3	35.29	35.29
Deferred Tax	3	(20.76)	(6.64)
Adjustment in respect of Upfront Fees	6	(13.43)	-
Total Effect of transition to Ind AS (ii)		1.10	28.65
Other Equity as per Ind AS (i) + (ii)		2,109.06	2,067.38

C. Effect of Ind AS adoption of Ind AS on the Statement of Cash Flow for the year ended March 31, 2017 (Figures in ₹ Lakhs)

Particulars	Foot Notes	Previous GAAP	Effect of Transition	Ind AS
Net Cash Flows from Operating Activities	9	1,158.19	-	1,158.19
Net Cash Flows from Investing Activities		(1,126.71)	-	(1,126.71)
Net Cash Flows from Financing Activities		(25.02)	-	(25.02)
Net Increase / (Decrease) in Cash and Cash Equivalents		6.46	-	6.46
Cash and Cash Equivalents at the beginning of the year	9	6.43	-	6.43
Cash and Cash Equivalents at the end of the year	9	12.89	-	12.89
Net Increase / (Decrease) in Cash and Cash Equivalents		6.46	-	6.46

Notes to the Financial Statements

"FOOTNOTES" to the effect of transition to Ind AS

1. An amount of ₹ 14,630 regrouped from the "Trade Payables" having Debit Balances i.e. "Advance given to Suppliers" to the "Advance recoverable in Cash or in Kind" under the head of "Other Current Assets" reported under the "Note No. 6" in the Ind AS financial statements of the Company.
2. **Preference Shares :-** Under the Previous GAAP, Preference Shares were the part of "Share Capital" under the heading of "Shareholder's Fund" and the portion of Dividend payable on such Preference Shares were adjusted in the "Profit and Loss Account" under the heading of "Reserves and Surplus" but as per the Ind AS, Preference Shares, which are mandatorily redeemable on a specific dates are classified as "Borrowings" under the heading of "Non-Current Liabilities". As per Ind AS, the dividend payable on such Preference Shares is recognized as "Interest Expenses" under the head "Finance Costs" in the Statement of Profit and Loss. Accordingly, the amount of Preference Shares of ₹ 773.00 Lakhs is classified as "Borrowings" under "Non-Current Financial Liabilities" and the interest on such Preference Shares amounting to ₹ 74.43 Lakhs (inclusive of ₹ 12.59 Lakhs towards the Corporate Dividend Tax) adjusted from "Reserves and Surplus" as per Previous GAAP and had been classified under "Finance Costs" in the Ind AS financial statements. The impact of the above treatment has not effected the "Other Equity".
3. **Proposed Dividend :-** In the financial statements prepared under the Previous GAAP, Dividend on Equity Shares recommended by the Board of Directors after the end of the financial year but before the approval for issue of financial statements, were recognized as a "Liability" in the financial statements in the reporting period relating to which dividend was approved. Under the Ind AS, such Dividend is recognized as "Liability" in the reporting period in which the same is approved by the shareholders in their ensuing Annual General Meeting. On the date of transition, the above changes in the treatment of Proposed Dividend has not resulted any changes in Other Equity during the reporting period for equivalents amount of Proposed Dividend inclusive of the Corporate Dividend taxes on all the reported year in the Ind AS financial statements. Hence, no adjustment in respect of the same is provided in the Ind AS financial statements.
4. **Remeasurements of Defined Benefit Plans :-** In the financial statements prepared under the Previous GAAP, Remeasurements of defined benefit plans (Gratuity), arising primarily due to the changes in actuarial assumptions was recognized as "Employee Benefit Expenses" under the Statement of Profit and Loss. Under the Ind AS, such Remeasurements benefits relating to defined benefit plans are recognized as "Employee Benefit Expenses" as well as Other Comprehensive Income as per the requirements of Ind AS - 19, "Employee Benefits". Consequently, the related tax effect on the same has also been recognized in the Statement of Profit and Loss. For the year ended March 31, 2017, Remeasurements of gratuity liability resulted in a benefits of ₹ 42.31 Lakhs has been adjusted from "Employee Benefits Expenses" in the Statement of Profit and Loss and recognized separately under Other Comprehensive Income. These has resulted an increase in Employee Benefit Expenses by ₹ 4,231,321 and gain in Other Comprehensive Income by ₹ 42.31 Lakhs for the year ended March 31, 2017. Consequently, the effect of deferred tax assets amounting to ₹ 13.99 Lakhs is also recognized under Other Comprehensive Income. For the year ended April 01, 2016, Remeasurements of gratuity liability resulted in a benefits of ₹ 20.07 Lakhs has been adjusted from "Employee Benefits Expenses" in the Statement of Profit and Loss and recognized separately under Other Comprehensive Income. These has resulted an increase in employee benefit expenses by ₹ 20.07 Lakhs and gain in Other Comprehensive Income by ₹ 20.07 Lakhs for the year ended April 01, 2016. Consequently, the effects of deferred tax assets amounting to ₹ 663,567 is also recognized under the Other Comprehensive Income. The above changes affected the "Other Equity" as at the date of transition to Ind AS and as at March 31, 2017. Consequently, the "Profit before tax" for the year ended March 31, 2017 and April 01, 2016 has been decreased by ₹ 42.31 Lakhs (Net of taxes ₹ 28.32 Lakhs) and ₹ 20.07 Lakhs (Net of taxes ₹ 13.43 Lakhs) respectively.
5. **Deferred Tax :-** In the financial statements prepared under Previous GAAP, Deferred Tax was accounted as per the income statement, which required creation of deferred tax asset / liability on temporary differences

Notes to the Financial Statements

between taxable profit and accounting profit. Under the Ind AS, Deferred Tax is accounted for on the basis of Balance Sheet, which requires creation of deferred tax asset / liability on temporary differences between carrying amounts of an asset / liability in the Balance Sheet and its corresponding tax base.

The application of Ind AS has resulted in recognition of deferred tax on new temporary differences which were not required to be recognized under Previous GAAP. In addition, the above mentioned transitional relating to current / non – current investments have also led to temporary differences and creation of adjustments deferred tax thereon. Due to Remeasurements benefits of defined benefit plans the deferred tax liability as per the Ind AS financial statement has been increased by an amount of ₹ 13.99 Lakhs and ₹ 6.64 Lakhs in Ind AS financial statements as on March 31, 2017 and April 01, 2016 respectively.

- 6. Upfront Fees :-** In the financial statements prepared under the Previous GAAP, Upfront Fees which was directly related to any specific assets which satisfied the eligible criteria of qualifying assets needs to be capitalized. Under the Ind AS, amount of Borrowing Cost like upfront fees will be charged under to the Statement of Profit and Loss in the year in which it is incurred or paid by the Company. Due to the above changes, the Upfront fees capitalized under Property, Plants and Equipments has been derecognized by an amount of ₹ 13.83 Lakhs and the same is charged under the "Finance Cost" in the Statement of Profit and Loss for the year ended March 31, 2017. Consequently, the depreciation amounting to ₹ 0.41 Lakhs (Net of taxes ₹ 0.27 Lakhs) have been adjusted in the Ind AS financial statements.
- 7. Revenue from Sale of Products :-** In the financial statements prepared under the Previous GAAP, Revenue from Sale of Products was reported net of excise duty but excludes the Value Added Tax (VAT). However, under the Ind AS, Revenue from Sale of Products includes the amount of Excise Duty but exclude the Goods and Service Tax (GST) and Value Added Tax (VAT). For the same, the amount of Excise Duty will be treated as expenses in the Statement of Profit and Loss as a separate line item under the head of "Expenses". Prior to the introduction of Goods and Service Tax (GST), the Company manufactures and deals in the products in which the excise duty is chargeable at the NIL rates.
- 8. Non – Current and Current Investments :-** In the financial statements prepared and presented under the previous GAAP, Non - Current Investment were measured at cost less provision for diminution (other than temporary) and Current Investments were measured at lower of cost of fair value. Under the Ind AS, the Company has recognized such Non – Current Investments as follows:
- Government Securities – At amortized cost
 - Debt Oriented Mutual Fund and Fixed Maturity Plan – At fair value through profit and loss
 - Debentures and Bonds – At fair value through other comprehensive income
 - Equity Shares of Subsidiary and associate companies – At Cost
 - Quoted Equity Shares – At FVTOCI through irrevocable option
 - Unquoted Equity Shares - At FVTOCI through irrevocable option
- Ind AS requires above investments to be recognized at fair value (except in case of investments in equity shares of subsidiary or associates companies)
- Current Investments are measured at FVTPL (Fair Value through Profit and Loss) on the date of transition. The fair value changes are recognized in the Statement of Profit and Loss.
- Hence, as on the Reporting Period, the Company does not own any investments, so the measurement criteria are not applicable in the case of Company.
- 9. Effect of Ind AS adoption on the Statement of Cash Flow for the year ended March 31, 2017 :-** In the financial statement prepared and presented under the Previous GAAP, cash and cash equivalents represented by short term highly liquid investments having the maturity of less than 3 months, cash at banks and cash in hand. Under the Ind AS, cash and cash equivalents comprise the cash in hand, cash credit account having the debit balances, cash at banks, balances in the current account, short term highly liquid investments having the maturity less than 3 months and the short term bank borrowings.

Notes to the Financial Statements

"Notes No. 32":- Information on Related Party transaction as required by Ind AS - 24

"RELATED PARTY DISCLOSURES" for the year ended March 31, 2018.

The Company's material related party transactions and outstanding balances with whom the Company had entered into transactions in the ordinary course of business are as follows:

Related Parties are as follows:

1. Related Parties where significant influences exists

- Virender Kumar Agarwal (HUF)
- Mayank Agarwal (HUF)

2. Key Managerial Person Name and their Designation

SN	Name of the Persons	Designation
a)	Shri Virender Kumar Agrawal	Managing Director
b)	Smt. Seema Rani Agrawal	Joint Managing Director
c)	Shri Mayank Agrawal	Executive Director
d)	Shri Amit Goela	Director
e)	Shri Manish Kumar Gupta	Director
f)	Shri Sushil Kapadia	Director
g)	Shri Gajanan Chhawasaria	Chief Financial Officer
h)	Ms. Deepa Dudani	Company Secretary
i)	Ms. Reshu Jain	Company Secretary

3. Relatives of Key Managerial Person Name

SN	Name of the Persons	Designation
a)	Shri Pujit Agrawal	Son of Managing Director
b)	Smt. Cadambari Agrawal	Wife of Executive Director

Terms and Conditions with the transactions with related parties as under:

- The sales to and purchases from the related parties are made on the terms equivalents to those that prevails in the arm's length transactions.
- Outstanding balances of the related parties at the end of the reporting period are unsecured, interest free and will be settled in the cash.

Transaction with Related Parties is as under:

(Figures in ₹ Lakhs)

Sr No	Particulars	Related Parties Where Significant Influence Exists	Key Managerial Persons	Relatives of Key Managerial Persons	As at 31st March 2017
1.	Remuneration				
	Shri Virender Kumar Agrawal	--	30.01	-	30.01
	Smt. Seema Rani Agrawal	--	24.29	-	24.29
	Shri Mayank Agrawal	--	19.23	-	19.23
	Shri Pujit Agrawal	--	-	24.91	16.19
	Smt. Cadambari Agrawal	--	-	14.13	10.32
	Shri Gajanan Chhawasaria	--	11.24	-	9.80
	Ms. Deepa Dudani	--	0.22	-	-
	Ms. Reshu Jain	--	-	-	1.11

Notes to the Financial

Transaction with Related Parties is as under:

(Figures in ₹ Lakhs)

Sr No	Particulars	Related Parties Where Significant Influence Exists	Key Managerial Persons	Relatives of Key Managerial Persons	As at 31st March 2017
2.	<u>Payment of Interest</u>				
	Smt. Seema Rani Agrawal	--	13.99	-	9.87
	Shri Mayank Agrawal	--	4.13	-	6.98
	Shri Mayank Agrawal (HUF)	0.95	-	-	-
	Shri Pujit Agrawal	--	-	8.96	7.14
3.	<u>Payment of Rent</u>				
	Smt. Seema Rani Agrawal	--	44.73	-	34.54
4.	<u>Preference Dividend</u>				
	Shri Virender Kumar Agrawal	--	10.80	-	10.80
	Shri Virender Kumar Agrawal (HUF)	5.60	-	-	5.60
	Smt. Seema Rani Agrawal	--	28.64	-	37.44
	Shri Mayank Agrawal	--	8.00	-	8.00
	Shri Pujit Agrawal	--	-	8.80	-
5.	<u>Director Sitting Fees</u>				
	Shri Amit Goela	--	0.14	-	0.14
	Shri Sushil Kapadia	--	0.09	-	0.09
	Shri Manish Gupta	--	0.14	-	0.14
6.	<u>Receipt of Unsecured Loans</u>				
	Smt. Seema Rani Agrawal	--	91.00	-	-
	Shri Mayank Agrawal	--	28.50	-	-
	Shri Mayank Agrawal (HUF)	15.00	-	-	-
	Shri Pujit Agrawal	--	-	8.80	73.00
7.	<u>Repayment of Unsecured Loans</u>				
	Smt. Seema Rani Agrawal	--	45.25	-	-
	Shri Mayank Agrawal	--	51.27	-	102.00
	Shri Mayank Agrawal (HUF)	15.00	-	-	-
	Shri Pujit Agrawal	--	-	0.50	6.50

Balances Payable to Related Parties as on March 31, 2018

1.	<u>Interest Payable</u>				
	Shri Pujit Agrawal	--	-	8.80	-
2.	<u>Loan Outstanding</u>				
	Smt. Seema Rani Agrawal	--	115.21	-	69.46
	Shri Mayank Agrawal	--	2.91	-	35.68
	Shri Pujit Agrawal	--	-	74.36	66.50
3.	<u>Outstanding Preference Dividend</u>				
	Shri Virender Kumar Agrawal	--	10.80	-	10.80
	Shri Virender Kumar Agrawal (HUF)	5.60	-	-	5.60
	Smt. Seema Rani Agrawal	--	28.64	-	37.44
	Shri Mayank Agrawal	--	8.00	-	8.00

Notes to the Financial Statements

(Figures in ₹ Lakhs)

33. DIVIDEND

Particulars	As at 31st March 2018	As at 31st March 2017
a) Dividend on equity shares paid during the year		
Final Dividend for the F. Y. 2015 - 2016 {₹1 (Previous Year ₹ 1) per Equity Shares of ₹ 10 Each}	0.00	28.29
Dividend distribution tax on final dividend	-	5.76
Final Dividend for the F. Y. 2016 - 2017 {₹1 (Previous Year ₹ 1) per Equity Shares of ₹ 10 Each}	28.34	-
Dividend distribution tax on final dividend	5.77	-
TOTAL	34.11	34.05

Proposed Dividend

The Board of Director's at its meeting held on May 29, 2018 have recommended a payment of Final Dividend of ₹ 1 per Equity Shares of Face Value ₹ 10 Each for the financial year ended March 31, 2018. The Company has proposed the dividend of ₹ 35.29 Lakhs including the Dividend Distribution tax (₹ 5.97 Lakhs).

The above is subject to approval at the ensuing Annual General Meeting of the Company and hence it is not recognized as a "Liability" in the Ind AS financial statements.

34. CONTINGENT LIABILITIES

(Figures in ₹ Lakhs)

Particulars	As at 31st March 2018	As at 31st March 2017	As at 1st April 2016
Bank Guarantees given by the Company's Banker's towards the MSEDCL Security Deposits	138.22	137.60	111.00
Inland Letter of Credit against Raw Materials Purchases	-	96.29	26.60
Letter of Credit to be executed on TFO Machineries	-	-	350.00
Bill discounted with the Company's Banker's under the Letter of Credit	1,280.15	-	-
TOTAL	1,418.37	233.89	487.60

35. OTHER COMMITMENTS

Particulars	As at 31st March 2018	As at 31st March 2017	As at 1st April 2016
1. Estimated amount of contracts remaining to be executed on capital account and not provided for			
i. Towards Property, Plant and Equipment	24.24	28.46	165.78
ii. Towards Intangible Assets	-	-	-
2. For derivative contract related commitments, {Refer Note 38 (a)}	-	-	-
TOTAL	24.24	28.46	165.78

36. SEGMENT REPORTING

During the reporting period, the Company has been operates in only one segment i.e. Yarn Manufacturing. Hence, the Ind AS - 108, "Operating Segment" is not be applicable to the Company.

37. CORPORATE SOCIAL RESPONSIBILITIES

In term of requirement of Section 135 of the Companies Act, 2013, the Company is not covered under the purview of eligibility criteria for the applicability of Corporate Social Responsibilities Expenses in any of the reporting period presented by the Company in Ind AS financial statements.

Notes to the Financial Statements

38. DETAILS OF HEDGED AND UNHEDGED EXPOSURES IN FOREIGN CURRENCY DENOMINATED MONETARY ITEMS

a) Exposure in foreign currency - Hedged

The Company enters into forward exchange contracts to hedge its foreign currency exposures relating to the underlying transactions and firm commitments. The Company does not enter into any kind of derivative instruments for trading and speculation purposes during the reporting period.

The forward exchange contracts used for hedging foreign currency exposures and outstanding as at the end of Reporting Period.

Currency	Number of Contracts	Buy Amount (In USD \$)	Indian Rupee Equivalents (In ₹ Lakhs)
Forward contracts to buy USD (\$) - As At 31st March 2018	4	3,330,200	2,246.99
Forward contracts to buy USD (\$) - As At 31st March 2017	1	1,494,000	1,052.67
Forward contracts to buy USD (\$) - As At 01st April 2016	-	-	-

b) Exposure in foreign currency - Unhedged

The foreign currency exposure not hedged as at 31st March, 2018 are as under:

Currency	As at 31st March 2018	As at 31st March 2017	As at 1st April 2016
Payable in USD	63,333.95	-	687,286.33
Payable in ₹ Lakhs	41.19	-	455.90
Receivable in USD	838,357.53	-	679,059.16
Receivable in ₹ Lakhs	545.30	-	450.44

39. DISCLOSURE PURSUANT TO EMPLOYEE BENEFITS

(Figures in ₹ Lakhs)

A. Defined Contribution Plans

Amount of ₹ 134.33 Lakhs (31st March 2017 113.80 Lakhs) is recognized as an expenses in the Ind AS financial statements and separately disclosed in " **Note No. 25** " - "Employee Benefit Expenses".

Particulars	As at 31st March 2018	As at 31st March 2017
Provident Fund	44.80	43.71
Pension Fund	65.18	61.83
Other Fund administrated by the Company	24.35	8.27
TOTAL	134.33	113.81

The Company's Provident Fund is administrated by the Trust. The rules of the Company's Provident Fund administrated by the Trust require that if the Board of the trustee are unable to pay interest at the rate declared for Employees' Provident Fund by the Government under Para 60 of the Employees' Provident Fund Scheme, 1952 for the reason that the return on investment is less or for any other reason, then the deficiency shall be made good by the Company. Having regard to the assets of the fund and the return on the investments, the Company does not expect any deficiency in the foreseeable future.

Notes to the Financial Statements

B. Defined Benefit Plans

The Company has following post employment benefits which are in the nature of defined benefit plan

a) Gratuity

The Company provides for Gratuity for employees in India as per the Payment of Gratuity Act, 1972. Employees who are in continuous service for a period of five years are eligible for Gratuity. The amount of gratuity payable on retirement / termination is the employees last drawn basic salary per month computed proportionately for 15 days salary multiplied by the number of years of service. The gratuity plan is unfunded plan. The major categories of plan assets of the fair value of the total plan assets of Gratuity are as follows:

Assests and Liability (Balance Sheet Position)

(Figures in ₹ Lakhs)

Particulars	As at 31st March 2018	As at 31st March 2017
Present Value of Obligation	413.48	396.08
Fair Value of Plan Assets	-	8.03
Surplus / (Deficit)	413.48	388.05
Effects of Asset Ceiling, if any	-	-
TOTAL	413.48	388.05

Expenses recognized during the Reporting Period

Particulars	As at 31st March 2018	As at 31st March 2017
In Income Statements	75.57	-
In Other Comprehensive Income	(52.32)	-
TOTAL	23.24	-

Actuarial Valuation Method

The valuation has been carried out using the Project Unit Credit Method as per the Ind AS - 19 to determine the Present Value of Defined Benefit Obligations and the related Current Service Cost and, where applicable, Past Service Cost. It should be noted that the valuations do not affect the ultimate cost of the plan, only the timing of when the benefits cost are recognized.

Changes in Present Value of Obligation

Particulars	As at 31st March 2018	As at 31st March 2017
Present Value of the Obligation at beginning of the Period	396.08	396.08
Current Service Cost	24.02	-
Interest Expenses or Cost	29.68	-
<i>Remeasurement (Gain) / Loss arising from:</i>		
Change in Financial Assumptions	(16.97)	-
Experience Variance (i.e. Actual Experience vs Assumptions)	(30.20)	-
Past Service Cost	21.86	-
Benefits Paid	(11.00)	-
Present Value of the Obligation at the end of Period	413.48	396.08

Changes in Fair Value of Plan Assets

Particulars	As at 31st March 2018	As at 31st March 2017
Fair Value of Plan Assets at the beginning of the year	8.03	8.03
Interest Income	-	-
Employer's Contribution	-	-
Employee's Contribution	-	-
Benefits Paid	-	-
Acquisition Adjustments	(8.03)	-
Fair Value of Plan Assets at the end of Period	-	8.03

Notes to the Financial Statements

Financial Assumptions

Particulars	As at 31st March 2018	As at 31st March 2017
Discount Rate (per annum)	7.80%	7.50%
Salary Growth rate (per annum)	6.00%	6.00%
Mortality Rate (% of IALM 06 - 08)	100.00%	100.00%
Normal Retirement Age	60 Years	60 Years
Attrition / (Withdrawal) Rate (per annum)	1.00%	1.00%

Summary of Membership Status

Particulars	As at 31st March 2018	As at 31st March 2017
Number of Employees	486	665
Total Monthly Salary (in ₹ Lakhs)	59.34	70.75
Average Past Service (Years)	16.96	-
Average Age (Years)	41.03	-
Average Remaining Working Life (Years)	18.97	-
Number of Completed year valued	8,241	-
Decrement adjusted remaining working life (Years)	16.11	-

Sensitivity Analysis

(Figures in ₹ Lakhs)

Particulars	As at 31st March 2018	As at 31st March 2017	
Defined Benefit Obligation (Base)	413.48	-	
	As at 31st March 2018	As at 31st March 2017	
	Decrease	Increase	Net
<u>Discount Rate (- / + 1%)</u>	473.72	362.71	-
(% Change compared to base due to Sensitivity)	14.60%	-12.30%	-
<u>Salary Growth Rate (- / + 1%)</u>	364.78	470.02	-
(% Change compared to base due to Sensitivity)	-11.80%	13.70%	-
<u>Attrition Rate (- / + 50% of Attrition Rate)</u>	408.37	418.30	-
(% Change compared to base due to Sensitivity)	-1.20%	1.20%	-
<u>Mortality Rate (- / + 50% of Attrition Rate)</u>	413.05	413.90	-
(% Change compared to base due to Sensitivity)	-0.10%	0.10%	-

Effect of Plan on Entity's Future Cash Flows (For Gratuity)

(Figures in ₹ Lakhs)

Particulars	As at 31st March 2018	As at 31st March 2017
Weighted Average Duration (Based on discounted Cashflows)	14 Years	-
For One Years	8.49	-
For Two to Five Years	46.17	-
For Six to Ten Years	141.65	-
For More than Ten Years	1,188.22	-

Notes to the Financial Statements

C. Other Long Term Employee Benefits

Leave Encashment

Amount of ₹ 2.73 Lakhs (31 March 2017 ₹ 20.79 Lakhs) is recognized as an expenses in the Ind AS financial statements and separately disclosed in "Note No. 25" - "Employee Benefit Expenses".

40. EARNINGS PER SHARE

	As at 31st March 2018	As at 31st March 2017	As at 1st April 2016
Net Profit after tax as per the Statement of Profit or Loss attributable to the holder of Equity Shares	234.69	48.65	202.58
Nominal Value of Equity Shares (₹)	10	10	10
Weighted average number of Equity Shares used as denominator for calculating the earnings per share	2,931,944	2,931,944	2,931,944
Basic and Diluted Earnings Per Share	8.00	1.66	6.91

41. Previous years audited figures has been regrouped / recasted / rearranged wherever necessary to make them comparable for the purpose of preparation and presentation of Ind AS financial statements.

SIGNATURE TO THE NOTE "1" TO NOTE "41"

Significant Accounting Policies

1 & 2

The accompanying notes are forming integral part of the Financial Statements

For and on behalf of the Board

As per our report of even date attached

For **S. VENKATADRI & CO.**
Chartered Accountants
FRN No.: 004614S

VIRENDER KUMAR AGRAWAL
Managing Director
DIN No : 00013314

SEEMA RANI AGARWAL
Jt. Managing Director
DIN No : 01430206

K. SRINIVASA RAO
Partner
Membership No. 201470

G N CHHAWSARIA
Chief Financial Officer

DEEPA DUDANI
Company Secretary

Place : Hyderabad
Dated: May 29, 2018

Place : Nagpur
Dated: May 29, 2018

Place : Nagpur
Dated: May 29, 2018

Form MGT-11

PROXY FORM

[Pursuant to section 105 (6) of the Companies Act, 2013 and rule 19 (3) of the Companies (Management and Administration) Rules, 2014

CIN : **L18100TG2007PLC053831**
Name of the Company : **SURYAAAMBA SPINNING MILLS LIMITED**
Registered Office : Surya Towers, 1st Floor, 105, Sardar Patel Road, Telangana- 500 003 Phone: 040-27813360, Email: mail@suryaamba.com, Website: www.suryaamba.com

Name of the member(s) :
Registered address :
E-mail Id :
Folio No / Client Id :
DP ID :

11th Annual General Meeting on Friday, 24th August, 2018 at 11:30A.M

I/We, being the member(s) of _____ shares of the above named company, hereby appoint

1. Name:E-mail Id:
Address:
..... Signature: or failing him/her
2. Name:E-mail Id:
Address:
..... Signature: or failing him/her
3. Name:E-mail Id:
Address:
..... Signature: or failing him/her

as my/our proxy to attend and vote (on a poll) for me/us and on my/our behalf at the 11th Annual General Meeting of the Company to be held on Friday, 24th August, 2018 at 11.30 A.M. at D& J Grande Hotel, 4-3-51/C, K.S. Lane, Hanuman Tekdi, Sultan Bazar, Hyderabad-500095, India, and at any adjournment thereof in respect of such resolutions as are indicated below:

S.N.	Resolution	For	Against
	Ordinary Business:		
1	To receive, consider and adopt the Audited Financial Statements of the Company for the financial year ended 31st March, 2018 and the Reports of the Directors and Auditors thereon.		
2	To declare dividend on 8% Cumulative Redeemable Preference Shares (CRPS) for the financial year ended 31st March, 2018.		
3	To declare dividend of 10% on Equity Shares for the financial year ended 31st March, 2018.		
4	To appoint Mr. Mayank Agarwal as a director liable to retire by rotation.		
5	To consider & approve the ratification of appointment of Statutory Auditors of the Company.		
	Special Business:		
6	To ratify the remuneration of Cost Auditor for FY 2018-19.		
7	To consider & approve revision in the remuneration of Mr. Virender Kumar Agarwal (DIN: 00013314), Managing Director of the Company		
8	To consider & approve revision in the remuneration of Mrs. Seema Rani Agarwal (DIN: 01430206), Joint Managing Director of the Company		
9	To consider & approve the remuneration of Mr. Mayank Agarwal (DIN: 02749089), Whole time Director of the Company		
10	To Shift registered Office from the State of Telangana to the State of Maharashtra and Alteration of Memorandum of Association		
11	To alter the Articles of Association of the Company for adoption of new set of Articles of Association in alignment with the Companies Act, 2013.		

Signed of this _____ day of _____ 2018.

Signature of Shareholder

Signature of Proxy holder(s)

Note:

1. This form of proxy in order to be effective should be duly completed and deposited at the Registered Office of the Company, not less than 48 hours before the commencement of the Meeting.
2. It is optional to indicate your preference. If you leave the 'For' or 'against' column blank against any or all Resolutions, your Proxy will be entitled to vote in the manner as he/she thinks appropriate. Please complete all details including details of member(s) in above box before submission

**ATTENDANCE SLIP****11th Annual General Meeting
(CIN: L18100TG2007PLC053831)
SURYAAMBA SPINNING MILLS LIMITED**

Registered Office : Surya Towers, 1st Floor, 105, Sardar Patel Road,
Telangana - 500 003 Phone: 040-27813360,
Email: mail@suryaamba.com,
Website: www.suryaamba.com

Date : 24th August 2018 : Venue: D & J Grande Hotel Time : 11.30 A.M.
4-3-51/C, K.S.LANE,
Hanuman Tekdi,
Sultan Bazar,
Hyderabad - 500095

D.P. ID	Client ID/Folio No.	No. of Shares

NAME AND ADDRESS OF THE SHAREHOLDER(S):

NAME AND ADDRESS OF THE PROXY HOLDER:

I certify that I am a registered shareholder / proxy for the registered shareholder of the Company. I hereby record my presence at the 11th Annual General Meeting of the Company at Hyderabad- 500095 on Friday, 24th August, 2018 at 11.30 A.M .

Signature of Member/Proxy

Note : Please complete this and hand it over at the entrance of the hall.

----- TEAR HERE -----



Location Map of AGM to be held





SURYAAMBA SPINNING MILLS LIMITED

Factory site



Regd. Off.
1st floor, Surya Towers,
105, Sardar Patel Road,
Secunderabad-500 003 (A.P.)
Tel : 040-27813360

Corp. Off.
A-101, Kanha Apartment,
128, Chhaoni Katol Road,
Nagpur-440 013 (M.S.)