



**SURYALATA SPINNING MILLS LIMITED**

CIN-L18100TG1983PLC003962 - GST No : 36AADCS0823M1ZA

(An ISO 9001 : 2015 Certified Company)



**Date:** 10<sup>th</sup> July 2024

To  
The Listing Department  
BSE limited  
Phiroze Jeejeebhoy Towers  
Dalal Street, Mumbai - 400 001  
Maharashtra, India

Dear S

**Sub: Submission of Notice of 41<sup>st</sup> Annual General Meeting (AGM) and Annual Report for the financial year 2023-24 under Regulation 30 and 34(1) of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015.**

This is to inform you that the 41<sup>st</sup> Annual General Meeting ('AGM') of the members of the Company is scheduled to be held on **Friday, August 02, 2024 at 11.00 A.M.** through Video Conference ('VC')/Other Audio Visual Means ('OAVM') without physical presence of the members at a common venue (as mentioned in the notice of AGM), in compliance with the provisions of the Companies Act, 2013 and Rules framed there under and the SEBI (Listing Obligations and Disclosure Requirements Regulations), 2015 ('SEBI Listing Regulations, 2015') read with MCA General circular No. 09/2023 dated September 25, 2023 and SEBI Circulars SEBI/HO//DDHS /P/CIR/2023/0164 DATED October 06, 2023 to transact the business as set out in the Notice convening the 41<sup>st</sup> AGM.

In this connection, please find enclosed herewith the 41<sup>st</sup> Annual Report of the Company for the financial year ended March 31, 2024 along with the Notice of AGM. In terms of Regulation 46 of the SEBI Listing Regulations, 2015, the said Annual Report and Notice of 41<sup>st</sup> AGM and other relevant documents are also uploaded on the Company's website at <https://www.suryalata.com/investors.html>.

Further, in terms of Section 108 of the Companies Act, 2013 and Rule 20 of the Companies (Management & Administration) Rules, 2014 (as amended), and Regulation 44 of SEBI Listing Regulations, 2015, the Company is providing the facility to its Members (holding shares either in physical or dematerialized form) to exercise their right to vote by electronic means through Remote e-voting or voting through electronic means during the AGM, on the businesses specified in the Notice convening the 41<sup>st</sup> AGM of the Company.

This is for your information and record.

Thanking you,  
Yours faithfully,

**For SURYALATA SPINNING MILLS LIMITED**

**VITHALDAS AGARWAL**  
**MANAGING DIRECTOR**  
**DIN: 00012774**



Suryalata Spinning Mills Limited

Excelling with a  
Combination of Vision  
Technology & Expertise



41<sup>st</sup> Annual Report 2023 - 24



*Those who love don't go away,  
They walk beside us Everyday  
Unseen, Unheard, But always near,  
Still loved, Still missed.....*

– Suryalata Team



# SURYALATA SPINNING MILLS LIMITED

## PERFORMANCE AT GLANCE FOR 3 YEARS

S. No.	Year	2021-22	2022-23 (Consolidated )	2023-24 (Consolidated )
<b>1.</b>	<b>Installed Capacities</b>			
	<b>Ring Spindles</b>	<b>116,976</b>	<b>117,456</b>	<b>119,280</b>
	Vortex (No.of Heads)	0	0	768
	<b>Solar Plants : Captive generation</b>	9.81	10.81	10.81
	Trade / Commercial plant	0	11.59	11.59
2.	Spindle Utilization (%)	94.64%	95.70%	97.49%
3.	Qty of Production (MTS)	26,427	27,497	29,110
4.	Stock of FG (in MTS)	431	457	530
5.	Quantity of Sales (in MTS)	27,757	27,467	29,031
	<b>Turnover :</b>		<b>(All Amount in ₹ Lakhs)</b>	
6.	Domestic Sales	39,335	42,911	42,404
	Export Sales	8,494	4,907	1,633
	Solar Power Sales		475	1,248
7.	<b>Total Trunover</b>	<b>47,829</b>	<b>48,293</b>	<b>45,285</b>
8.	Export Benefit Entitlement	205	108	64
9.	<b>Revenue from Operations</b>	<b>48,034</b>	<b>48,401</b>	<b>45,349</b>
10.	Other Income	169	331	166
11.	<b>Total Income</b>	<b>48,203</b>	<b>48,732</b>	<b>45,515</b>
12.	Yarn AVG.Sale Price (Rs. Per KG)	172.31	174.09	151.69
13.	RM-Fibre AVG.RM Cost (Rs. Per KG)	103.06	109.01	100.15
14.	EBIDT	8,079	6,448	4,564
15.	Finance charges	878	545	687
16.	Profit before Depreciation and Taxes	7,201	5,903	3,877
17.	Depreciation	1,143	1,243	1,443
18.	<b>Profit before tax</b>	<b>6,058</b>	<b>4,660</b>	<b>2,434</b>
19.	Taxes	1,283	1,226	569
20.	<b>Profit after tax</b>	<b>4,775</b>	<b>3,434</b>	<b>1,865</b>
21.	Earning per share in Rs	111.91	80.48	43.70
22.	Dividend (%)	30	30	20
23.	Bank Borrowings	5,320	4,769	8,227
24.	Networth	19,546	22,888	24,748
25.	Bank Borrowings/ Equity Ratio (%)	0.27	0.21	0.33
26.	Work Force Strength (Nos)	1,497	1,456	1,478

**CHAIRMAN'S SPEECH**

A very warm welcome to all the Shareholders, esteemed Board of Directors and distinguished invitees to the 41st Annual General Meeting (AGM) of your company. I would like to express my heartfelt gratitude to all the stake holders and are grateful for your whole hearted trust and support.

At first glance the year under review was marked by weakness, as the company reported 8% decline in revenues to ₹ 445 crores and a decline in the EBIDTA margin by 39%. It was marked by extensive challenges for the synthetic textile sector, with a slowdown in Global demand, continuous decline in price realizations and an increase in costs. More recently, a disturbed Red Sea compelled ships for longer delivery tenures and higher fuel costs. In this environment, we are placed better than the industry average in this challenging year.



**R Surender Reddy**

The subsidiary company Suntree Solar Energy Pvt Ltd performed well with the extended sunlight during the last summer season. It generated and supplies highest number power units as compared to earlier few years and its revenue is ₹12.48 crores during this financial year 2023-24.

I am pleased to report that Suryalata Spinning Mills Ltd., invested in superior manufacturing technologies and also initiated steps for increase further green energy supplies to the manufacturing operations.. These steps will support to minimize operational costs and to improve profit margins.

The Indian Textile industry is expected to reach an estimated value of US\$ 1.9 billion by 2026 with a CAGR of 16.3% from 2021 to 2026 with an increase in Indian consumption of composite materials. The Indian Government has responded to this reality through PLI Scheme, Establishment of Mega Textile Parks and continuity of rolled out incentives, besides attracting Foreign Investments into the sector. In Global, Various countries implemented favourable trade policies and agreements, promoting cross-border trade and investment in the textile sector.

## **S SURYALATA SPINNING MILLS LIMITED**

Going ahead, I wish to communicate to the shareholders is that, outlook of this business is optimistic. We foresee that over the coming years, two things will transpire that Synthetic yarn consumption will increase faster on account of its niche character, the superior quality yarn with new technology equipment - Vortex and Green energy sources strengthen overall margins. We are optimistic to improve the company performance with established strong business principles for the long term.

During the financial year, the company earned consolidated profit of ₹18.65 crores against a consolidated Revenue of ₹455 crores. Considering these performance, the Board of Directors have recommended a dividend of 20% on the paid up equity shares to the non-promoter shareholders.

I would like to thank the management and all employees for their consistent commitment, dedication, relentless efforts to achieve the vision and hope you shall continue to do so as we move ahead.

I also extend my gratitude to the independent directors of the company for the extensive knowledge, constant guidance and unabated support during the Board deliberations for the company future growth and development.

Last but not the least, I appreciate and thank the various government and regulatory authorities, Company's values customers, suppliers, vendors, bankers and investors for their consistent cooperation and trust.

**MY BEST WISHES TO ALL OF YOU!**

**THANKYOU!**

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**ADDRESS FOR COMMUNICATION TO**

**REGISTERED OFFICE**

Surya Towers, 1st Floor,  
105, Sardar Patel Road, Secunderabad - 500 003.  
Tel : 040 - 2777 4200  
Fax : 040 - 27846859  
E-mail : cs@suryalata.com  
Website : www.suryalata.com  
ISIN : INE132C01027  
CIN : L18100TG1983PLC003962  
GST : 36AADCS0823M1ZA  
Listed on : B S E Limited  
Scrip Code : 5 1 4 1 3 8

**REGISTRAR & TRANSFER AGENTS**

KFin Technologies Limited  
CIN: U72400TG2017PLC117649  
Unit: Suryalata Spinning Mills Limited  
Selenium, Tower B, Plot 31-32,  
Financial District, Nanakramguda,  
Serilingampally, Hyderabad – 500 032.  
Rangareddi, Telangana, India  
Phone No.: 040 6716 1500 / 6716 2222,  
E-Mail: einward.ris@kfintech.com  
Website: www.kfintech.com

# SURYALATA SPINNING MILLS LIMITED

## **CORPORATE INFORMATION**

### **BOARD OF DIRECTORS**

Sri R Surender Reddy (DIN: 00083972)	Chairman & Non-Executive Independent Director
Sri Vithaldas Agarwal (DIN: 00012774)	Managing Director
Sri Mahender Kumar Agarwal (DIN: 00012807)	Joint Managing Director
Smt. Madhavi Agarwal (DIN: 06866592)	Whole-Time Director
Sri K Harishchandra Prasad (DIN: 00012564)	Non-Executive Independent Director
Sri K R Suresh Reddy (DIN: 00074879)	Non-Executive Independent Director (up to 05 <sup>th</sup> Aug 2024), Reappointed as an additional Director (category-Non- Executive and Non Independent) w.e.f 06 <sup>th</sup> Aug,2024
Sri.Ramasahayam Raghuram Reddy (DIN: 02431417)	Additional director (Independent Director Category) W.e.f 29 <sup>th</sup> June 2024
Sri Meka Yugandhar (DIN : 00012265)	Additional director (Independent Director Category) W.e.f 29 <sup>th</sup> June 2024

Sri K Nageswara Rao	Chief Financial Officer (CFO)
Smt. Khushboo Jain	Company Secretary & Compliance Officer (upto 30.06.2024)
Sri S. Venkata Rao (M.No. F4809)	Company Secretary & Compliance Officer (w.e.f 15.07.2024)

### **COMMITTEES OF THE BOARD**

#### **AUDIT COMMITTEE**

Sri R Surender Reddy, Chairman
Sri K R Suresh Reddy, Member
Sri K Harishchandra Prasad, Member

#### **STAKEHOLDERS RELATIONSHIP COMMITTEE**

Sri K R Suresh Reddy, Chairman
Sri Vithaldas Agarwal, Member
Sri Mahender Kumar Agarwal, Member

#### **STATUTORY AUDITORS**

K S Rao & Co.,  
Chartered Accountants, Hyderabad.

#### **SECRETARIAL AUDITORS**

R & A Associates,  
Company Secretaries, Hyderabad.

#### **BANKERS**

IDBI Bank Limited, Chennai  
HDFC Bank limited, Hyderabad  
IndusInd Bank Limited, Hyderabad

#### **NOMINATION & REMUNERATION COMMITTEE**

Sri K R Suresh Reddy, Chairman
Sri R Surender Reddy, Member
Sri K Harishchandra Prasad, Member

#### **CORPORATE SOCIAL RESPONSIBILITY COMMITTEE**

Sri R Surender Reddy, Chairman
Sri Vithaldas Agarwal, Member
Sri Mahender Kumar Agarwal, Member

#### **INTERNAL AUDITORS**

Brahmayya & Co.,  
Chartered Accountants, Hyderabad.

#### **COST AUDITORS**

Aruna Prasad & Co.,  
Cost Accountants, Chennai.

#### **FACTORIES**

- (i) Marchala Village, Kalwakurthy Mandal, Nagar Kurnool District, Telangana – 509 320
- (ii) Urukondapet Village, Urukonda Mandal, Nagar Kurnool District, Telangana – 509 320

**Book Closure dates: July 26, 2024 to August 02, 2024 (Both days Inclusive)**



## NOTICE :

Notice is hereby given that the **41<sup>st</sup> Annual General Meeting** of the Members of Suryalata Spinning Mills Limited (the Company) will be held on Friday, August 02, 2024 at 11.00 A.M. (IST) through **Video Conferencing (VC)/Other Audio-Visual Means (OAVM)** to transact the following items of business.

### **ORDINARY BUSINESS:**

1. To receive, consider and adopt the Audited Standalone and Consolidated Financial Statements of the Company for the Financial Year ended March 31, 2024, together with the reports of the Board of Directors and the Auditors thereon.
2. To declare dividend on Cumulative Redeemable preference Shares of the Company for the financial year ended March 31, 2024.
3. To declare dividend @ 20% (Rs. 2/- per equity share of 10/- each) to Non-Promoter Equity Shareholders of the Company for the financial year ended March 31, 2024.
4. To appoint a Director in place of Sri Mahender Kumar Agarwal, (DIN: 00012807) Joint Managing Director who retires by rotation and being eligible, offers himself for re-appointment.

### **SPECIAL BUSINESS:**

5. **Re-Appointment of Sri. Vithaldas Agarwal(DIN : 00012774) as Managing Director for a further period of 5 years. (Brief Profile : Annexure A to this Notice)**

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 Sections 196, 197, 203, 178 and Schedule V and other applicable provisions, if any, of the Companies Act, 2013 read with Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014 and SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 and pursuant to the recommendation of the Nomination and Remuneration Committee and approval of the Board of Directors of the Company, the consent of the members of the Company be and is hereby accorded for the reappointment of Sri. Vithaldas Agarwal as Managing Director of the Company for a further term of 5 years w.e.f. July 01, 2024 to June 30, 2029 (both the days inclusive) on the remuneration as mentioned in the explanatory statement.”

**“RESOLVED FURTHER THAT** in the event of losses or inadequacy of profits in any financial year during his tenure, the Company shall pay to Sri. Vithaldas Agarwal, the same remuneration by way of salary, perquisites and allowances, as minimum remuneration and in accordance with the limits specified under the Companies Act, 2013 read with Schedule V to the Companies Act 2013, or such other limit as may be prescribed by the Government of India from time to time.”

**“RESOLVED FURTHER THAT** Sri. Mahender Kumar Agarwal, Joint Managing Director of the Company be and is hereby authorised to do all acts, deeds and things including filings and take steps as may be deemed necessary, proper or expedient to give effect to the aforesaid Resolution and matters incidental thereto”

6. **Appointment of Sri.Ramasahayam Raghuram Reddy (DIN: 02431417) as an Independent Director of the Company. (Brief Profile : Annexure A to this Notice)**

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

**“RESOLVED THAT** Mr. Ramasahayam Raghuram Reddy (DIN: 02431417) who was appointed as an Additional Director (Independent Director Category) of the Company with effect from June 29, 2024 by the Board of Directors, based on the recommendation of the Nomination and Remuneration Committee, and who holds office upto the date of this Annual General Meeting of the Company under Section 161(1) of the Companies Act, 2013 ('Act') [including any statutory modification(s) or re-enactment(s) thereof for the time being in force] and Articles of Association of the Company, and who is eligible for appointment and in respect of whom the Company has received a notice in writing under Section 160(1) of the Act from a Member proposing his candidature for the office of Director, be and is hereby appointed as a Director of the Company.

**“RESOLVED FURTHER THAT** pursuant to the provisions of Sections 149, 150, 152 and other applicable provisions, if any, of the Act read with Schedule IV to the Act and the Companies (Appointment and Qualification of Directors) Rules, 2014, Regulation 17 and other applicable regulations of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 ('SEBI Listing Regulations'), as amended from time to time, the appointment of Mr. Ramasahayam Raghuram Reddy that meets the criteria for independence as provided in Section 149(6) of the Act and Regulation 16(1)(b) of the SEBI Listing Regulations and who has submitted a declaration to that effect, and who is eligible for appointment as an Independent Director of the Company, for a term of 5 years, w.e.f. from June 29, 2024 to June 28, 2029 (both days inclusive) and who would not be liable to retire by rotation, be and is hereby approved.”

**7. Appointment of Sri. Meka Yugandhar (DIN : 00012265) as an Independent Director of the Company (Brief Profile : Annexure A to this Notice)**

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

**“RESOLVED THAT** Sri Meka Yugandhar (DIN : 00012265), who was appointed as an Additional Director (Independent Director Category) of the Company with effect from June 29, 2024 by the Board of Directors, based on the recommendation of the Nomination and Remuneration Committee, and who holds office upto the date of this Annual General Meeting of the Company under Section 161(1) of the Companies Act, 2013 ('Act') [including any statutory modification(s) or re-enactment(s) thereof for the time being in force] and Articles of Association of the Company, and who is eligible for appointment and in respect of whom the Company has received a notice in writing under Section 160(1) of the Act from a Member proposing his candidature for the office of Director, be and is hereby appointed as a Director of the Company.

**“RESOLVED FURTHER THAT** pursuant to the provisions of Sections 149, 150, 152 and other applicable provisions, if any, of the Act read with Schedule IV to the Act and the Companies (Appointment and Qualification of Directors) Rules, 2014, Regulation 17 and other applicable regulations of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 ('SEBI Listing Regulations'), as amended from time to time, the appointment of Sri. Meka Yugandhar that meets the criteria for independence as provided in Section 149(6) of the Act and Regulation 16(1)(b) of the SEBI Listing Regulations and who has submitted a declaration to that effect, and who is eligible for appointment as an Independent Director of the Company, for a term of 5 years, w.e.f. from June 29, 2024 to June 28, 2029 (both days inclusive) and who would not be liable to retire by rotation, be and is hereby approved.”

**8. Appointment of Sri. K.R.Suresh Reddy (DIN: 00074879) as Non-Executive and Non Independent of the Company. (Brief Profile : Annexure A to this Notice)**

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

**“RESOLVED THAT** pursuant to the provisions of Section 152 and other applicable provisions, if any, of the Companies Act, 2013 ('the Act') read with the Companies (Appointment and Qualification of Directors) Rules, 2014 ('the Rules') including any statutory modification(s) or re-enactment thereof and SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, Sri. K.R.Suresh Reddy was (DIN: 00074879) who was appointed by the Board of Directors as an Additional Director (category-Non- Executive and Non Independent) of the Company For a Period of 5 years on the recommendation of Nomination and Remuneration Committee w.e.f. August 06, 2024 and who is eligible for appointment as a Director, be and is hereby appointed as a Director (category-Non- Executive and Non Independent) of the Company and who shall be liable to retire by rotation.”

**“RESOLVED FURTHER THAT** Sri. Mahender Kumar Agarwal, Joint Managing Director of the Company be and is hereby authorised to do all acts, deeds and things including filings and take steps as may be deemed necessary, proper or expedient to give effect to the aforesaid Resolution and matters incidental thereto”

**9. To ratify the remuneration of the Cost Auditor Smt. Aruna Prasad (M/s. Aruna Prasad & Co., Cost Accountants) for financial year ending March 31, 2025:**

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

**“RESOLVED THAT** pursuant to the Provisions of Section 148 and other applicable provisions if any, of the Companies Act, 2013 read with the Companies (Audit and Auditors) Rules, 2014 (including any Statutory modification(s) or re-enactment(s) thereof, for the time being in forces, the remuneration of Rs.50,000/- (Rupees Fifty Thousand Only) and reimbursement of out-of-pocket expenses incurred by M/s. Aruna Prasad & Co., Cost Accountants (Firm Registration No. 100883) appointed by the Board of Directors to conduct the Audit of the cost records of the Company for the Financial Year ended March 31, 2025, be and is hereby approved and ratified.”

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

Place: Secunderabad  
Date: 29<sup>th</sup> June 2024

**Sd/-  
Vithaldas Agarwal  
Managing Director  
DIN:00012774**

## NOTES:

1. The Ministry of Corporate Affairs (“MCA”), vide its General circular No. 09/2023 dated September 25, 2023 in relation to “Clarification on holding of Annual General Meeting (AGM) and EGM through video conferencing (VC) or other audio-visual means (OAVM) and passing of Ordinary and Special resolutions by the companies under the Companies Act, 2013” (the “MCA Circular”) has allowed the Companies to conduct their AGM and EGM through VC or OAVM up to September 30, 2024. In line with the MCA Circular, the Securities and Exchange Board of India vide its circular no. SEBI/HO//DDHS /P/CIR/2023/0164 DATED October 06, 2023 in relation to “Relaxation from compliance with certain provisions of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015” (the “SEBI Circular”) has relaxed the applicability of regulation 36(1)(b) of the (Listing Obligations and Disclosure Requirements) (LODR) Regulations, 2015 for Annual General Meetings (AGMs) and regulation 44(4) of the LODR Regulations for general meetings (in electronic mode) till September 30, 2024. In compliance with the MCA Circular, SEBI Circular and the erstwhile MCA and SEBI circulars issued in this behalf, the AGM of the members of the Company is being held through VC / OAVM. The registered office of the Company shall be deemed to be the venue for the AGM.
2. In compliance with the applicable provisions of the Companies Act, 2013 (including any statutory modification or reenactment thereof for the time being in force) read with Rule 20 of the Companies (Management and Administration) Rules, 2014, as amended from time to time, read with the MCA Circulars, SEBI Circulars and pursuant to Regulation 44 of the SEBI (Listing Obligations & Disclosure Requirements) Regulations, 2015, the AGM of the members of the Company is scheduled to be held on Friday, August 02, 2024 at 11.00 A.M (IST) through VC / OAVM and the voting for items to be transacted in the Notice to this AGM is only through remote electronic voting process(“e-Voting”). The deemed venue for the 41<sup>st</sup> AGM will be registered office of the Company at Surya Towers, I Floor 105, Sardar Patel Road, Secunderabad, Telangana-500003, India.
3. Pursuant to the provisions of the act, a member entitled to attend and vote at the AGM is entitled to appoint a proxy to attend and vote on his/her behalf and the proxy need not be a member of the company. Since this AGM is being proposed to be held pursuant to the said MCA circulars through VC / OAVM, physical attendance of members has been dispensed with. Accordingly, the facility for appointment of proxies by the members will not be available for this AGM and hence the attendance slip and proxy form are not attached to this notice.
4. The explanatory statement as required under Section 102 of the Companies Act, 2013, in respect of special business mentioned in the Notice is annexed hereto.
5. In case you are holding the Company’s shares in dematerialized form, please contact your depository participant and give suitable instructions to update your bank details in your demat account and to notify any changes with respect to their addresses, email id, **ECS** mandate etc.  
  
In case you are holding Company’s shares in physical form, please inform Company’s RTA viz. KFin Technologies Limited, Selenium Tower B, Plot Nos. 31 & 32, Financial District, Nanakramguda, Serilingampally, Hyderabad – 500 032, Rangareddi, Telangana, India by enclosing a photocopy of blank cancelled cheque of your bank account.
6. As per Regulation 40 of the Listing Regulations, as amended, securities of listed companies can be transferred only in dematerialized form with effect from April 1, 2019, except in case of request received for transmission or transposition of securities. In view of this and to eliminate all risks associated with physical shares and for ease of portfolio management, members holding shares in physical form are requested to consider converting their holdings to dematerialized form. M/s. KFin Technologies Limited, Selenium Tower B, Plot Nos. 31 & 32, Financial District, Nanakramguda, Serilingampally, Hyderabad – 500 032, Rangareddi Telangana, India are the Registrar & Share Transfer Agents (RTA) of the Company. All communications in respect of share transfers, dematerialization and change in the address of the members may be communicated to the RTA.
7. Members holding shares in the same name under different Ledger Folios are requested to apply for consolidation of such Folios and send the relevant share certificates to the RTA/Company.
8. Members who hold shares in physical form can nominate a person in respect of all the shares held by them singly or jointly. Members who hold shares in single name are advised, in their own interest to avail the nomination facility. Members holding shares in dematerialized form may contact their respective depository participant(s) for recording nomination in respect of their shares.
9. **Transfer of Unclaimed/Unpaid amounts to the Investor Education and Protection Fund (IEPF):**  
  
Members are requested to note that dividends not encashed or remaining unclaimed for a period of 7 (seven) years from the date of transfer to the Company’s Unpaid Dividend Account, shall be transferred to the Investor Education and

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

Members who have not yet encashed the dividend warrants from the financial year ended March 31, 2017 onwards are requested to forward their claims to the Company’s Registrar and Share Transfer Agents without any further delay. It is in Members’ interest to claim any un-encashed dividends and for future, opt for Electronic Clearing Service, so that dividends paid by the Company are credited to the Members’ account on time.

It may be noted that once the unclaimed dividend is transferred to IEPF as above, no claim shall rest with the Company in respect of such amount. It may also be noted that the unclaimed dividend amount which were lying with the Company upto and in respect of the year ended on March 31 2016, have already been transferred to IEPF. The details of the unclaimed dividends are available on the Company’s website at [www.suryalata.com](http://www.suryalata.com) and on the website of Ministry of Corporate Affairs at [www.mca.gov.in](http://www.mca.gov.in).

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

10. Members seeking any information or clarification on the accounts are requested to send their queries to the Company, in writing, at least one week before the date of the meeting. Replies will be provided in respect of such written queries at the meeting.
11. Pursuant to the directions/notifications of Securities and Exchange Board of India (SEBI) and Depositories, the demat account holders can operate their accounts if they had already provided Income Tax Permanent Account Number either at the time of opening of the account or at any time subsequently. In case they have not furnished the Income Tax Permanent Account Number to the Depository Participants, such demat account holders are requested to contact their DPs with a photocopy of the PAN Card (with original PAN Card for verification), so that the frozen demat accounts would be available for operation and further consequences of non-compliance with the aforesaid directives would be obviated.
12. Members may also note that the Notice of the 41<sup>st</sup> Annual General Meeting is available on the Company’s website: [www.suryalata.com](http://www.suryalata.com). All documents referred to in the accompanying Notice and the Statement pursuant to Section 102(1) of the Companies Act, 2013 shall be open for inspection in electronic mode by the Members by writing an e-mail to the Company Secretary at [cs@suryalata.com](mailto:cs@suryalata.com).
13. Members attending the AGM through VC / OAVM shall be counted for the purpose of reckoning the quorum under Section 103 of the Act.
14. Since the AGM will be held through VC/OAVM, there is no requirement to annex Route Map to the Notice.
15. Additional information pursuant to Regulation 36 of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 and pursuant to Secretarial Standards on general meetings, information in respect of the Directors seeking appointment/re-appointment at the Annual General Meeting is furnished in the annexure and forms part of the notice. The Directors have furnished the requisite consent / declaration for their appointment / re-appointment.
16. Retirement of Directors by rotation: Sri. Mahender Kumar Agarwal, (DIN: 00012807) Joint Managing Director of the Company, retire by rotation at the ensuing AGM and, being eligible, offer himself for re-appointment. The Board of Directors recommends the re-appointment of Sri. Mahender Kumar Agarwal, (DIN: 00012807) Joint Managing Director, whose office is liable to retire by rotation.

## **E-VOTING**

1. Pursuant to the provisions of Section 108 of the Companies Act, 2013 read with Rule 20 of the Companies (Management and Administration) Rules, 2014 (as amended) and Regulation 44 of SEBI (Listing Obligations & Disclosure Requirements) Regulations 2015 (as amended), the Company is offering e-voting facility to all Members of the Company. The voting rights of the Members shall be in proportion to the number of shares held by them in the equity share capital of the Company as on the cut-off date i.e. Saturday, July 20, 2024.
2. A person, whose name is recorded in the Register of Members or in the Register of Beneficial Owners (in case of electronic shareholding) maintained by the Depositories as on the cut-off date i.e. Saturday, July 20, 2024. Shall only be

entitled to avail the facility of remote e-voting/e-voting at the AGM. Kfintech will be facilitating e-voting to enable the Members to cast their votes electronically.

A person who is not a Member as on the cut-off date should treat this Notice for information purposes only.

3. The remote e-voting facility will be available during the following period:

Commencement of remote e-voting : From 9.00 A.M. (IST) on Thursday, July 25, 2024,

End of remote e-voting : At 5.00 P.M. (IST) on Thursday, August 01, 2024

The remote e-voting will not be allowed/available beyond the aforesaid date and time and the remote e-voting module shall be disabled/blocked by Kfintech upon expiry of aforesaid period. Once the vote on a Resolution is cast by the Member(s), they shall not be allowed to change it subsequently or cast the vote again.

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

5. The details of the process and manner for remote e-Voting are explained herein below:

Step 1 : Access to Depositories e-Voting system in case of individual shareholders holding shares in demat mode.

Step 2 : Access to Kfintech e-Voting system in case of shareholders holding shares in physical mode and non-individual shareholders in demat mode.

**STEP 1 : LOGIN METHOD FOR REMOTE E-VOTING FOR INDIVIDUAL SHAREHOLDERS HOLDING SECURITIES IN DEMAT MODE**

<b>Individual Shareholders holding securities in demat mode with NSDL</b>	<b>Individual Shareholders holding securities in demat mode with CDSL</b>
<p><b>1. User already registered for IDeAS facility:</b></p> <p>I. Visit URL: <a href="https://eservices.nsdl.com">https://eservices.nsdl.com</a>.</p> <p>II. Click on the “Beneficial Owner” icon under “Login” under ‘IDeAS’ section.</p> <p>III. On the new page, enter User ID and Password. Post successful authentication, click on “Access to e-Voting”.</p> <p>IV. Click on company name or e-Voting service provider and you will be re-directed to e-Voting service provider website for casting the vote during the remote e-Voting period.</p>	<p><b>1. Existing user who have opted for Easi / Easiest</b></p> <p>I. Visit URL: <a href="https://web.cdslindia.com/my-easinew/home/login">https://web.cdslindia.com/my-easinew/home/login</a> or URL: <a href="http://www.cdslindia.com">www.cdslindia.com</a></p> <p>II. Click on New System Myeasi.</p> <p>III. Login with your registered User ID and Password.</p> <p>IV. The user will see the e-Voting Menu. The Menu will have links of ESP i.e. Kfintech e-Voting portal.</p> <p>V. Click on e-Voting service provider name to cast your vote.</p>
<p><b>2. User not registered for IDeAS e-Services</b></p> <p>I. To register click on link : <a href="https://eservices.nsdl.com">https://eservices.nsdl.com</a>.</p> <p>II. Select “Register Online for IDeAS” or click at <a href="https://eservices.nsdl.com/SecureWeb/IdeasDirectReg.jsp">https://eservices.nsdl.com/SecureWeb/IdeasDirectReg.jsp</a>.</p> <p>III. Proceed with completing the required fields.</p> <p>IV. Follow steps given in points 1.</p>	<p><b>2. User not registered for Easi/Easiest</b></p> <p>I. Option to register is available at <a href="https://web.cdslindia.com/myeasinew/Registration/EasiRegistration">https://web.cdslindia.com/myeasinew/Registration/EasiRegistration</a></p> <p>II. Proceed with completing the required fields.</p> <p>III. Follow the steps given in point 1.</p>

<p><b>3. Alternatively, by directly accessing the e-Voting website of NSDL</b></p> <ol style="list-style-type: none"> <li>I. Open URL: <a href="https://www.evoting.nsdl.com/">https://www.evoting.nsdl.com/</a>.</li> <li>II. Click on the icon “Login” which is available under ‘Shareholder/Member’ section.</li> <li>III. A new screen will open. You will have to enter your User ID (i.e. your sixteen digit demat account number held with NSDL), Password / OTP and a Verification Code as shown on the screen.</li> <li>IV. Post successful authentication, you will be requested to select the name of the company and the e-Voting Service Provider name, i.e. KFintech.</li> <li>V. On successful selection, you will be redirected to KFintech e-Voting page for casting your vote during the remote e-Voting period.</li> </ol>	<p><b>3. Alternatively, by directly accessing the e-Voting website of CDSL</b></p> <ol style="list-style-type: none"> <li>I. Visit URL: <a href="https://evoting.cdslindia.com/Evoting/EvotingLogin">https://evoting.cdslindia.com/Evoting/EvotingLogin</a>.</li> <li>II. Provide your Demat Account Number and PAN No.</li> <li>III. System will authenticate user by sending OTP on registered Mobile &amp; Email as recorded in the Demat Account.</li> <li>IV. After successful authentication, user will be provided links for the respective ESP, i.e. KFintech where the e- Voting is in progress.</li> </ol>
<p>Individual Shareholder login through their demat accounts / Website of Depository Participant</p>	<ol style="list-style-type: none"> <li>I. You can also login using the login credentials of your demat account through your DP registered with NSDL /CDSL for e-Voting facility.</li> <li>II. Once logged-in, you will be able to see e-Voting option. Once you click on e-Voting option, you will be redirected to NSDL / CDSL Depository site after successful authentication, wherein you can see e-Voting feature.</li> <li>III. Click on options available against company name or e-Voting service provider – KFintech and you will be redirected to e-Voting website of KFintech for casting your vote during the remote e-Voting period without any further authentication.</li> </ol>

**Important note:** Members who are unable to retrieve User ID / Password are advised to use Forgot user ID / Forgot Password option available at respective websites.

Helpdesk for Individual Members holding securities in demat mode for any technical issues related to login through Depository i.e. NSDL and CDSL.

Login Type	Helpdesk details
Securities held with NSDL	Please contact NSDL helpdesk by sending a request at <a href="mailto:evoting@nsdl.co.in">evoting@nsdl.co.in</a> or call at Toll Free Number: <b>1800 1020 990</b> and <b>1800 22 44 30</b>
Securities held with CDSL	Please contact CDSL helpdesk by sending a request at <a href="mailto:helpdesk.evoting@cdslindia.com">helpdesk.evoting@cdslindia.com</a> or contact at <b>022- 23058738</b> or <b>022-23058542-43</b>

**STEP 2: LOGIN METHOD FOR E-VOTING FOR SHAREHOLDERS, OTHER THAN INDIVIDUAL SHAREHOLDERS, HOLDING SECURITIES IN DEMAT MODE AND SHAREHOLDERS HOLDING SECURITIES IN PHYSICAL MODE.**

- (A) Members whose email IDs are registered with the Company/ Depository Participant(s), will receive an email from KFintech which will include details of E-Voting Event Number (EVEN), USER ID and password. They will have to follow the following process:-
- i. Launch internet browser by typing the URL: <https://eMeetings.kfintech.com/>.
  - ii. Enter the login credentials (i.e. User ID and password). In case of physical folio, User ID will be EVEN (E-Voting Event Number) xxxx, followed by folio number. In case of Demat account, User ID will be your DP ID and Client ID. However, if you are already registered with KFintech for e-voting, you can use your existing User ID and password for casting the vote.
  - iii. After entering these details appropriately, click on “LOGIN”.

- iv. You will now reach password change Menu wherein you are required to mandatorily change your password. The new password shall comprise of minimum 8 characters with at least one upper case (A- Z), one lower case (a-z), one numeric value (0-9) and a special character (@, #, \$, etc.). The system will prompt you to change your password and update your contact details like mobile number, email ID etc. on first login. You may also enter a secret question and answer of your choice to retrieve your password in case you forget it. It is strongly recommended that you do not share your password with any other person and that you take utmost care to keep your password confidential.
  - v. You need to login again with the new credentials.
  - vi. On successful login, the system will prompt you to select the “EVEN” i.e., ‘xxxx - AGM” and click on “Submit”.
  - vii. On the voting page, enter the number of shares (which represents the number of votes) as on the Cut-off Date under “FOR/AGAINST” or alternatively, you may partially enter any number in “FOR” and partially “AGAINST” but the total number in “FOR/AGAINST” taken together shall not exceed your total shareholding as displayed/ disclosed on the screen. You may also choose the option ABSTAIN. If the Member does not indicate either “FOR” or “AGAINST” it will be treated as “ABSTAIN” and the shares held will not be counted under either head.
  - viii. Shareholders holding multiple folios/demat accounts shall choose the voting process separately for each folio/ demat account.
  - ix. Voting has to be done for each item of the notice separately. In case you do not desire to cast your vote on any specific item, it will be treated as abstained.
  - x. You may then cast your vote by selecting an appropriate option and click on “Submit”.
  - xi. A confirmation box will be displayed. Click “OK” to confirm else “CANCEL” to modify. Once you have voted on the Resolution (s), you will not be allowed to modify your vote. **During the voting period, Members can login any number of times till they have voted on the Resolution(s).**
- (B) Members whose email IDs are not registered with the Company/Depository Participant(s), and consequently on whom, the Annual Report, Notice of AGM and e-voting instructions cannot be served, will have to follow the following process:
- I. Member may send an e-mail request at the email id einward.ris@kfintech.com along with scanned copy of the signed request letter providing the email address, mobile number, self-attested PAN copy and Client Master copy in case of electronic folio and copy of share certificate in case of physical folio for sending the Annual Report, Notice of AGM and the e-voting instructions.
  - II. After receiving the e-voting instructions, please follow all steps narrated/mentioned above to cast your vote by electronic means.

In case a person has become a Member of the Company after dispatch of AGM Notice but on or before the cut-off date for E-voting, he/she may obtain the User ID and Password in the manner as mentioned below:

If the mobile number of the member is registered against Folio No./ DP ID Client ID, the member may send SMS: MYEPWD <space> E-Voting Event Number+Folio No. or DP ID Client ID to 9212993399.

1. Example for NSDL : MYEPWD <SPACE> IN12345612345678
2. Example for CDSL : MYEPWD <SPACE> 1402345612345678
3. Example for Physical : MYEPWD <SPACE> 1234567890

If e-mail address or mobile number of the member is registered against Folio No. / DP ID Client ID, then on the home page of <https://evoting.kfintech.com/>, the member may click “Forgot Password” and enter Folio No. or DP ID Client ID and PAN to generate a password

Members may call Kfintech toll free number 1-800-309-4001 for all e-voting related matters. Member may send an e-mail request to einward.ris@kfintech.com for all e-voting related matters.

## **INSTRUCTIONS FOR MEMBERS FOR ATTENDING THE E-AGM:**

- a. Facility of joining the AGM through VC / OAVM shall open 15 minutes before the time scheduled for the start of AGM and will be closed on expiry of 15 minutes after such scheduled time of AGM
- b. Facility of joining the AGM through VC / OAVM shall be available for at least 1,000 members on first come first served basis. However, the participation of members holding 2% or more shares, Promoters, Institutional Investors, Directors, Key Managerial Personnel, Chairpersons of Audit Committee, Stakeholders’ Relationship Committee, Nomination and Remuneration Committee and Auditors are not restricted on first come first serve basis.

- c. Member will be provided with a facility to attend the AGM through VC / OAVM platform provided by Kfintech. Members may access the same at <https://eMeetings.kfintech.com/> by using the e-voting login credentials provided in the email received from the Company/Kfintech. After logging in, click on the Video Conference tab and select the EVEN of the Company. Click on the video symbol and accept the Meeting etiquettes to join the Meeting. Please note that the members who do not have the User ID and Password for e-Voting or have forgotten the User ID and Password may retrieve the same by following the remote e-Voting instructions mentioned above.
- d. Members are encouraged to join the Meeting through Laptops/ Desktops with Google Chrome (preferred browser), Safari, Internet Explorer, Microsoft Edge, Mozilla Firefox 22.
- e. Members will be required to grant access to the webcam to enable VC / OAVM. Further, Members connecting from Mobile Devices or Tablets or through Laptop connecting via Mobile Hotspot may experience Audio/Video loss due to fluctuation in their respective network. It is, therefore, recommended to use Stable WiFi or LAN Connection to mitigate any kind of aforesaid glitches.
- f. Members, who would like to express their views or ask questions during the e-AGM will have to register themselves as a speaker by visiting the URL <https://eMeetings.kfintech.com> and clicking on the tab 'Speaker Registration' and mentioning their registered e-mail id, mobile number and city, during the period starting from Thursday, July 25, 2024 (9.00 A.M. IST) up to Thursday, August 01, 2024 (5.00 P.M. IST). Only those members who have registered themselves as a speaker will be allowed to express their views/ask questions during the e-AGM and the maximum time per speaker will be restricted to 3 minutes, depending on the number of speakers and available time. The Company reserves the right to restrict the number of speakers depending on the availability of time for the e-AGM. Please note that questions of only those Members will be entertained/ considered who are holding shares of Company as on the cut-off date i.e. Saturday, July 20, 2024.
- g. Alternatively, Members holding shares as on the cut-off date may also visit <https://eMeetings.kfintech.com> and click on the tab 'Post Your Queries' and post their queries/ views/questions in the window provided, by mentioning their name, demat account number/ folio number, email ID and mobile number. Members may post their queries from Thursday, July 25, 2024 (9.00 A.M. IST) up to Thursday, August 01, 2024 (5.00 P.M. IST).
- h. A video guide assisting the members attending e-AGM either as a speaker or participant is available for quick reference at URL <https://cruat04.kfintech.com/eMeetings/video/howitworks.aspx>.
- i. Members who need technical or other assistance before or during the e-AGM can contact Kfintech by sending email at [eMeetings@kfintech.com](mailto:eMeetings@kfintech.com) or Helpline: 1800 309 4001 (toll free).

#### **VOTING AT E-AGM:**

- a. Only those members/shareholders, who will be participating in the e-AGM through VC/OAVM facility and who have not cast their vote earlier through remote e-voting are eligible to vote through e-voting during the e-AGM
- b. Members who have voted through remote e-voting will also be eligible to attend the e-AGM. Members attending the e-AGM shall be counted for the purpose of reckoning the quorum of AGM under Section 103 of the Companies Act, 2013
- c. Upon declaration by the Chairperson about the commencement of e-voting at e-AGM, Members shall click on the "Vote" sign on the left-hand bottom corner of their video screen for voting at the e-AGM, which will take them to the 'instapoll' page d. Members to click on the "Instapoll" icon to reach the resolution page and follow the instructions to vote on the resolutions.

#### **OTHER INFORMATION:**

The Board of Directors have appointed M/s. Prerna & Co, Company Secretaries as Scrutiniser, to scrutinise the e-voting process in a fair and transparent manner. The Scrutiniser shall, after the conclusion of voting at the AGM, submit his report within the prescribed timelines, to the Chairperson of the Company or any person authorized by the Chairperson and the results of voting will be announced within two working days from the conclusion of the AGM of the Company. The results declared along with the Scrutiniser's report shall be placed on the Company's website at [www.suryalata.com](http://www.suryalata.com) and on the website of Kfintech viz. <https://evoting.kfintech.com> and shall also be communicated to the stock exchange viz. BSE Limited, where the shares of the Company are listed. The resolutions shall be deemed to be passed at the AGM of the Company subject to obtaining requisite votes thereto.



**EXPLANATORY STATEMENT PURSUANT TO SECTION 102(1) OF  
THE COMPANIES ACT, 2013 FORMING PART OF THE NOTICE**

As required under Section 102(1) of the Companies Act, 2013 and other applicable provisions of the Companies Act, 2013, this Explanatory Statement contains relevant and material information, as detailed herein, to enable the Members to consider for approval of the Resolution Nos 5,6,7,8 and 9.

**Item No. 5 Reappointment of Sri. Vithaldas Agarwal (DIN : 00012774) As Managing Director Of The Company.**

Pursuant to the provisions of Sections 196,197, 203 and 178 read with Schedule V and other applicable provisions, if any, of the Companies Act, 2013 and Rules framed thereunder, the applicable provisions of the SEBI (LODR) (including any statutory modification(s) or re-enactment thereof for the time being in force), Sri. Vithaldas Agarwal was appointed earlier as Managing Director of the Company for 5 Years.

Pursuant to the recommendation of the Nomination and Remuneration Committee, evolution of performance made by the Board earlier and approval of the Board of Directors in their respective meetings held on May 23, 2024 and pursuant to the provisions of Sections 196, 197, 203 and 178 read with Schedule V and any other applicable provisions, if any, of the Companies Act, 2013 and the Companies (Appointment and Qualification of Directors) Rules, 2014 and the applicable provisions of the SEBI (LODR) (including any statutory modification(s) or re-enactment thereof for the time being in force), the consent and approval of the Members of the Company by way special resolution is sought for re-appointment of Sri. Vithaldas Agarwal as Managing Director of the Company for a further term of 5 (Five) consecutive years w.e.f. July 01, 2024 to June 30, 2029 at the remuneration along with other perquisites and allowances as mentioned below.

**Details of remuneration are:**

**Terms & Conditions:**

1. Period of Appointment: Five Years with effect from July 01, 2024.
2. Remuneration: In terms of Schedule V of the Companies Act, 2013 read together with Section 196, 197, 203 and any other applicable provisions of the Companies Act, 2013, the Managing Director shall be paid the following remuneration:
  - a) Salary: Rs.4,25,000/- (Rupees Four Lakhs Twenty-Five Thousand Only) per month
  - b) Free use of the Company's car with driver.
  - c) Free telephone facility at residence.
  - d) Club fee subject to maximum of two clubs.
  - e) Reimbursement of medical expenses incurred for self and family subject to a ceiling of one month's salary in a year.

Except Sri, Vithaldas Agarwal Managing Director, Sri. Mahender Kumar Agarwal, Joint Managing Director and Smt. Madhavi Agarwal being related to the Managing Director, none of the other Directors and Key Managerial Personnel of the Company and their relatives is concerned or interested, directly or indirectly, financially or otherwise, in the resolution as set out at Item No. 5 of the notice.

The Board of Directors recommends the passing of the above resolution as a Special Resolution as set out in the item no. 5 of the Notice

# SURYALATA SPINNING MILLS LIMITED

## Information in accordance with Schedule of Companies Act, 2013.

### I. GENERAL INFORMATION

1	Nature of Industry: Manufacturing			
2	Date or expected date of commencement of commercial: The Company started its commercial operations in the year 1983			
3	In case of new companies, expected date of commencement of business activities as per project approved by financial institutions appearing in the prospects: Not Applicable			
4	Financial performance based on given indications			
	<b>Particulars</b>	<b>2023-24 (₹ in Lakhs)</b>	<b>2022-23 (₹ in Lakhs)</b>	<b>2021-22 (₹ in Lakhs)</b>
	Turnover	44,551	48,310	48,203
	Net Profit After Tax	1,193	3,103	4,775
	Net Profit under Sec 198 of the Companies Act, 2013	1,193	3,103	4,775
5	Foreign investments or collaborations, if any: Not Applicable			

### II. INFORMATION ABOUT THE APPOINTEE

Sri. Vithaldas Agarwal:

1	Background Details: Sri .Vithaldas Agarwal is the Managing Director of M/s Suryalata Spinning Mills Ltd. haveing rich experience in textiles for six decades with his great knowledge and experience, company is fetching good profits.
2	Past Remuneration: Rs. 4,25,000 P.M. in capacity of Managing Director
3	Recognition or awards: Not Applicable
4	Job Profile and his suitability: He has more than six decades of experience in Textile Industry and is the promoter of the Company
5	Remuneration proposed: As set out in the explanatory statement, the remuneration to Sri .Vithaldas Agarwal, Managing Director has the approval of the Nomination and Remuneration Committee and Board of Directors.
6	Comparative remuneration profile with respect to industry, size of the company profile of the position and person (in case of expatriates the relevant details would be w.r.t. the country of his origin): Taking into consideration of the size of the Company, the profile of Sri. Vithaldas Agarwal and the responsibilities shouldered by him, the aforesaid remuneration package is comparable to the remuneration package paid to managerial personal prevailing in other companies
7	Pecuniary relationship directly or indirectly with the Company, or relationship with the managerial personnel, if any: Besides the remuneration, he is holding 8,18,844 Equity Shares of Rs.10/- each of the Company.

### II. OTHER INFORMATION:

1	Reasons for inadequate Profits: Not applicable
2	Steps taken or proposed to be taken for improvement: Necessary efforts are being made to increase the turnover in securities market by adding more clients and also entering into the new areas of business activities such as <ul style="list-style-type: none"> <li>• AIF: Applied with SEBI</li> <li>• Market Maker: Already in process of business</li> <li>• Merchant Banking: Under process for registration.</li> </ul> which in turn will add to the growth of the business as well as the profitability.
3	Expected increase in productivity and profit in measurable terms: The Company is committed to build the business operations within budget and considering that the business operates on a going concern basis, it is believed that financial position of the Company will improve considerably in the coming years

**Item 6 : Appointment of Sri. Ramasahayam Raghuram Reddy (DIN: 02431417) as an Independent Director of the Company**

Based on the recommendation of the Nomination and Remuneration Committee ('NRC'), the Board appointed Sri. Ramasahayam Raghuram Reddy (DIN: 02431417) as an Additional Director of the Company and also an Independent Director not liable to retire by rotation, for a term of 5 years, w.e.f June 29, 2024 upto June 28, 2029 (both days inclusive), subject to approval by the Members.

Pursuant to the provisions of Section 161(1) of the Act and provisions of SEBI (LODR) Regulations, 2015, Sri. Ramasahayam Raghuram Reddy shall hold office up to the date of this AGM and is eligible to be appointed as a Director. The Company has, in terms of Section 160(1) of the Act, received in writing notice from a Member, proposing his candidature for the office of Director.

Sri. Ramasahayam Raghuram Reddy has given his declaration to the Board, inter alia, that (i) he meets the criteria of independence as provided under Section 149(6) of the Act and Regulation 16(1)(b) of the SEBI Listing Regulations, (ii) is not restrained from acting as a Director by virtue of any Order passed by SEBI or any such authority and (iii) is eligible to be appointed as a Director in terms of Section 164 of the Act. He has also given his consent to act as a Director.

In the opinion of the Board, Sri. Ramasahayam Raghuram Reddy is a person of integrity, possesses relevant expertise / experience and fulfills the conditions specified in the Act and the SEBI Listing Regulations for appointment as an Independent Director and he is independent of the management. Given his experience, the Board considers it desirable and in the interest of the Company to have Sri. Ramasahayam Raghuram Reddy on the Board of the Company and accordingly the Board recommends the appointment of Mr. Ramasahayam Raghuram Reddy as an Independent Director as proposed in the Resolution set out at Item No. 6 of the accompanying Notice for approval by the Members.

Except Sri. Surender Reddy, Chairman and Non-Executive Independent Director, none of the Director, Key Managerial Personnel or their respective relatives are, in any way, concerned or interested, financially or otherwise, in the said Resolution.

**Item 7 : Appointment of Sri. Meka Yugandhar (DIN : 00012265) as an Independent Director of the Company:**

Based on the recommendation of the Nomination and Remuneration Committee ('NRC'), the Board appointed Sri. Meka Yugandhar (DIN : 00012265) as an Additional Director of the Company and also an Independent Director not liable to retire by rotation, for a term of 5 years, w.e.f June 29, 2024 upto June 28, 2029 (both days inclusive), subject to approval by the Members.

Pursuant to the provisions of Section 161(1) of the Act and provisions of SEBI (LODR) Regulations, 2015, Sri. Meka Yugandhar shall hold office up to the date of this AGM and is eligible to be appointed as a Director. The Company has, in terms of Section 160(1) of the Act, received in writing notice from a Member, proposing his candidature for the office of Director.

Sri. Meka Yugandhar has given his declaration to the Board, inter alia, that (i) he meets the criteria of independence as provided under Section 149(6) of the Act and Regulation 16(1)(b) of the SEBI Listing Regulations, (ii) is not restrained from acting as a Director by virtue of any Order passed by SEBI or any such authority and (iii) is eligible to be appointed as a Director in terms of Section 164 of the Act. He has also given his consent to act as a Director.

In the opinion of the Board, Sri. Meka Yugandhar is a person of integrity, possesses relevant expertise / experience and fulfills the conditions specified in the Act and the SEBI Listing Regulations for appointment as an Independent Director and he is independent of the management. Given his experience, the Board considers it desirable and in the interest of the Company to have Sri. Meka Yugandhar on the Board of the Company and accordingly the Board recommends the appointment of Sri. Meka Yugandhar as an Independent Director as proposed in the Resolution set out at Item No. 7 of the accompanying Notice for approval by the Members.

None of the Director, Key Managerial Personnel or their respective relatives are, in any way, concerned or interested, financially or otherwise, in the said Resolution.

**Item No. 8 : Appointment of Sri. K.R Suresh Reddy (DIN: 00074879) as Non-Executive and Non-Independent Director of the Company:**

The Board of Directors Meeting held on June 29, 2024 appointment of Sri K.V Suresh Reddy as an additional Director (Category : Non-Executive and Non Independent) of the Company for a period of 5 years with effect from August 06, 2024 who holds office up to the date of ensuring Annual General Meeting or the last date on which the annual general meeting should have been held, whichever is earlier pursuant to the provisions of Section 161(1) of the Companies Act 2013('the Act) and the Articles of Association of the Company.

Pursuant to Regulation 17(1C) of SEBI LODR Regulations, the listed entity shall ensure that approval of shareholders for appointment or re-appointment of a person on the board of directors or as a manager is taken at the next general meeting or within a time period of three months from the date of appointment, whichever is earlier.

Accordingly, the board of directors recommends the passing of the above resolution as a special resolution set out in item no 8 of the notice for appointment of Sri K. R Suresh Reddy

None of the Director, Key Managerial Personnel or their respective relatives are, in any way, concerned or interested, financially or otherwise, in the said Resolution.

**Item No. 9: To ratify the remuneration of the Cost Auditor Smt. Aruna Prasad (M/s. Aruna Prasad & Co., Cost Accountants) for financial year ending March 31, 2024:**

The Board of Directors of the Company on the recommendation of the Audit Committee, appointed M/s. Aruna Prasad & Co., Cost Auditors, Chennai, as Cost Auditors of the Company at a remuneration of Rs. 50,000/- plus reimbursement of out of pocket expenses, for conducting audit of cost records for the F.Y. 2024-25. In terms of the provisions of Section 148 of the Companies Act, 2013 and rules made thereunder the remuneration payable to the Cost Auditor is to be ratified by the members of the Company in general meeting.

Accordingly, the members are requested to ratify the above said remuneration payable to the Cost Auditor during the financial year 2024-25. The ratification by the Members to this Remuneration is being sought in this resolution.

The Board recommends the resolution for approval of the Members. None of the Directors, Key Managerial personnel, and their relatives of the company is directly / indirectly interested in the above resolution.

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

**Sd/-  
Vithaldas Agarwal  
Managing Director  
DIN: 00012774**

**Place:** Secunderabad

**Date:** 29<sup>th</sup> June 2024

**ANNEXURE-A**
**DETAILS OF DIRECTORS SEEKING RE-APPOINTMENT AT THE 41<sup>ST</sup> ANNUAL GENERAL MEETING TO BE HELD ON AUGUST 02, 2024  
[PURSUANT TO REGULATION 36(3) OF THE SEBI (LISTING OBLIGATIONS AND DISCLOSURE REQUIREMENTS) REGULATIONS, 2015]**

S. No	Name of the Director	Vithaldas Agarwal (DIN : 00012774)	Ramasahayam Raghuram Reddy (DIN : 02431417)	Sri. Meka Yugandhar (DIN : 00012265)	K.R Suresh Reddy (DIN : 00074879)
1	Date of Birth and Age	September 10, 1939 and 84 Years	December 19, 1961 and 63 Years	July 10, 1951 and 73 Years	May 25, 1956 and 65 Years
2	Date of first appointment	July 1, 2009	June 29, 2024	June 29, 2024	August 06, 2024
3	Nature of appointment (appointment / reappointment)	Appointment pursuant to retire and being eligible, offers himself for re-appointment	Independent Director not liable to retire by rotation	Independent Director not liable to retire by rotation	Non-Executive and Non Independent
4	Qualifications	-	B Com, PG Diploma in Export procedure & Sales (The international Export Association, England)	Fellow Member of the institute of Chartered Accountants of India since 1977 (Membership No. 19156)	Graduate
5	Experience and Expertise in specific functional areas	More than six decades of experience in Textile Industry.	More than three decades of public service.	More than four decades of experience in the field of financial services as a chartered Accountant	More than three decades of public service.
6	Directorships in other Listed Companies	Nil	Nil	1. Alufluoride Ltd.	Nil
7	Relationship with other Directors, Manager and Other Key Managerial Personnel of the company	Related to Sri Mahender Kumar Agarwal, Joint Managing Director and Smt. Madhavi Agarwal, Whole-time Director	related to Sri. Surender Reddy, Chairmen & Non- Executive Independent Director	Not related to Directors, Manager and other Key Managerial Personnel of the Company	Not related to Directors, Manager and other Key Managerial Personnel of the Company
8	Shareholding in the Company	Holds 8,18,844 Equity Shares	Nil	Nil	Nil
9	Remuneration last drawn by such person, if applicable and remuneration sought to be paid	Monthly Remuneration of Rs. 4,25,000 was paid during the Financial Year Ended March 2024.	NA	NA	NA
10	The number of Meetings of the Board attended during the year	4 out of 4	NA	NA	3 out of 4
11	Membership / Chairmanship of Committees of other Boards	Nil	NA	Chairman of Audit Committee, Member of Nomination & Remuneration Committee and CSR Committee of Alufluoride Ltd.	Chairman of Nomination & Remuneration Committee, Member of Audit Committee and Stakeholders Relationship Committee of Suryalata Spinning Mills Ltd

**Statutory  
Reports**

## BOARDS' REPORT

To  
The Members  
**Suryalata Spinning Mills Limited**

Your Board of Directors are pleased to present the **41<sup>st</sup> Annual Report** of the Company together with the Standalone and Consolidated Audited Financial Statements of Accounts for the financial year ended March 31, 2024.

### FINANCIAL RESULTS:

The Company has prepared financial results in accordance with the Companies (Indian Accounting Standards) Rules, 2015 (Ind AS) prescribed under Section 133 of the Companies Act, 2013.

The financial performance of the Company for the financial year ended March 31, 2024 is summarized below: (₹ in Lakhs)

Particulars	Standalone Results		Consolidated Results	
	2023-24	2022-23	2023-24	2022-23
Total Revenue	44,551	48,310	45,515	48,732
Profit before Interest Depreciation and Tax	3,807	6,063	4,657	6,448
Profit Before Tax	1,807	4,329	2,434	4,660
Less: Provision for taxes (Including Deferred Tax)	521	1,226	569	1,226
<b>Profit After Tax</b>	<b>1,193</b>	<b>3,103</b>	<b>1,865</b>	<b>3,434</b>
Add: Profit brought forward from last year	3,260	3,195	3,512	3,116
Amount available for appropriation	4,453	6,298	5,377	6,550
Transfer to				
(a) General Reserve	1,000	3,000	1,000	3,000
(b) Dividend on Equity Shares	38	38	38	38
<b>Balance Carried forward to Balance Sheet</b>	<b>3,415</b>	<b>3,260</b>	<b>4,339</b>	<b>3,512</b>

### Details of Standalone operations:

The Audited Standalone Financial Statements of your Company as on March 31, 2024, prepared in accordance with the relevant applicable Ind AS and Regulation 33 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 ("SEBI Listing Regulations") and provisions of the Companies Act, 2013 ("the Act"), forms part of this Annual Report.

### Highlights of the Company's Affairs:

The Company's performance in the financial year under review had impacted adversely due to sluggish market conditions and subdued margins as compared to the previous year. The major highlights of the Company's Standalone performance for the financial year 2023-24 are as under:

- ❖ Total Revenue is Rs. 445.51 crores as compared to Rs. 483.10 crores in the previous year.
- ❖ Exports decreased by 66.74% to Rs 16.32. Crores as compared to Rs 49.07 crores in the previous year (FOB Value).
- ❖ Production quantities increased to 29110 MTs as against 27497 MTs in the previous year.
- ❖ Annual Average yarn realization was decreased by Rs. 22.40 i.e to Rs.151.69 per kg. as against Rs.174.09 per kg in the previous year.
- ❖ Annual Average input (raw material) cost per Production decreased by Rs.8.86 (i.e) to Rs.100.15 per kg. as against Rs.109.01 in the previous year.
- ❖ Contributions from operations decreased by Rs. 13.55 per kg. (i.e) Rs. 51.54 as against Rs.65.09 per kg in the previous year.
- ❖ Operational cost Decreased by Rs.3.17 per kg. (i.e) Rs. 45.69 as against Rs. 48.86 per kg in the previous year
- ❖ Profit before Tax for the is Rs.18.07 Crores as compared to Rs. 43.29 Crores in the previous year.
- ❖ Profit after Tax is Rs. 11.93 Crores as against Rs. 31.03 Crores in the previous year.

## **Subsidiary Company:**

The Company has one wholly owned subsidiary Suntree Solar Energy Private Limited (Suntree) Suntree is in the business of generation of solar energy and the generated power units supplied to TGSPDCL as per terms of power purchase agreement.

The statement containing highlights of performance of the Subsidiary Company, salient features of its financial statements for the financial year ended on March 31, 2024 and its contribution to the overall performance of the Company is attached as **Annexure-I in Form No.AOC .1.**

The audited accounts of the Subsidiary Company are available and are open for inspection by the registered shareholder of the Company at its Registered Office of the Company. The Company will also make available copies of these documents to the registered shareholder upon receipt of request in writing from them.

## **Consolidated Financial Results:**

The Audited Consolidated Financial Statements of your Company as on March 31, 2024, prepared in accordance with the relevant applicable Ind AS and Regulation 33 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 (“SEBI Listing Regulations”) and provisions of the Companies Act, 2013 (“the Act”), forms part of this Annual Report.

## **Sustainable Development Goals:**

Sustainability development has emerged as a new paradigm in industrial environment for economic prosperity. Any development that occurs should not harm human ecology and surrounded environment. Spinning is a vital operation process that consumes more power and massive investment. Unlike other industrial segments, spinning mills are a big concern. Your company believes that sustainability relies on the increase in profitability with adoption of technology innovation, optimum utilization of capacities, consistency in quality, fast & timely supply of products. Despite all these, the spinning sector can become more sustainable in the long run on cost optimization of power and personnel. As a step towards the cost reduction of power, the Company has installed Solar Power Plants of 11 MW within the manufacturing units for Captive consumption of power generation. These installed capacities mitigate 20% of the company annual power requirements and reduce the dependence on DISCOM power supplies and also reducing the carbon footprint. Upgradation of technology and Innovation techniques can reduce the cost of personnel to become more sustainable in the long run. The company also has state-of-the-art Sewage Treatment Plants in both the units whereby 95% of the water used in the factories is purified and recycled.

## **Capital expenditure:**

The Company had spent capital expenditure of Rs 6145.66 lakhs towards installation of vortex project in UKP Plant, with the capital expenditure of Rs 5937.60 crores. At Kalwakurthy unit Installed Two - Ring Frames of 1824 Spindles with an investment of Rs 170.10 Lakhs for increase the production and Rs 37.96 lakhs on vehicles.

## **Changes in Share Capital:**

There was no change in the share capital of the Company during the financial year under review.

The Authorized Share Capital of the Company as on March 31, 2024 was Rs. 17,00,00,000/- divided into 90,00,000 Equity Shares of Rs. 10/- each and 8,00,000 Preference Shares of Rs.100/- each

The issued share capital of the Company is Rs. 811,70,000/- divided into 42,67,000 equity shares of Rs. 10/- each and 3,85,000 8% Cumulative Redeemable Preference Shares of Rs. 100/- each.

The listed share capital of the Company is Rs. 4,26,70,000/- of 42,67,000 Equity shares of Rs. 10/- each.

## **Transfer to Reserves:**

The Company has decided to transfer Rs.10 Crores to the general reserve for the financial year ended March 31, 2024.

## **Dividends:**

Your Directors have recommended the payment of dividend on the Cumulative Redeemable Preference Shares as per the terms and conditions of the Issue for the Financial Year 2023-24. The said dividend, if approved will result in cash outflow of Rs. 30,80,000/-.

Further, your Directors have recommended the payment of 20% dividend on the paid up value of the Equity Shares i.e. Rs. 2/- per share of Rs.10/- each to the Non-promoter equity shareholders of the Company for the year 2023-24. The dividend, if approved, will result in cash outflow of Rs.25,29,380/-.



## **Investor Education and Protection Fund (IEPF):**

Pursuant to provisions of Section 124 and 125 of the Companies Act 2013 read with IEPF Rules 2016, all unpaid or unclaimed dividends up to the financial year 2015-16 was transferred to the Investor Education and Protection Fund established by the Central Government, after notice was sent to all shareholders whose shares were due to be transferred to the IEPF Authority and published requisite advertisement in the newspaper. The shareholders whose dividends and shares have been transferred to the IEPF Authority can claim their dividend and shares from the IEPF Authority.

## **Deposits:**

During the financial year under review the Company has not accepted any deposits as per the Section 73 of the Companies Act 2013 as well as the Companies (Acceptance of Deposits) Rules, 2014.

## **Annual Return:**

Pursuant to Section 134 (3) (a) & Section 92 (3) of the Companies Act, 2013 read with Rules 12 of the Companies (Management & Administration) Rules, 2014, the Annual Return of the company for Financial Year 2023-24 is placed on the company's website at <https://www.suryalata.com>.

## **Number of Meetings of the Board of Directors and Committees:**

**4 (Four)** Board Meetings & Audit Committee Meetings were held during the Financial Year 2023-24 as below:

1. May 29, 2023;
2. August 12, 2023;
3. November 06, 2023;
4. February 07, 2024.

## **The Meetings of the following Committees were held on the dates as mentioned below:**

1. CSR Committee Meeting – May 29, 2023;
2. Nomination and Remuneration Committee – May 29, 2023;
3. Stakeholders Relationship Committee Meeting – February 07, 2024;

For details pertaining to attendance of Directors for the said Meetings, please refer to the Corporate Governance Report, which forms part of this report.

## **Directors Responsibility Statement:**

Pursuant to the requirements under Section 134 of the Companies Act, 2013 with respect to the Directors' Responsibility Statement, the Board of Directors of the Company hereby confirms:

- (a) that in the preparation of the annual accounts for the Financial Year ended March 31, 2024, the applicable accounting standards have been followed;
- (b) that 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 as at March 31, 2024, and Profit and Loss Statement of the Company for that period;
- (c) that the directors have taken proper and sufficient care for the maintenance of adequate accounting records in accordance with the provisions of Companies Act, 2013 for safeguarding the assets of the Company and for preventing and detecting fraud and other irregularities.
- (d) that the directors have prepared the annual accounts for the financial year ended March 31, 2024, on a going concern basis;
- (e) that the directors have laid down internal controls to be followed by the Company and that such internal financial controls are adequate and were operating effectively;
- (f) that the directors have devised proper systems to ensure compliance with the provisions of all applicable laws and that such systems were adequate and operating effectively.

## **Statement on declaration given by Independent Directors under Sub-Section (6) of Section 149 of the Companies Act, 2013:**

The Independent Directors have submitted the Declaration of Independence, as required pursuant to Sub-Section (7) Section 149 of the Companies Act, 2013 stating that they meet the criteria of independence as provided in (6) of section 149 of Companies Act, 2013 and Regulation 16(1)(b) of the SEBI (Listing Obligations and Disclosures Requirements) Regulations, 2015.

### **Related Party Transactions:**

All the related party transactions are entered in the ordinary course of business and on arm's length basis they are in compliance with the applicable provisions of Companies Act 2013 and listing regulations. The disclosures relating to related party transactions as required in **Form AOC-2** is enclosed to this report as **Annexure-II**.

The Company has adopted a related party transactions policy and the said policy as approved by the board is uploaded on the Company's website [www.suryalata.com](http://www.suryalata.com).

### **Particulars of Loans, Guarantees and Investments:**

During the year under review, the Company has continued to maintain corporate loan to its wholly owned subsidiary, Suntime Solar Energy Private Limited. However, the Company has not provided any guarantees.

### **Particulars of Employees:**

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

Further during the year under review, the list of top ten employees in terms of remuneration drawn as set out in Rule 5 Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014 is enclosed as **Annexure III**.

### **Details of Directors and Key Managerial Personnel's appointed or resigned during the year:**

No Director or Key Managerial Personnel was appointed or resigned during the year in review.

Subsequent to the year under review, the Board appointed two additional Directors Sri Ramasahayam Raghuram Reddy (DIN: 02431417) Sri Meka Yugandhar (DIN : 00012265) w.e.f. June 29, 2024. Accepted resignation of Khushboo Jain Company Secretary & Compliance officer upto June 30, 2024 and also appointed S. Venkata Rao (M.No. F4809) as Company Secretary & Compliance officer w.e.f July 15, 2024.

In accordance with the provisions of the Companies Act, 2013 and in terms of Articles of Association of the Company, Sri. Mahender Kumar Agarwal - Joint Managing Director of the Company is liable to retire by rotation at the ensuing Annual General Meeting and being eligible, offers himself for re-appointment.

### **Committees of the Board:**

#### **Currently the Board has four Committees:**

1. Audit Committee;
2. Nomination and Remuneration Committee;
3. Corporate Social Responsibility Committee &
4. Stakeholders Relationship Committee.

#### **Audit Committee:**

The Audit Committee comprises of Sri R Surender Reddy, Chairman, Sri K R Suresh Reddy, Member and Sri Harishchandra Prasad Kanuri, Member. All the recommendations made by the members of Audit Committee were accepted by the Board.

#### **Nomination and Remuneration Committee:**

The Nomination and Remuneration Committee comprises of Sri K R Suresh Reddy, Chairman, Sri R Surender Reddy, Member and Sri Harishchandra Prasad Kanuri, Member.

## **Stakeholders Relationship Committee:**

Stakeholders Relationship Committee comprises of Sri K R Suresh Reddy, Chairman, Sri Vithaldas Agarwal, Member and Sri Mahender Kumar Agarwal, Member.

The Scope of the committee shall include considering and resolving the grievances of the security holders of the company which may arise due to any of the reasons cited in the Stakeholders Relationship Committee of the company.

## **Corporate Social Responsibility Committee:**

The Corporate Social Responsibility Committee consists of Sri R Surender Reddy, Chairman, Sri Vithaldas Agarwal, Member and Sri Mahender Kumar Agarwal, Member.

This policy encompasses the Company's philosophy for giving back to society as a corporate citizen and lays down the guidelines and mechanism for undertaking socially useful programmes for the welfare & sustainable development of the community at large.

## **Corporate Social Responsibility:**

The core theme of the Company's Corporate Social Responsibility (CSR) policy is giving back to the society from which it draws its resources by extending helping hand to the needy and the underprivileged.

Corporate Social Responsibility is the commitment of business to contribute for sustainable economic development. It is the contribution of the corporate sector for philanthropic causes like education, health, water, sanitation, animal welfare, environment and community development. In alignment with vision the Company, through its CSR initiatives will continue to enhance value creation in the society, through its services, conduct & initiatives, so as to promote sustained growth of the society in fulfillment of its role as a Socially Responsible Corporate with environmental concern.

The CSR Policy of your Company as approved by the Board of Directors, is hosted on your Company's website

[www.suryalata.com](http://www.suryalata.com).

The Report on Corporate Social Responsibility as per Rule 8 of (Corporate Social Responsibility Policy) Rules, 2014 is enclosed as **Annexure IV** and forms part of this Directors Report

## **Policy on director's appointment and remuneration and other details:**

The Company follows a policy on remuneration of directors and other senior managerial personnel. The Policy is recommended by the Nomination and Remuneration Committee and approved by the Board. More details of the same is given in the Corporate Governance Report.

## **Statutory Auditors and Auditors' Report:**

**M/s. K.S. Rao & Co., Chartered Accountants** (ICAI Firm Registration Number **003109S**) were appointed as Statutory Auditors of the Company in the 39<sup>th</sup> Annual General Meeting (AGM) held on September 29, 2022 to hold office for a period of 5 years i.e. up to the conclusion of 44<sup>th</sup> Annual General Meeting.

**K. S. Rao & Co., Chartered Accountants**, the Statutory Auditors of the company has issued an unmodified Auditors Report (standalone and consolidated) for Financial Year ended March 31, 2024 and the Auditors have not reported any matter under Section 143(12) of the companies Act 2013 and therefore no details are required to be disclosed under Section 134(3) of the Companies Acts 2013.

The Auditor's Report to the Shareholders for the financial year under review does not contain any qualification, reservation or adverse remark. The Auditors' Report is enclosed with the financial statements in this Annual Report.

## **Secretarial Auditor:**

The Board has appointed **R&A Associates, Company Secretaries** a firm of Practicing Company Secretaries, Hyderabad as the Secretarial Auditors to conduct Secretarial Audit of the Company for the Financial Year ended March 31, 2024 in compliance with the provisions of Section 204 of the Companies Act, 2013. The Secretarial Audit Report issued by R&A Associates, Company Secretaries, in Form MR-3 is enclosed as **Annexure V**.

## **Internal Auditor:**

The Board of Directors of the Company have appointed **M/s. Brahmaya & Co., Chartered Accountants** as Internal Auditors to conduct Internal Audit of the Company for the Financial Year ended March 31, 2024.

## **Cost Auditor:**

In terms of the Section 148(1) of the Companies Act, 2013 read with the Companies (Cost Records and Audit) Rules, 2014, the Company is required to maintain cost records pertaining to textile products division.

**M/s. Aruna Prasad & Co., Cost Auditors** were appointed as Cost Auditor for conducting the cost audit of the Company for the financial year 2023-24 and paid remuneration of Rs. 45,000/-. Approved The Board of Directors have appointed M/s. Aruna Prasad & Co., Cost Auditors, Chennai for conducting the cost audit of the Company for the financial year 2024-25, in compliance to the provisions of Section 148 of the Companies Act, 2013 read with Companies (Cost Records and Audit Rules,) 2014, on the recommendations made by the Audit Committee and has recommended the remuneration for the approval of Members at the ensuing Annual General Meeting.

## **Corporate Governance Report:**

The report on Corporate Governance as per Regulation 34(3) read with Schedule V of the SEBI (LODR) Regulations is included as a part of this Annual Report. The requisite certificate from **R&A Associates, Company Secretaries** conforming the compliance with the conditions of Corporate Governance is attached to the report on Corporate Governance.

## **Management Discussion and Analysis:**

In terms of provisions of Regulation 34(2) of SEBI Listing Regulations report on Management Discussion & Analysis for the year under review is provided in a separate section forming part of this Annual Report.

## **Vigil Mechanism/Whistle Blower Policy:**

The Board of Directors of the Company has adopted Whistle Blower Policy. This policy is formulated to provide an opportunity to employees and an avenue to raise concerns and to access in good faith the Audit Committee, to the highest possible standards of ethical, moral and legal business conduct and its commitment to open communication, in case they observe unethical and improper practices or any other wrongful conduct in the Company, to provide necessary safeguards for protection of employees from reprisals or victimization and to prohibit managerial personnel from taking any adverse personnel action against those employees.

The Policy on vigil mechanism/whistle blower policy may be accessed on the Company's website [www.suryalata.com](http://www.suryalata.com).

## **Details of adequacy of internal financial controls:**

The company has in place adequate internal financial controls with reference to financial statements. During the year, such controls were tested and no reportable material weaknesses in the design or operation were observed.

## **The details of significant material orders passed by the regulators or courts or tribunals impacting the going concern status and Company's operations in future:**

No significant or material orders were passed by the regulators or courts or tribunals impacting the going concern status and company's operations in future during the year under review.

Material changes and Commitments, if any, affecting the financial position of the Company occurred after the closure of financial year till the time of adoption of this report:

No other material changes and commitments have occurred after the close of the year till the date of this Report, which affect the financial position of the Company. Further there is no change in the nature of business of the Company.

## **Conservation of energy, technology absorption, foreign exchange earnings and outgo:**

The information with respect to Conservation of energy, technology absorption, foreign exchange earnings and outgo pursuant to Section 134(3)(m) of the Act read with Rule 8 of Companies (Accounts) Rules, 2014, are provided in the **Annexure VI** to this Report.

## **Risk Management Policy:**

The Company has policy for identifying risk and established controls to effectively manage the risk. Further the company has laid down various steps to mitigate the identified risk. The audit committee has additional oversight in the area of financial risks and controls. Major risks identified by the businesses and functions are systematically addressed through mitigating actions on a continuing basis.

## **Declaration with the compliance with the code of conduct by Members of the Board and Senior Management personnel:**

The Company has complied with the requirements about code of conduct for Board members and Sr. Management Personnel.

The said policy is available on the website of the Company [www.suryalata.com](http://www.suryalata.com).

## **Mechanism for Board Evaluation:**

The Board of Directors has carried out an annual evaluation of its own performance, board committees and individual directors pursuant to the provisions of the schedule IV of the Companies Act, 2013 and the corporate governance requirements as prescribed by Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements), Regulations 2015.

The Directors evaluation was broadly based on the parameters such as understanding of the Company's vision, objective, skills, knowledge and experience, participation and attendance in Board/ Committee meetings; governance and contribution to strategy; interpersonal skills etc.

The Board has carried out the annual performance evaluation of its own performance, the Directors individually as well as evaluation of the working of its Board Committees. A structured questionnaire was prepared covering various aspects of the Board's functioning such as adequacy of the composition of the Board and its Committees, Board Culture, execution and performance of specific duties, obligations and governance.

A meeting of the Independent Directors was also held which reviewed performance of non-independent directors, performance of the board as a whole and performance of the chairman after taking into account the views of executive directors and non-executive directors. The same was discussed in the board meeting that followed the meeting of the independent directors, at which the performance of the board, its committees and individual directors was also discussed. Performance evaluation of independent directors was done by the entire board, excluding the independent director being evaluated.

## **Policy on Sexual Harassment:**

The Company has adopted policy on Prevention of Sexual Harassment of Women at Workplace in accordance with the Sexual Harassment of Women at Workplace (Prevention, Prohibition and Redressal) Act, 2013. The Company regularly conducts awareness programmes for its employees.

## **Disclosure pertaining to sexual harassment of women at workplace:**

During the Financial year ended March 31, 2024 the Company has neither received any complaints nor there are any pending complaints pertaining to sexual harassment and the Company has constituted an Internal Complaints Committee.

## **Compliance with Secretarial Standards:**

The Company has complied with applicable Secretarial Standards issued by the Institute of Company Secretaries of India.

# SURYALATA SPINNING MILLS LIMITED

## **Prevention of Insider Trading Code**

The Company has a policy i.e., code of conduct prohibiting insider trading in conformity with SEBI (Prohibition of Insider Trading) Regulations, 2015. The said policy contains necessary procedures applicable to Directors, officers and designated persons for trading in the securities of the Company.

The trading window closures are intimated in advance to all the concerned during which period, the Board of Directors and designated persons are not permitted to trade in the securities of the company.

## **Acknowledgments:**

Your Directors thank the government authorities, financial institutions, banks, customers, suppliers, members, employees and other business associates of your Company, who through their continued support and co-operation, have helped as partners in your Company's progress and achievement of its objectives.

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

**Sd/-  
Vithaldas Agarwal  
Managing Director  
DIN: 00012774**

**Add: 8-2-684/3/k/8To10, MLA Colony, Road No.12,  
Banjara Hills, Hyderabad-500034 , Telangana**

**Sd/-  
Mahender Kumar Agarwal  
Joint Managing Director  
DIN: 00012807**

**Add: 8-2-684/3/k/8To10,MLA Colony, Road No. 12,  
Banjara Hills, Hyderabad-500034, Telangana**

**Place:** Secunderabad

**Date:** 29th June 2024

**FORM NO. AOC.1**

**Statement containing salient features of the financial statement of Subsidiaries/Associate Companies/Joint Ventures  
(Pursuant to first proviso to sub-section (3) of section 129 read with  
Rule 5 of Companies (Accounts) Rules, 2014)  
Part "A": Subsidiaries**

(Information in respect of each subsidiary to be presented with amounts in Rs)

1. Sl. No. : **1**
2. Name of the subsidiary : **Suntree Solar Energy Private Limited**
3. Reporting period for the subsidiary concerned, if different from the holding company's reporting period: **March 31, 2024**
4. Reporting currency and Exchange rate as on the last date of the relevant financial year in the case of foreign subsidiaries: **NA**
5. Share capital : **Rs. 81,50,000**
6. Reserves & surplus : **Rs. 9,23,40,358**
7. Total assets : **Rs. 49,06,08,420**
8. Total Liabilities : **Rs. 39,01,18,062**
9. Turnover : **Rs. 12,47,70,125**
10. Profit before taxation : **Rs. 7,19,54,811**
11. Provision for taxation : **Rs. 47,64,877**
12. Profit after taxation : **Rs. 6,71,89,934**
13. % of shareholding: **99.99%**

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

**Sd/-  
Vithaldas Agarwal  
Managing Director  
DIN: 00012774**

**Add: 8-2-684/3/k/8To10, MLA Colony, Road No.12,  
Banjara Hills, Hyderabad-500034 , Telangana**

**Sd/-  
Mahender Kumar Agarwal  
Joint Managing Director  
DIN: 00012807**

**Add: 8-2-684/3/k/8To10, MLA Colony, Road No. 12,  
Banjara Hills, Hyderabad-500034, Telangana**

**Place:** Secunderabad

**Date:** 29th June 2024

**FORM NO. AOC -2**

Disclosure of particulars of contracts/arrangements entered into by the company with related parties referred to in sub-section (1) of Section 188 of the Companies Act, 2013

*[Pursuant to clause (h) of sub-section (3) of section 134 of the Act and Rule 8(2) of the Companies (Accounts) Rules, 2014]*

**1. Details of contracts or arrangements or transactions not at arm's length basis:**

There are no contracts or arrangements entered into by the company with related parties referred to in sub-section (1) of section 188 of the Companies Act, 2013 which are not at arm's length basis.

**2. Details of contracts or arrangement or transactions at arm's length basis:**

Contracts or arrangements entered into by the company with related parties referred to in sub-section (1) of section 188 of the Companies Act, 2013 which are on an arm's length basis.

S. No	Name(s) of the related party and nature of relationship	Nature of contracts / arrangements/ transactions	Duration of the contracts / arrangements/ transactions	Salient terms of the contracts or arrangements or transactions including the value, if any:	Amount (in Rs)
1.	Surana Solar Limited (Enterprise having common Director)	Solar Power Purchased	Ongoing	As per the Agreement	70,43,820

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

**Sd/-  
Vithaldas Agarwal  
Managing Director  
DIN: 00012774**

**Add: 8-2-684/3/k/8To10, MLA Colony, Road No.12,  
Banjara Hills, Hyderabad-500034 , Telangana**

**Sd/-  
Mahender Kumar Agarwal  
Joint Managing Director  
DIN: 00012807**

**Add: 8-2-684/3/k/8To10,MLA Colony, Road No. 12,  
Banjara Hills, Hyderabad-500034, Telangana**

**Place:** Secunderabad  
**Date:** 29th June 2024



**PARTICULARS OF EMPLOYEES**

**Information as per Rule 5(1) of Chapter XIII, Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014**

Name of Director	Designation	Remuneration in FY 23-24	Remuneration in FY 22-23	% of increase in remuneration	Ratio of remuneration to MRE
<b>Executive Directors</b>					
Vithaldas Agarwal	Managing Director	51,00,000	48,00,000	6.25	23.12
Mahender Kumar Agarwal	Joint Managing Director	60,03,430	56,64,891	5.98	28.30
Madhavi Agarwal	Whole-Time Director	51,08,947	46,38,745	10.14	24.16
<b>Key Managerial Personnel</b>					
K Nageswara Rao	Chief Financial Officer	32,96,496	31,10,496	5.98	15.59
Khushboo Jain	Company Secretary	3,00,000	3,00,000	-	1.42

- The Median Remuneration of the employees of the Company during the financial year was Rs 2,11,479 /- (Previous Year Rs. 1,93,186/-).
- There are 455 permanent Employees on the rolls the Company of as on March 31, 2024.
- There was a 6.87% increase in the salaries of employees other than the managerial personnel in the current financial year i.e. 2023-24 as against 9.53% in the previous financial year 2022-23..
- The key parameters for the variable component of remuneration availed by the directors are considered by the Board of Directors based on the recommendations of the Nomination and Remuneration Committee.
- It is hereby confirmed that the remuneration is as per the remuneration policy of the Company.

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

Sd/-  
**Vithaldas Agarwal**  
Managing Director  
DIN: 00012774  
Add: 8-2-684/3/k/8To10, MLA Colony, Road No.12,  
Banjara Hills, Hyderabad-500034 , Telangana

Sd/-  
**Mahender Kumar Agarwal**  
Joint Managing Director  
DIN: 00012807  
Add: 8-2-684/3/k/8To10, MLA Colony, Road No. 12,  
Banjara Hills, Hyderabad-500034, Telangana

**Place:** Secunderabad  
**Date:** 29th June 2024

S. No	Name & Designation	Remuneration received (₹)	Nature of employment, whether contractual or otherwise	Qualification and experience of the employee	Date of Commencement of employment	Age	The last employment held before joining the Company	The percentage of equity shares held by the employee in the Company within the meaning of clause (iii) of sub-rule (2) of Rule 5	Whether the employee is a relative of any director or manager of the company
1.	Sri Mahender Kumar Agarwal, Joint managing Director	60,03,430	Regular	B.Com., 31 Years	01-07-1986	61	-	Not applicable	Yes
2.	Sri Vithaldas Agarwal, Managing Director	51,00,000	Regular	Under Graduate 57 years	01-09-1989	85	-	Not applicable	Yes
3.	Smt. Madhavi Agarwal, Executive Director	51,08,947	Regular	B.Com., 13 years	06-11-2014	57	-	Not applicable	Yes
4.	Sri K. Nageswara Rao, Chief Financial Officer	32,96,496	Regular	B.Com., FCA., 36 Years	28-01-2009	66	Regency Ceramics Ltd., Hyderabad		No
5.	Sri K. K. Sinha, (Chief General Manager)	28,46,040	Regular	D.T.T. 43 Years	07-06-2004	67	Bhmvel Synthetics India Ltd., Fatahnagar, Rajasthan		No
6.	Sri D. V. Ramana Reddy, General Manager (HR and P&A)	17,29,920	Regular	M.Com., PGDP-M&LL.B., 32 Years	13-06-2000	63	Kothari Spinning Mills Ltd., Adoni, Andhra Pradesh		No
7.	Sri V. Ramanujula Reddy, Manager -HR	11,04,000	Regular	MBA-HR 4 years	20-11-2017	43	Priyadarshini Spinning Mills Ltd., Hyderabad	No other Employee was in receipt of remuneration above the remuneration of Managing Director / Whole-time Director	No
8.	Ranachhir Rana GM - Production	11,04,000	Regular	B.Tech 17 Years	16-01-2023	55	Nahar Spinnings Ltd		No
9.	Ajay Kumar Panday GM - Production	10,80,000	Regular	MBA, Diploma In Textile 20 Years	31-08-2021	47	Akshar Printic Limited		No
10.	Sri K. Ajay Kumar, Manager - EDP	9,93,096	Regular	B.Sc., PGDCA., 28 Years	29-10-2004	57	My Home Industries Ltd., Hyderabad.		No

**Annual Report on CSR Activities for Financial Year  
Commencing after April 01, 2024**

1. Brief outline on CSR Policy of the Company: CSR is an integral part of the Suryalata Spinning Mills Limited culture which is imbibed by one and all of the employees of the Company. Our vision is to actively contribute to the social and economic development of the communities in which we operate. In doing so, to build a better and a sustainable way of life for the weaker sections of society and raise the country's human development index.

2. Composition of CSR Committee:

S. No	Name of Director	Designation / Nature of Directorship	Number of Meeting of CSR Committee held during the year	Number of Meeting of CSR Committee attended during the year
1	R Surender Reddy	Chairman	1	1
2	Vithaldas Agarwal	Member	1	1
3	Mahender Kumar Agarwal	Member	1	1

3. Provide the web-link where Composition of CSR committee, CSR Policy and CSR projects approved by the board are disclosed on the website of the company - <https://www.suryalata.com/investors.html>.
4. Provide the executive summary along with web-link(s) of Impact Assessment of CSR Projects carried out in pursuance of sub-rule (3) of rule 8, if applicable – Not Applicable.
5. (a) Average net profit of the company as per Section 135(5) – Rs. 43,44,91,334/-  
 (b) Two percent of average net profit of the company as per section 135(5) – Rs. 86,89,827/-  
 (c) Surplus arising out of the CSR projects or programs or activities of the previous financial Years - Rs. 1,06,81,225/-  
 (d) Amount Spent during the Financial Year - Rs. 24,25,000/-  
 (e) Amount required to be set off for the financial year, if any – Rs. 62,64,827/-  
 (f) Total CSR obligation fulfilled for the financial year [d+e]– Rs. 86,89,827 /-
6. (a) CSR amount spent or unspent for the financial year:

Total Amount Spent for the Financial Year (in Rs)	Amount Unspent (in Rs)				
	Total Amount transferred to Unspent CSR Account as per section 135(6)		Amount transferred to any fund specified under Schedule VII as per second proviso to section 135(5)		
	Amount	Date of Transfer	Name of the Fund	Amount	Date of Transfer
24,25,000	-	-	-	-	-

**(b) Details of CSR amount spent against ongoing projects for the financial year:**

1	2	3	4	5		6	7	8	9	10	11	
S. No	Name of the Project	Item from the list of activities in Schedule VII to the Act	Local area (Yes/No)	Location of the project		Project Duration	Amount allocated for the project (in Rs)	Amount spent in the current financial Year (in Rs)	Amount transferred to Unspent CSR Account for the project as per Section 135(6) (in Rs)	Mode of Implementation - Direct (Yes/No)	Mode of Implementation - Through Implementing Agency	
				State	District							
1	Special Education Through Veda patasala - Running and on-going expenditure for Sri GayathriVedavidyalam, MarchalaVillage, Kalwakurthy,	Clause (ii) of Schedule VII	Yes	Telangana	Nagar Kurnool		25,00,000	23,20,000	NA	Yes	Direct - Monthly running expenses	
	Total						25,00,000	23,20,000	-	-	-	-

**(c) Details of CSR amount spent against other than ongoing projects for the financial year:**

1	S.No	Name of the Project	Item from the list of activities in Schedule VII to the Act.	4	5		6	7	8		
					Local Area (Yes/No)	Location of the Project			Mode of implementation - Direct / Through implementing Agency.		
					State	District		Mode of implementation - Direct (Yes No)	Name	CSR Registration Number	
1		Animal Welfare	Clause (iv) of Schedule VII	No	NA	NA	Nil	NA	Dhyan Foundation		
2		Animal Welfare	Clause (iv) of Schedule VII	No	NA	NA	Nil	NA	GOVATS Foundation		
3		Promotion of health care and Sanitation including prevention of health care - Covid - 19.	Clause (i) of Schedule VII		New Delhi		30,000	Yes	The Leprosy Mission Trust India	Direct	
4		Promotion of setting up old age homes, day care centres and such other facilities for senior citizens	Clause (iii) of Schedule VII	Yes	Telangana	Nagar Kurnool	75,000	Yes		Direct	
5		Promoting education, including special education and employment enhancing vocational skills among children and women.	Clause (ii) of Schedule VII	No	Telangana	Medchal	Nil	NA	Sai Geetha Ashram		
6		Protection of Art and Culture including work of art; Promotion and Development of Traditional Art.	Clause (v) of Schedule VII	No	NA	NA	Nil	NA	Pandit Jasraj Cultural Foundation	Yes	
		Total						24,25,000	-	-	-

# S SURYALATA SPINNING MILLS LIMITED

- (d) Amount spent in Administrative Overheads: Not Applicable  
 (e) Amount spent on Impact Assessment, if applicable: Not Applicable  
 (f) Total amount spent for the Financial Year (8b+8c+8d+8e) :24,25,000/-  
 (g) Excess amount for set off, if any: (8(f) - 7(a) )

S. No	Particulars	Amount (In Rs)
1	Two percent of average net profit of the company as per section 135(5)	86,89,827
2	Total amount spent during the Financial Year	24,25,000
3	Excess/(short) amount spent for the financial year [2-1]	(62,64,827)
4	Surplus arising out of the CSR projects or programmes or activities of the previous financial years, if any	1,06,81,225
5	Amount available for set off in succeeding financial years (3-4)	44,16,398

7. (a) Details of Unspent CSR amount for the preceding three financial years: Not Applicable

S. No	Preceding Financial Year	Amount transferred to Unspent CSR Account under section 135 (6) (in Rs)	Balance Amount in Unspent CSR Account under section 135(6) (in Rs.)	Amount spent in the reporting Financial Year (in Rs).	Amount transferred to any fund specified under Schedule VII as per section 135(6), if any.			Amount remaining to be spent in succeeding Financial years. (in Rs)	Deficiency, if any
					Name of the Fund	Amount (in Rs)	Date of Transfer		
1	FY 1	-		-	-	-	-	-	
2	FY 2								
3	FY 3								
	<b>Total</b>	-		-	-	-	-	-	

8. Whether any capital assets have been created or acquired through Corporate Social Responsibility amount spent in the Financial Year: No  
 9. Specify the reason(s), if the company has failed to spend two per cent of the average net profit as per section 135(5): Not Applicable.

The CSR committee confirms that the implementation and monitoring of CSR policy, is in compliance with CSR objectives and policy of the Company

**Place:** Secunderabad  
**Date:** 23<sup>rd</sup> May, 2024

**Vithaldas Agarwal**  
 Member of CSR Committee

**R Surender Reddy**  
 Chairman of CSR Committee

**FORM MR-3**  
**SECRETARIAL AUDIT REPORT**  
**FOR THE FINANCIAL YEAR ENDED MARCH 31, 2024**

[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

**SURYALATA SPINNING MILLS LIMITED**

Surya Towers, 1<sup>st</sup> Floor, 105, Sardar Patel Road  
Secunderabad – 500 003, Telangana, India.

We have conducted the Secretarial Audit of the compliance of the applicable statutory provisions and the adherence to good corporate practices by **SURYALATA SPINNING MILLS LIMITED (CIN: L18100TG1983PLC003962)** (hereinafter called “the Company”) for the Financial Year ended on 31<sup>st</sup> March 2024. Secretarial Audit was conducted in a manner that provided us a reasonable basis for evaluating the corporate conducts/statutory compliances and expressing our opinion thereon.

Based on our verification of the Suryalata Spinning Mills Limited 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, consultants and authorised representatives during the conduct of Secretarial Audit we hereby report that in our opinion, the Company has, during the audit period covering the **Financial Year ended 31<sup>st</sup> March 2024** complied with the statutory provisions listed hereunder 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:

We have examined the books, papers, minute books, forms and returns filed and other records maintained by the Company for the Financial Year ended on 31<sup>st</sup> March 2024, according to the provisions of:

- I) The Companies Act, 2013 (the Act) (to the extent applicable) 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. However, the provisions of Foreign Direct Investment, Overseas Direct Investment and External Commercial Borrowings are not applicable;
- V) The following Regulations and Guidelines prescribed under the Securities Exchange Board of India Act, 1992 ('SEBI Act'):-
  - a. The Securities and Exchange Board of India (Substantial Acquisition of Shares and Takeovers) Regulations, 2011;
  - b. The Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015;
  - c. The Securities and Exchange Board of India (Prohibition of Insider Trading) Regulations, 2015;
  - d. The Securities and Exchange Board of India (Registrars to an Issue and Share Transfer Agents) Regulations, 1993 regarding the Companies Act and dealing with clients;
  - e. The Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2018; (Not applicable to the Company during the audit period);
  - f. The Securities and Exchange Board of India (Share Based Employee Benefits and Sweat Equity) Regulations, 2021; (Not applicable to the Company during the audit period);
  - g. The Securities and Exchange Board of India (Issue and Listing of Debt Securities) Regulations, 2008; (Not applicable to the Company during the audit period);
  - h. The Securities and Exchange Board of India (Delisting of Equity Shares) Regulations, 2009; (Not applicable to the Company during the audit period) and
  - i. The Securities and Exchange Board of India (Buyback of Securities) Regulations, 2018; (Not applicable to the Company during the audit period).

VI) We further report that, based on the information provided by the Company, its officers and authorized representatives during the conduct of Audit, and on examination of the relevant documents, licenses and records in pursuance thereof, on test check basis in our opinion, the Company has complied with applicable general laws and rules made thereof and in particular the following:

- a. Textiles (Development & Regulation) Order, 2001 &
- b. Textiles (Consumer Protection) Regulation, 1988;

We have also examined compliance with the applicable clauses of the Secretarial Standards issued by the Institute of Company Secretaries of India;

During the period under review the Company has complied with the provisions of the Act, Rules, Regulations, Guidelines, Standards, etc. mentioned above.

**We further report that:**

1. We have not examined the Financial Statements, Financial books, related financial Acts and Related Party Transactions etc., For these matters, we rely on the report of statutory auditors for Financial Statement for the financial year ended 31st March, 2024.
2. The Board of Directors of the Company is duly constituted. There were no changes in the composition of the Board of Directors during the period under review.
3. Proper notice, agenda and detailed notes on agenda were given to all directors for the Meetings of Board of Director and Committees and were sent in compliance with Companies Act, 2013 and Secretarial Standards. The necessary system exists for seeking and obtaining further information and clarifications on the agenda items before the meeting and for meaningful participation at the meeting.
4. The decisions of the Board and Committees were carried out with requisite majority as recorded in the minutes of the meetings.
5. The management is responsible for compliance with all business laws. This responsibility includes maintenance of statutory registers / files required by the concerned authorities and internal control of the concerned department.

**We 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.

**We further report that** during the audit period the Company had the following specific events/actions took place having a major bearing on the Company's affairs in pursuance of the above-referred laws, rules, regulations, guidelines, standards, etc:

**For R & A Associates  
Company Secretaries**

**Rashida Adenwala**

M. No.: F4020

C. P. No.: 2224

UDIN: F004020F000636300

**Place:** Hyderabad

**Date:** 29<sup>th</sup> June, 2024

**Note:** This report is to be read with my letter of even date which is annexed as Annexure-A and forms an integral part of this report.

**ANNEXURE-A TO THE SECRETARIAL AUDIT REPORT**

To

The Members

**SURYALATA SPINNING MILLS LIMITED**

Surya Towers, 1<sup>st</sup> Floor, 105, Sardar Patel Road

Secunderabad-500 003, Telangana, India

My Report of even date is to be read along with this letter:

1. Maintenance of secretarial records is the responsibility of the management of the Company. Our responsibility is to express an opinion on these secretarial records based on our audit.
2. We 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 the random test basis to ensure that correct facts are reflected in secretarial records. We believe that the processes and practices we followed provide a reasonable basis for my opinion.
3. We have not verified the correctness and appropriateness of the financial records and Books of Accounts of the Company.
4. Wherever required, we 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. Our examination was limited to the verification of procedures on a test basis.
6. The Secretarial Audit report is neither an assurance as to the future viability of the Company nor of the efficacy or effectiveness with which the management has conducted the affairs of the Company.
7. We have relied on the information provided by the Management with respect to related party transactions for its compliance.

**For R & A Associates  
Company Secretaries**

**Rashida Adenwala**

M. No.: F4020

C. P. No.: 2224

UDIN: F004020F000636300

**Place:** Hyderabad

**Date:** 29<sup>th</sup> June, 2024



**Information as required under 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 31<sup>st</sup> March 2024.**

The information as per Section 134 of the Companies Act, 2013 has to be presented:

**A. Conservation of energy**

**(i) The steps taken or impact on conservation of Energy:**

Synchronized Maintenance schedules, installed horizon series, screw, and compressor conducted regular energy audit and taken immediate steps to curtail power consumption.

**(ii) The Steps taken by the Company for utilizing alternate sources of Energy: Solar Power utilization**

**(iii) The Capital Investment on energy conservation equipment's: Nil**

**A. Technology absorption:**

<b>I</b>	The efforts made towards technology absorption	The company has adapted indigenous technology and made innovation on the same.
<b>II</b>	The benefits derived like productImprovement, cost reduction, productDevelopment or import substitution	Product quantities increased with increased capacities and quality increases with advanced technology equipment, resulted to establish the Market reputation for products.
<b>III</b>	<b>In case of imported technology (imported during the last three years reckoned from the beginning of the financial year)</b>	
	the details of technology imported	Nil
	the year of import	Not Applicable
	whether the technology been fully absorbed	Completely absorbed
	if not fully absorbed, areas where absorption has not taken place, and thereas on thereof; and	Not Applicable

**B. Foreign exchange earnings and outgo:**

The details of foreign exchange earnings in terms if actual inflow and outflows during the year are detailed below.

<b>(i) Inflow:</b>	
Export sales - USD	19,84,788
	INR in lakhs 1632.64
<b>(II) Out Flow:</b>	
Out flow (CIF Value) -	Rs in lakhs
Capital Equipment -	3165.78
Stores & Spares -	247.87
Commission on Export sales -	7.85

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

**Sd/-  
Vithaldas Agarwal  
Managing Director  
DIN: 00012774**

**Sd/-  
Mahender Kumar Agarwal  
Joint Managing Director  
DIN: 00012807**

**Add: 8-2-684/3/k/8To10, MLA Colony, Road No.12,  
Banjara Hills, Hyderabad-500034 , Telangana**

**Add: 8-2-684/3/k/8To10,MLA Colony, Road No. 12,  
Banjara Hills, Hyderabad-500034, Telangana**

**Place:** Secunderabad  
**Date:** 29<sup>th</sup> June, 2024

## CORPORATE GOVERNANCE REPORT

### 1. COMPANY'S PHILOSOPHY ON CODE OF CORPORATE GOVERNANCE:

Your Company strongly believes that robust corporate governance is essential and important for sustainable performance, achieving long-term corporate goals and enhancing stakeholder's value. The timely disclosures, transparent accounting policies coupled with a strong and independent Board go a long way in maintaining good corporate governance, preserving shareholders' trust and maximising long-term corporate value

The Company believes that high standards of Corporate Governance are critical to ensure the business success. We feel proud that we are an ethical and fully compliant Company. The Company has always been conducting its affairs in a fair and transparent manner and maintained ethical standards in its dealings with all its constituents. Suryalata's mission is to constantly review its systems and procedures to achieve the highest level of Corporate Governance in the overall interest of all the stakeholders.

The Company's philosophy on Corporate Governance aims at facilitating effective management of the Company in the conduct of business. The Company endeavours to achieve optimum performance at all levels of management by adhering to the following:

- A. Fair and transparent business practices.
- B. Effective management control by Board.
- C. Adequate representation of Promoter, Executive and Independent Directors on the Board.
- D. Monitoring of executive performance by the Board.
- E. Compliance of laws.
- F. Transparent and timely disclosure of financial and management information.

### 2. BOARD OF DIRECTORS:

The Company has an experienced, diverse, active and a well-informed Board. The Board provides leadership, strategic guidance, objective and independent views to the Company's management while discharging its fiduciary responsibilities, thereby ensuring that the management adheres to high standards of ethics, transparency and disclosures. It regularly reviews the Company's governance, strategies, risk and compliance framework and business plans.

The Board acts in long term interests of the shareholders and other stakeholders without conflict and make informed decisions and exercise due care and diligence in overseeing the management of the business of the Company.

#### a) Composition and attendance record for the year 2023-24:

The Companies Act, 2013 and Regulation 17 of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 governs the composition of the Board of Directors. The Board comprises a combination of Executive and Non-Executive Directors. Presently it consists of Six Directors out of which three are Executive Directors and three are Non-Executive Independent Directors. The Company has a Non-Executive Chairman. Non-Executive Directors bring independent views and judgment in the decision-making process of the Board.

Constitution of the Board, their category, participation of Directors at meetings of the Board during the year 2023-24 and attendance at the last Annual General Meeting held on September 29, 2023.

Name of Director	Category	No. of Board Meetings		Attendance at last AGM
		Held	Attended	
Sri R. Surender Reddy	Non-Executive Independent	4	3	Present
Sri K. R. Suresh Reddy	Non-Executive Independent	4	3	Present
Sri Vithaldas Agarwal	Executive/ Promoter	4	4	Present
Sri Mahender Kumar Agarwal	Executive/ Promoter	4	4	Present
Sri K. Harishchandra Prasad	Non-Executive Independent	4	4	Present
Smt. Madhavi Agarwal	Executive Director	4	3	Present

**b) Number of other Companies Directorships & Committee Membership /Chairmanship:**

Name of Director	No. of Other Directorship		Chairmanships/Member-ships in other Companies		Name of other listed entities where he/she is a director and the category of directorship
	Private	Public	Chairmanship	Membership	
Sri R. Surender Reddy	-	4	5	5	1. Surya Lakshmi Cotton Mills Limited 2. Surana Solar Limited 3. Lakshmi Finance and Industrial Corporation Limited 4. Bhagyanagar India Ltd
Sri K. R. Suresh Reddy	1	-	-	-	-
Sri K. Harishchandra Prasad	2	5	-	5	1. Keerthi Industries Limited 2. Lakshmi Finance and Industrial Corporation Limited 3. B.N. Rathi Securities Limited
Sri Vithaldas Agarwal	2	-	-	-	-
Sri Mahender Kumar Agarwal	2	-	-	-	-
Smt. Madhavi Agarwal	-	-	-	-	-

\*Chairmanship/Membership in Audit & Stakeholders Relationship Committees were only taken into consideration.

**c) Number of Board meetings:**

In compliance with the provisions of Regulation 17 of the Listing Regulations, the intervening period between two Board Meetings was within the maximum gap of one hundred and twenty days. During the year under review, Four Board meetings were held during the year on:

1. May 29, 2023;
2. August 12, 2023;
3. November 06, 2023;
4. February 07, 2024.

**d) Disclosure of relationships between inter-se:**

S. No.	Name of the Director	Relationship
1.	Sri Vithaldas Agarwal	Father of Sri Mahender Kumar Agarwal (Joint Managing Director) and Father-in- Law of Smt. Madhavi Agarwal (Whole Time Director)
2.	Sri Mahender Kumar Agarwal	Son of Sri Vithaldas Agarwal (Managing Director) and Husband of Smt. Madhavi Agarwal (Executive Director)
3.	Smt. Madhavi Agarwal	Wife of Sri Mahender Kumar Agarwal (Joint Managing Director) and Daughter-in-law of Sri Vithaldas Agarwal (Managing Director)

**e) Number of shares and convertible Instruments held by Non-executive Directors:**

S.No.	Name of the Director	Number of shares	Number of convertible instruments
1.	Sri R. Surender Reddy	3,600	-
2.	Sri K. R. Suresh Reddy	-	-
3.	Sri K. Harishchandra Prasad	-	-

f) **Details of familiarization programmes imparted to independent Directors:** <https://www.suryalata.com/images/IndependentDirectors.pdf>

g) **Details of Director's individual competence, expertise and skills:**

Skills/expertise/competencies					
Name	Global Business	Strategy and Planning	Governance	Leadership	Finance
R Surender Reddy	✓	✓	✓	✓	✓
Vithaldas Agarwal	✓	✓	✓	✓	✓
Mahender Kumar Agarwal	✓	✓	✓	✓	✓
K R Suresh Reddy	✓	✓	-	✓	✓
K.Harishchandra Prasad	✓	✓	✓	✓	✓
Madhavi Agarwal	✓	-	✓	✓	-

h) **Confirmation that in the opinion of the Board, the Independent Directors fulfil the conditions specified in these regulations and are independent of the management:**

The Board of Directors be and is hereby confirm that in the opinion of the Board, the Independent Directors fulfil the conditions specified by SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 and they are independent of the management.

i) **Detailed reasons for the resignation of Director and Independent Director, if any:**

During the year under review there was no resignation by any Director or Independent Director.

### 3. AUDIT COMMITTEE:

The Audit Committee of the Board of Directors was constituted in conformity with the requirements of Section 177 of the Companies Act, 2013 and Regulation 18 of the Listing Regulations.

a) **Brief description of terms of reference:**

- i. Oversight of the Company's financial reporting process and the disclosure of its financial information to ensure that the financial statement is correct, sufficient and credible;
- ii. Scrutiny and review of all financial transactions, inter corporate loans, investments, funds utilization, related party transactions and the general financial condition of the Company;
- iii. Recommendation for appointment, remuneration and terms of appointment of auditors of the Company and approval of remuneration of auditors;
- iv. Review and monitor the auditor's independence and performance, and effectiveness of audit process;
- v. Reviewing, with the management, the periodic financial statements and auditor's report thereon before submission to the Board for approval;
- vi. Reviewing, with the management, performance of statutory and internal auditors, adequacy of the internal control systems;
- vii. Evaluation of internal financial controls and risk management systems;
- viii. To review the functioning of the Whistle Blower mechanism;
- ix. To review statement of deviations in reporting to monitoring agencies.

**b) Composition:**

In compliance with Regulation 18 of SEBI (LODR) Regulations, 2015 and section 177 of the Companies Act, 2013, the Board of Directors of the Company has constituted an Audit Committee comprising of the following three Non-Executive Independent Directors:

S.No.	Name of the Member	Designation
1.	Sri R. Surender Reddy	Chairman
2.	Sri K.R. Suresh Reddy	Member
3.	Sri K. Harishchandra Prasad	Member

**c) Meetings and Attendance during the year:**

During the year 2023-24, Four Audit Committee meetings were held on:

1. May 29, 2023;
2. August 12, 2023;
3. November 06, 2023;
4. February 07, 2024.

The attendance of each member of the Committee is given below:

S. No.	Name of the Member	No. of Meetings attended
1.	Sri R. Surender Reddy	3
2.	Sri K.R. Suresh Reddy	3
3.	Sri K. Harishchandra Prasad	4

**4. NOMINATION AND REMUNERATION COMMITTEE**

The Nomination and Remuneration Committee of the Board of Directors was constituted in conformity with the requirements of Section 178 of the Companies Act, 2013 and Regulation 19 of Listing Regulations and its role has been the same as stipulated in the Act and the Regulations mentioned above.

**a) Brief description of terms of reference:**

The functioning and terms of reference of the Nomination and Remuneration Committee are as prescribed under the erstwhile listing agreement and the Listing Regulations. It determines the Company's policy on all elements of the remuneration packages of the directors including the Executive Directors and Key Management Personnel. The role of the committee includes the following:

- i. Formulation of the criteria for determining qualifications, positive attributes and independence of a Director and recommending to the Board of Directors a policy relating to, the remuneration of the directors, Key Managerial Personnel and other employees;
- ii. Formulation of criteria for evaluation of performance of Independent directors and the Board of directors;
- iii. Devising a policy on diversity of Board of Directors;
- iv. Identifying persons who are qualified to become Directors and who may be appointed in senior management in accordance with the criteria laid down, and recommending to the Board of Directors for their appointment and removal;
- v. Performance evaluation of Independent Directors; and
- vi. Recommend to the board, all remuneration, in whatever form, payable to senior management.

**b) Composition, names of the members and Chairman:**

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 Nomination and Remuneration Committee comprising of the following three Non-Executive Independent Directors:

S. No	Name of the Member	Designation
1.	Sri K.R. Suresh Reddy	Chairman
2.	Sri R. Surender Reddy	Member
3.	Sri K. Harishchandra Prasad	Member

All the members of the Committee are Non-Executive and Independent Directors.

**c) Meetings and Attendance during the year:**

1. During the year 2023-24, one Nomination and Remuneration Committee meetings were held on May 29, 2023.

The attendance of each member of the Committee is given below:

S. No.	Name of the Member	No. of Meetings Attended
1.	Sri R. Surender Reddy	1
2.	Sri K. R. Suresh Reddy	0
3.	Sri K. Harishchandra Prasad	1

**d) Performance evaluation criteria:**

The Company has devised a Policy for Performance Evaluation of Independent Directors, Board, Committees and other individual Directors. The performance evaluation of Independent Directors shall be done by the entire Board of Directors (excluding the director being evaluated). On the basis of the report of performance valuation, it shall be determined whether to extend or continue the term of appointment of the Independent Director.

Independent Directors are expected to provide an effective monitoring role and to provide help and advice for the executive directors. The broad issues considered in evaluating Independent Directors are:

- Contribution to and monitoring Corporate Governance practices.
- Ability to contribute to address top management issues.
- Active participation in long term strategic planning.
- Commitment to the fulfilment of obligations and responsibilities.

Performance evaluation was done by the respective bodies on February 07, 2024.

**5. DIRECTOR'S REMUNERATION:**

The Nomination and Remuneration Committee recommends to the Board, the Compensation of the Managing Directors and Executive Director of the Company keeping in view Company's financial status, past performance, past remuneration and future growth potential.

The remuneration of the Non-Executive Directors of the Company is decided by the Board of Directors, based on the recommendation of Nomination and Remuneration Committee. None of the Non-executive Directors of the Company is entitled to receive any payment from the Company other than by way of sitting fees for attending the Meetings of Boards and its Committees.

**The pecuniary relationships/transactions of the Non-Executive Directors are as follows:**

S. No	Name of the Director	Sitting fees paid for the Board / committee meetings	Equity Shares held
1.	Sri R. Surender Reddy	75,000	3600
2.	Sri K. R. Suresh Reddy	70,000	0
3.	Sri K. Harishchandra Prasad	90,000	0

**Details of remuneration paid to Executive Directors:**

A detail of remuneration paid to Managerial Persons of the Company during the year 2023-24 is given below:

Fixed Component		Commission payable as a % on Profit after tax (Rs.)	Contribution to PF (Rs.)	Total (Rs.)
Salary (Including HRA) (Rs.)	Perquisites (Rs.)			
Sri Vithaldas Agarwal — Managing Director				
51,00,000	0			51,00,000
Sri Mahender Kumar Agarwal — Joint Managing Director				
51,21,600	8,81,830			60,03,430
Smt. Madhavi Agarwal — Whole-Time Director				
39,21,600	11,87,347			51,08,947

The Nomination and Remuneration Policy of the Company can be accessed at the Company's website at the link <https://www.suryalata.com/images/POLICY-NOMINATION.pdf>.

**Notes:**

- The Company has not issued any Stock options.
- There were no service contracts/Agreements with our Directors.
- None of our Directors are eligible for severance pay.
- The terms and conditions with regard to appointments Managing Directors and Executive Directors are contained in the respective resolutions passed by the Board or Members in their respective meetings. There are no severance fees.

**6. STAKEHOLDERS RELATIONSHIP COMMITTEE:**

The Stakeholders Relationship Committee is empowered, inter alia, to review all matters connected with the Company's share transfers and transmissions and redressal of shareholders/investors' complaints like non-transfer of shares, non-receipt of dividend, Annual Report etc.

The composition and the terms of reference of Committee are in line with the requirements of provisions of the Companies Act, 2013 and Regulation 20 of SEBI Listing Regulations.

- Brief Description of the terms of reference:**

The terms of reference of the Stakeholder 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, which includes attending and resolving investors' grievances/ complaints of security holders 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.

- Meetings:**

During the year under review, Stakeholder Relationship Committee met once on February 07, 2024.

- Composition & attendance in committee meeting(s):**

The Stakeholders Relationship Committee consists of One Non-Executive Independent Directors and Two Executive Directors of the Company.

Stakeholders Relationship Committee met one-time during the year February 07, 2024 and all the members were present at the committee. The Committee is chaired by Sri K. R. Suresh Reddy, Non-Executive Independent Director and the members are Sri Vithaldas Agarwal, Managing Director and Sri Mahender Kumar Agarwal, Joint Managing Director.

The status of the shareholders complaints is as follows:

1.	Number of Shareholders complaints received so far	Nil
2.	Number of Shareholders complaints not resolved to the satisfaction of shareholders	Nil
3.	Number of pending complaints	Nil

## 7. GENERAL BODY MEETINGS

### a) Location, date and time for last three Annual General meetings are:

Financial Year	Date	Venue	Time
2022-23	September 29, 2023	Held through Video Conference (VC) or Other Audio Visual Means (OAVM)	11.00 A.M.
2021-22	September 29, 2022	Held through Video Conference (VC) or Other Audio Visual Means (OAVM)	02.00 P.M.
2020-21	September 29, 2021	Held through Video Conference (VC) or Other Audio Visual Means (OAVM)	11.30 A.M.

### b) Special Resolution passed in the previous three (3) Annual General Meetings (AGMs)

Date	No. of Special Resolution passed	Particulars of the Special Resolution
September 29, 2023	NIL	a) NIL
September 29, 2022	5	a) To authorize the Board of Directors of the Company for borrowing from time to time any sum or sums of money by way of cash credit, loan, overdraft, discounting of bills, operating of letters of credit, for standing guarantee or counter-guarantee and any other type of credit line or facility up to an amount not exceeding Rupees 200 Crores [Rupees Two Hundred Crores] (including the money already borrowed by the Company). b) Creation of Charges on the movable and immovable properties of the Company, both present and future, in respect of borrowings as per provisions of Section 180 (1) (a) of the Companies Act 2013 c) Revision in the terms of payment of remuneration to Sri. Vithaldas Agarwal, Managing Director of the Company. d) Revision in the terms of payment of remuneration to Sri. Mahender Kumar Agarwal, Joint Managing Director of the Company. e) Revision in the terms of payment of remuneration to Smt. Madhavi Agarwal, Whole-time Director of the Company.
September 29, 2021	NIL	NIL

### c) Special Resolutions passed through Postal Ballot:

During the last three years, no postal ballot was conducted.

## 8. MEANS OF COMMUNICATION:

### • Quarterly Results:

The quarterly, half-yearly and annual results of the Company are published by the Company in the newspapers. Annual reports with audited financial statements are sent to the shareholders through permitted mode.

### • Newspapers in which Quarterly results are published:

The results are published in Business Standard (English Daily, Hyderabad and Mumbai) and Nava Telangana (Telugu Daily, Hyderabad).

### • Website, where the results and other official news releases are displayed:

The results are also displayed on the Company's website: [www.suryalata.com](http://www.suryalata.com)

### • Whether it also displays official news releases:

Press releases made by the Company from time to time are also displayed on the Company's website.



## 9. GENERAL SHAREHOLDER INFORMATION

A.	Annual General Meeting Date/Time/Mode	Through Video Conference (VC) or Other AudioVisual Means (OAVM).
B.	Financial Calendar	1 <sup>st</sup> April to 31 <sup>st</sup> March
C.	Date of Book closure	July 26, 2024 to August 02, 2024
D.	Dividend Payment Date	Within 30 days from the date of AGM
E.	Listing on Stock Exchanges	BSE Limited. Phiroze Jeejeebhoy Towers, Dalal Street, Fort, Mumbai - 400 001. Scrip Code: 514138.

The company has paid listing fees to the BSE within the stipulated time for the year 2023-24.

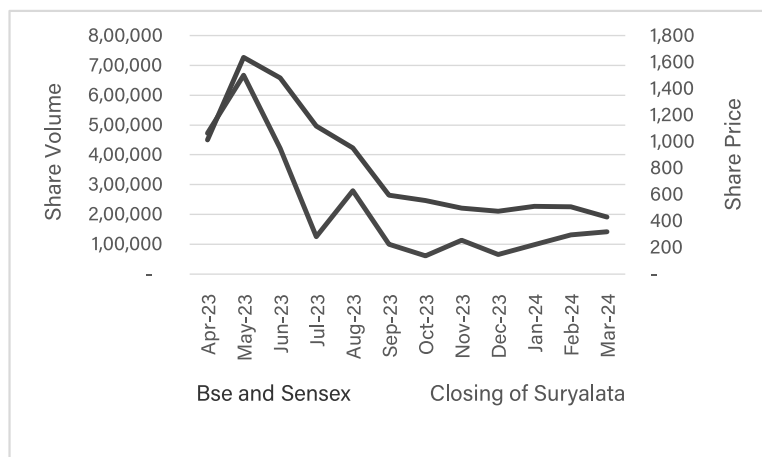
### F. Market Price Data:

Monthly high and low quotations as well as the volume of shares traded at BSE for the financial year 2023-24 are as follows:

Month	High Price (Rs.)	Low Price (Rs.)	Volume
Apr-23	1012.00	580.00	4,71,635
May-23	1634.95	909.20	6,66,882
Jun-23	1479.40	1022.00	4,22,048
Jul-23	1117.60	832.50	1,24,535
Aug-23	950.90	520.15	2,79,873
Sept-23	592.80	494.15	99,820
Oct-23	554.00	440.05	60,887
Nov-23	497.85	383.00	1,12,520
Dec-23	473.00	406.00	64,998
Jan-24	510.00	440.00	98,460
Feb-24	504.90	406.00	1,30,520
Mar-24	428.90	348.60	1,41,144

### G. Stock Performance in Comparison to BSE Sensex

Chart given below shows the stock performance at closing prices in comparison to the broad-based index such as BSE Sensex.



	Apr-23	May-23	Jun-23	Jul-23	Aug-23	Sep-23	Oct-23	Nov-23	Dec-23	Jan-24	Feb-24	Mar-24
Suryalata Closing Price	1007.40	1357.95	1022.00	970.30	520.15	532.40	468.80	483.15	431.75	475.00	409.50	355.20
S&P BSE SENSEX	61112.44	62622.24	64718.56	66527.67	64831.41	65828.41	63874.93	66988.44	72240.26	71752.11	72500.30	73651.35

## H. Share Transfer System:

KFin Technologies Limited, Hyderabad, is the Company's Registrars and Share Transfer Agents. Share Transfers are registered and returned in the normal course within a period of less than 15 days from the date of receipt, if the documents are in order in all respects, in line with Schedule VII to the Listing Regulations. Request for dematerialization of shares is processed and confirmation is given to the respective depositories, i.e., National Securities Depository Limited (NSDL) and Central Depository Services (India) Limited (CDSL) within 15 days. The Registrars and Share Transfer Agents were delegated the power of share transfer to expedite the transfer formalities. It is in line with Schedule VII of the LODR and Reg. 40 of the Listing Regulations.

## I. Distribution schedule and shareholding pattern as on March 31, 2024:

SURYALATA SPINNING MILLS LIMITED					
Distribution Schedule as on 31/03/2024					
S No	Category	No. of Cases	% of Cases	Amount in Rs.	% of Amount
1	1-5000	6250	93.48	4520200	10.59
2	5001- 10000	235	3.51	1723580	4.04
3	10001- 20000	121	1.81	1705160	4.00
4	20001- 30000	29	0.43	675610	1.58
5	30001- 40000	18	0.27	640710	1.50
6	40001- 50000	8	0.12	361590	0.85
7	50001- 100000	10	0.15	702940	1.65
8	100001 & Above	15	0.22	32340210	75.79
	<b>Total:</b>	<b>6686</b>	<b>100.00</b>	<b>42670000</b>	<b>100.00</b>

## J. Dematerialization of Shares & Liquidity:

The Company's shares have been mandated for compulsory trading in demat form. Valid demat requests received by the Company's Registrar are confirmed within the statutory period.

International Securities Identification Number (ISIN) allotted for the Company by NSDL and CDSL is INE132C01027. In case a member wants his shares to be dematerialized, he may send the shares along with the request through his depository participant (DP) to the Registrars, KFin Technologies Limited.

The Company's Registrars promptly intimate the DPs in the event of any deficiency and shareholders are also kept abreast. Pending demat requests in the records of the Depositories, if any, are continually reviewed and appropriate action initiated.

As on March 31, 2024, 99.10 % of the shares were in Demat mode.

## K. Outstanding GDRs/ADRs/Warrants or any Convertible instruments, conversion date and likely impact on Equity:

The Company has no GDRs/ADRs or any commercial instrument.

## L. Commodity price risk or foreign exchange risk and hedging activities:

The Company is not carrying on any Commodity Business and has not undertaken any hedging activities.

## M. Plant Locations:

i)	Marchala Village, Kalwakurthy Mandal, Nagar Kurnool District, Telangana, Pin Code: 509 320.	ii)	Urukondapet Village, Urukonda Mandal, Nagar Kurnool District, Telangana, Pin Code: 509 320.
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## **N. Address of Correspondence:**

### **Registrar and Share Transfer Agents:**

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

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

### **Company Secretarial Department**

Suryalata Spinning Mills Limited, Surya Towers, 1<sup>st</sup> Floor, 105, Sardar Patel Road, Secunderabad - 500 003, Telangana, India, Phone No. : 040-2781 9908/27819909/27774200, E-mail : [cs@suryalata.com](mailto:cs@suryalata.com)

## **O. Credit Rating:**

India Rating & Research (Fitch group) has affirmed the outlook as INDBBB+/Stable on December 04, 2023.

## **10. DISCLOSURES**

- Disclosures on materially significant related party transactions that may have potential conflict with the interests of listed entity at large:

Pursuant to the Regulation 23 of SEBI(LODR), 2015, the Company and its Directors, the Management or relatives have not entered into any material Related Party Transactions during the period under review. Detailed information on significant related party transactions is enclosed as **Annexure - II** to the Board's Report and the details of all Related Party Transactions during FY 2023-24 are given at note no.(42) to the Financial Statements.

The Board has approved a Policy for related party transactions which has been uploaded on the Company's Website at [www.suryalata.com](http://www.suryalata.com).

- **Cases of Non-Compliances / Penalties:**

There were no instances of non-compliance or imposing penalty, no structure were issued against the company by Stock Exchange or SEBI or any other statutory/regulatory authority for any matter related to capital markets during the year.

- Vigil Mechanism Information relating to Vigil mechanism has been provided in the Board's Report. The Vigil mechanism policy is available on the website of the Company.

- Details of compliance with mandatory requirements and adoption of the non-mandatory requirements:

The Company has complied with all the mandatory requirements enumerated in Regulation 17 to 27 of the Listing Regulations, 2015 relating to all matters specified therein.

- Web link where policy for determining 'material' subsidiaries is disclosed:

The company does not have any material subsidiary.

- Web link where policy on dealing with related party transactions :

The Board has formulated a policy for related party transactions and revised it in the light of Listing Regulations and including any statutory modification(s) and re-enactment(s) thereof subsequent amendments thereto which is available on the Company's website under the web link: <http://www.suryalata.com/policy.html>.

- Disclosure of commodity price risks and commodity hedging activities:

The Company is not carrying on any commodity business and has also not undertaken any hedging activities; hence the same are not applicable to the Company.

- Details of utilization of funds raised through preferential allotment or qualified institutional placement as specified under Regulation 32 (7A): Not applicable.

- A certificate from the Company Secretary in practice that none of the Directors on the Board of the Company have been debarred or disqualified from being appointed or continuing as Directors of companies by the Board/Ministry of Corporate Affairs or any such statutory authority has been enclosed separately to this report.
- Whether the Board had not accepted any recommendation of any committee of the Board which is mandatorily required, in the relevant financial year: No
- Disclosures in relation to the Sexual Harassment of Women at Workplace (Prevention, Prohibition and Redressal) Act, 2013:

Number of complaints filed during the financial year	Nil
Number of complaints disposed of during the financial year	Nil
Number of complaints pending as on end of the financial year	Nil

**11. Non-compliance of any requirement of corporate governance report of sub-par as (2) to (10) above, with reasons there of:**

There are no Non-Compliances during the year under review.

**12. The extent to which the discretionary requirements as specified in Part E of Schedule II have been adopted:**

The Company has adopted / complied with the discretionary requirements specified in Part E of Schedule II as detailed below:

**A. The Board:**

The chairperson of the Board is a Non-Executive Independent Director.

**B. Shareholders' rights:**

All the quarterly financial results are placed on the Company's Website: [www.suryalata.com](http://www.suryalata.com) apart from publishing the same in the Newspapers.

**C. Modified opinion(s) in audit report:**

There are no modified opinion(s) in the Audit Reports.

**D. Reporting of internal auditor:**

The Internal auditor reports to the Chairman of the Audit Committee directly.

**13. The disclosures of the compliance with corporate governance requirements specified in Regulation 17 to 27 and clauses (b) to (i) of sub-regulation (2) of Regulation 46 are as follows:**

Regulation	Particulars of Regulation	Compliance Status (Yes/No)
17	Board of directors	Yes
18	Audit Committee	Yes
19	Nomination and Remuneration Committee	Yes
20	Stakeholders Relationship Committee	Yes
21	Risk Management Committee	NA
22	Vigil mechanism	Yes
23	Related party transactions	Yes
24	Corporate Governance requirements with respect to Subsidiary of listed entity.	Yes
25	Obligations with respect to Independent directors.	Yes
26	Obligation with respect to Directors and Senior Management.	Yes
27	Other Corporate Governance requirements	Yes
46(2)(b) to (i)	Website	Yes

#### 14. Unclaimed Dividend Amounts and Transfer to IEPF

The Company has transferred dividend amounts which remained unpaid or unclaimed for a period of seven years from the date of their transfer to unpaid dividend account, from time to time, on due dates to the Investor Education and Protection Fund (IEPF) administered by the Central Government.

The Company has uploaded the details of unpaid and unclaimed dividends lying with the Company as on 31.03.2024 and on the website of the Company, and on the website of the Ministry of Corporate Affairs as per the due dates.

During the year under review, the Company has credited Rs. 1,23,693/- (Rupees One Lakh Twenty Three Thousand and Six Hundred Ninety Three Only) to the Investor Education and Protection (IEPF) pursuant to Section 125(1) of the Companies Act 2013.

**Information in respect of such unclaimed dividends due for transfer to the Investor Education and Protection Fund (IEPF) is as follows:**

Year	Date of Declaration of Dividend	Amount Outstanding as on March 31, 2024 (Rs.)	Due to transfer to IEPF on
2016-17	September 4, 2017	1,05,553	October 3, 2024
2017-18	August 13, 2018	67,404	September 12 2025
2018-19	September 28, 2019	88,396	October 27, 2026
2019-20	October 05, 2020	54,480	November 4, 2027
2020-21	September 29, 2021	1,020	October 28, 2028
2021-22	September 29, 2022	1,02,017	October 28, 2029
2022-23	September 29, 2023	1,30,071	October 28, 2030

In accordance with the provisions of Section 124(6) of the Companies Act, 2013 read with Investor Education and Protection Fund Authority (Accounting, Audit, Transfer and Refund) Rules, 2016 (as amended from time to time), shares in respect of which dividend has not been paid or claimed for seven consecutive years or more, will be transferred to the demat account of IEPF Authority. The Company has sent notice to all shareholders whose shares are due to be transferred to the IEPF Authority. Members are advised to visit the website of the company to ascertain the details of shares liable for transfer in the name of IEPF Authority.

Shareholders whose unclaimed dividend/ shares are transferred to the IEPF Authority can now claim their unclaimed dividend and shares from the Authority by following the Refund Procedure as detailed on the website of IEPF Authority.

Declaration signed by the chief executive officer stating that the members of Board of Directors and senior management personnel have affirmed compliance with the code of conduct of board of directors and senior management:

#### Code of Conduct

The Company has in place a comprehensive Code of Conduct (the Code), pursuant to Regulation 17(5) of Listing Regulations, applicable to all the senior management personnel and directors including Independent Directors to such extent as may be applicable to them depending on their roles and responsibilities.

The Code covers duties of independent directors and also gives guidance and support needed for ethical conduct of business and compliance of law. Further a policy on obligation of Directors and senior management personnel for disclosure of committee positions and commercial transactions pursuant to Regulation 26(2) (5) and (6) of Listing Regulation is annexed to this report.

# **S SURYALATA SPINNING MILLS LIMITED**

A copy of the Code of Conduct has been placed on the Company's website (www.suryalata.com). The Code has been circulated to Directors and Management Personnel, and its compliance is affirmed by them annually.

All the Board members and the senior management personnel have confirmed compliance with the Code.

Declaration on compliance with Code of Conduct is annexed.

## **Compliance certificate:**

A compliance certificate under Regulation 17(8) of the Listing Regulations, signed by the Company's Managing Director and CFO is annexed to this Report.

## **Compliance certificate from auditors regarding compliance of conditions of corporate governance:**

Compliance certificate from M/s. R&A Associates, Company Secretary, regarding compliance of conditions of corporate governance pursuant to Para E of **Schedule V** to the Listing Regulations is enclosed separately to this Report

**For and on behalf of the Board of Directors**

**Vithaldas Agarwal**  
**Managing Director**

**DIN: 00012774**

**Add: 8-2-684/3/k/8To10, MLA Colony,  
Road No. 12, Banjara Hills,  
Hyderabad-500034, Telangana**

**Place:** Secunderabad

**Date:** 29<sup>th</sup> June 2024

**Declaration on Compliance with Code of Conduct**

Compliance of Code of Conduct for Directors and Senior Management Personnel pursuant to the provisions as provided under Schedule V of Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015.

The Board laid down a Code of Conduct for all Board members and Senior Management personnel of the Company. The Code of Conduct is also posted on the website of the Company.

The Members of the Board and Senior Management personnel have affirmed compliance with code of conduct on an annual basis in respect of the financial year ended 31<sup>st</sup> March 2024.

For and on behalf of the Board of Directors

**Vithaldas Agarwal**  
**Managing Director**

**DIN:** 00012774

**Add:** 8-2-684/3/k/8To10, MLA Colony

Road No. 12, Banjara Hills

Hyderabad-500034, Telangana, India

**Place:** Secunderabad

**Date:** 29<sup>th</sup> June 2024

**Certificate by Chief Executive Officer (CEO) and Chief Financial Officer (CFO)**

**For financial year ended 31<sup>st</sup> March 2024**

To  
The Board of Director  
**Suryalata Spinning Mills Limited**

We, Vithaldas Agarwal, Managing Director and K Nageswara Rao, Chief Financial Officer (CFO) of Suryalata 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 March 31, 2024 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 in violation 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 over financial reporting 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.
- e) We affirm that we have not denied any personnel access to the Audit Committee of the Company (in respect of matters involving alleged misconduct).
- f) We further declare that all Board Members and designated Senior Management have affirmed compliance with the Code of Conduct for the Current year.

**Sd/-**

**Vithaldas Agarwal**  
**Managing Director**  
DIN: 00012774

**Sd/-**

**K Nageswara Rao**  
**Chief Financial Officer**

**Place:** Secunderabad  
**Date:** 29<sup>th</sup> June 2024



**PRACTISING COMPANY SECRETARY CERTIFICATE ON  
COMPLIANCE OF CORPORATE GOVERNANCE**

[Pursuant to Regulation 34(3) read with in Part E of Schedule V of SEBI (LODR), 2015]

To  
The members of  
**Suryalata Spinning Mills Limited**  
Secunderabad

We have examined the compliance of conditions of Corporate Governance by Suryalata Spinning Mills Limited for the year ended 31st March 2024 as stipulated in Chapter IV of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 (Listing Regulations) as per the Listing Agreement entered into by the said Company with stock exchange.

The compliance of the conditions of Corporate Governance is the responsibility of the management. Our examination was limited to the 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 an opinion on the financial statements of the Company.

In our opinion and to the best of our information and according to the explanations given to us, the Company has complied with the conditions of Corporate Governance as stipulated in the above listing Regulation.

We state that in respect of investor grievances received during the year ended 31st March 2024, no investor grievances are pending against the Company, as per the records maintained by the Company and presented to the Investors/ Shareholders Grievance Committee. We further 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.

Place: Hyderabad  
Date: 29<sup>th</sup> June 2024

For R&A Associates  
Practicing Company Secretaries

**Rashida Adenwala**  
**Founder Partner**  
**M. No: F4020 C. P. No: 2224**  
**UDIN: F004020F000636388**

## CERTIFICATE OF NON-DISQUALIFICATION OF DIRECTORS

(Pursuant to Regulation 34(3) of SEBI (LODR) Regulations, 2015 read with PARA-C Clause 10 (i) of Schedule V)

To  
The Members of  
**Suryalata Spinning Mills Limited**

I have examined the relevant registers, records, forms, returns and disclosures received from the Directors of Suryalata Spinning Mills Limited bearing CIN L18100TG1983PLC003962 and having registered office Surya Towers, I Floor 105, Sardar Patel Road, Secunderabad-500003, Telangana, India (hereinafter referred to as 'the Company'), produced before me by the Company for the purpose of issuing this Certificate, in accordance with Regulation 34(3) read with Schedule V Para-C Clause 10 (i) of the Securities Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015.

In my opinion and to the best of my information and according to the verifications (including Directors Identification Number (DIN) status at the portal [www.mca.gov.in](http://www.mca.gov.in)) as considered necessary and explanations furnished to me by the Company & its officers, I hereby certify that none of the Directors on the Board of the Company as stated below for the financial year ending on 31st March 2023, have been debarred or disqualified from being appointed or continuing as Directors of companies by the Securities and Exchange Board of India, Ministry of Corporate Affairs, or any such other Statutory Authority.

S. No.	Name of the Director	DIN
1	Mr. Vithaldas Agarwal	00012774
2	Mr. Mahender Kumar Agarwal	00012807
3	Mr. Suresh Reddy Kethireddy	00074879
4	Mr. Surender Reddy Ramasahayam	00083972
5	Mr. Harishchandra Prasad Kanuri	00012564
6	Mrs. Madhavi Agarwal	06866592

Ensuring the eligibility of the appointment / continuity of every Director on the Board is the responsibility of the management of the Company. My responsibility is to express an opinion on these, based on my verification.

This certificate 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: Hyderabad  
Date: 29<sup>th</sup> June 2024

For R&A Associates  
Practicing Company Secretaries

**Rashida Adenwala**  
Founder Partner  
M. No: F4020 C. P. No: 2224  
UDIN: F004020F000636344

## MANAGEMENT DISCUSSION AND ANALYSIS

### Corporate Information

Suryalata Spinning Mills Limited (the Company) is a public limited company incorporated on May 23, 1983, having experienced in manufacturing Synthetic Blended Yarns and proved as Quality Producer. Its Registered office situated at 105, S P Road, Surya Towers, 1<sup>st</sup> Floor, Secunderabad, Telangana State. The company is listed on the Bombay Stock Exchange.

### Organization Overview

The company is engaged in producing the best quality of Synthetic Blended Yarns and it is one of the largest producers of 100% PSF Yarns, 100% VSF Yarns, P/V blended yarns and value-added Yarns like Slub yarns, Elite Twist and T F O (two for one twister) yarns etc., with counts ranging from 10s to 60s. The company is producing Yarn quantity about 80 MTs per day. The company is having two manufacturing units on Kalwakurthy and Urukondapet– Jadcherla Road in Nagerkurnool District, Telangana, only an hour away from the Hyderabad International Airport and the distance between the two units is 5 Kms. The Company is having total installed capacity of 1,16,976 spindles. The units are maintaining standard operational system and certification of “ISO 9001:2015”.

The company also installed Vortex Spin equipments as it is a proven technology to produce superior quality yarns and it started to produce Vortex Spin Yarns in the current financial year, with an equivalent capacity of 12000 Ring spindles. This New product of Vortex Yarn is under the process of establish its quality and quantity to increase the operational capacities.

The company sells its finished goods (Yarn) to various dealers located in the Indian domestic market as well as in the international market.

### Global Economic Review

The global economic outlook for 2023 is among the weakest in decades, with global real GDP growth forecast to increase by 2.3% in 2023, further down from 3.3% recorded in 2022. Though global inflation is expected to moderate from 9.1% in 2022 to 6.8% in 2023, it is still at historic highs. The high costs of living, rising interest rates and ongoing geopolitical uncertainties will continue to dent private consumption and investment in many parts of the world, undermining the global growth outlook.

Slowing demand and rising interest rates in most economies globally will continue to weaken inflationary pressures over the course of 2024. However, multiple risks could prompt inflation resurgence in the short term. In the medium term, worsening geopolitical tensions, the rewiring of global supply chains and increasingly frequent extreme weather events pose considerable inflation risks.

Asian emerging markets, including India and some Southeast Asian countries, are expected to still outperform, though with a slower pace of growth compared to the previous year, as waning demand from the US and Europe will hit the countries' exports and services sectors. Similarly, sluggish oil demand and volatile commodity prices will weigh on growth prospects for the Middle East and African economies. In Latin America, economic growth is expected to remain subdued in major emerging markets such as Brazil and Mexico in the short and medium term, given tighter monetary policies and political instability.

### Global Textile Industry:

The global textile market was valued at USD 1,837.27 billion in 2023 and is anticipated to grow at a compound annual growth rate (CAGR) of 7.4% in revenue from 2024 to 2030. Fashion is gaining increasingly higher importance in consumers' lifestyles. Fashion is the largest application segment in the region, owing to the fast-changing fashionable trends and ease of adoption due to the rapidly emerging online fast fashion companies. The ever-increasing apparel demand from the fashion industry and the meteoric growth of e-commerce platforms are expected to drive market growth. The rapidly growing consumer preference towards sustainable products is forcing major textile companies to focus on restructuring their business and investing in manufacturing practices that target sustainable products. Expanding application scope of textiles in the formulation of products related to oil & gas, automotive, and aerospace industries is expected to remain a favorable factor for the market. There has been an increasing trend in the use of smart textiles in the market and is expected to propel the growth of the technical application segment in the textiles market. Moreover, increasing population, urbanization in emerging economies and an increase in demand for formal & casual wear and other fashionable clothing among all age groups in the global population is a major driver for the textiles market growth.

### Indian economic review:

India has been showing both resilience as well as progress despite all risks and uncertainties in the global economic landscape. Reforms undertaken over the last ten years by the Union government have formed the foundation of a resilient, partnership-based governance ecosystem and have restored the ability of the economy to grow healthily. With the policy reforms that the government has already rolled out and which are on the anvil, there is significant optimism and confidence in the Indian economy and its prospects today. India embarks on her 'Amrit Kaal' with confidence and the attitude that challenges to growth and inclusive development is stepping stones. Through timely and effective policy actions aimed at achieving macro stability and repairing the balance sheets of financial and non-financial sectors, as well as by investing significantly in building world-class physical and digital

public infrastructure, India has been able to withstand the challenges, both domestic and global, and ensure that the economy continues to progress on a steady path.

India's growth is expected to remain strong, supported by macroeconomic and financial stability. Presently, the official estimate for growth in FY24 stands at 7.3 per cent and the headline inflation is expected to gradually decline to the target. Resilient service exports and lower oil import costs have resulted in lowering India's current account deficit to 1 per cent of GDP in the first half of FY24.

## **Indian Textile Industry:**

India is the world's second-largest producer of textiles and garments. It is also the fifth-largest exporter of textiles spanning apparel, home, and technical products. The Indian textiles and apparel industry contributed 2.3% to the GDP, 12% to export earnings, 13% to industrial production and held 4% of the global trade in textiles and apparel in 2023. The textile industry in India is predicted to double its contribution to the GDP, rising from 2.3% to approximately 5% by the end of this decade.

India ranks among the top five global exporters in several textile categories. India has a 4.6% share of the global trade in textiles and apparel. India is the world's 3rd largest exporter of Textiles and Apparel. with exports expected to reach US\$ 100 billion by FY 2030. The Indian Technical Textile market has a huge potential of a 10% growth rate, increased penetration level of 9-10% and is the 5th largest technical textiles market in the world. The Indian Medical Textiles market for drapes and gowns is around US\$ 9.71 million in 2022 and is expected to grow at 15% to reach US\$ 22.45 million by 2027.

The Indian composites market is expected to reach an estimated value of US\$ 1.9 billion by 2026 with a CAGR of 16.3% from 2021 to 2026 and the Indian consumption of composite materials will touch 7,68,200 tonnes in 2027.

Around 45 million people are working in the textile business, including 3.5 million people who work on handlooms. India enjoys a comparative advantage in terms of skilled manpower and in cost of production relative to other major textile producers. The country is having Large pool of skilled and cheap work force, Entrepreneurial skills Efficient multi-fiber raw material manufacturing capacity, Large domestic market, Flexible textile manufacturing systems and vast textile production capacity are the available key factors for growth of textile industry. Rising population, demographic dividend, urbanization and consumer preference are the key growth drivers, reinforcing sectorial demand.

## **Government Initiatives For Textile Industry:**

The Government's Rs. 10,683 crore (US\$ 1.44 billion) PLI scheme is expected to be a major booster for the textile manufacturers. The scheme proposes to incentivize MMF (man-made fiber) apparel, MMF fabrics and 10 segments of technical textiles products.

The Government announced the continuity of Rebate on State and Central Taxes and Levies (RoSCTL) scheme for apparel and made ups. This will help textile industry to earn more profits by exporting their products.

The Government of India has continued to implement several export promotions measures such as, Focus Product Scheme (FPS), Market Access Initiative (MAI) Scheme, Market Development Assistance (MDA) Scheme etc.,

The government has improved the existing Credit Guarantee Trust for micro and small enterprises by adding more funds for textile business owners. The government also aims to encourage private investments through investments under Integrated Textile Park Scheme and the Technology Upgradation Fund.

The government allowed 100% foreign direct investment (FDI) in the textile industry, making it easier for small companies to grow and export their products to other countries.

The establishment of seven PM Mega Integrated Textile Region and Apparel (PM MITRA) Parks with a total investment of US\$ 541.82 million (Rs. 4,445 crore) for the years up to 2027-28 was approved by the government.

To support the handloom weavers/weaver entrepreneurs, the Weaver MUDRA Scheme was launched to provide margin money assistance at 20% of the loan amount subject to a maximum of Rs. 10,000 (US\$ 134.22) per weaver. The loan is provided at an interest rate of 6% with credit guarantee of three years.

In February 2023, the union government approved 1,000 acres for setting up a textile park in Lucknow.

In June 2023, the Government approved R&D projects worth US\$ 7.4 million (Rs. 61.09 crore) in the textile sector.

In August 2023, the Ministry of Textiles approved 26 engineering institutions for the introduction of Technical Textiles under the National Technical Textiles Mission.

In September 2023, the Khadi and Village Industries Commission signed 3 MoUs to promote Khadi Products.

In February 2024, largest global mega textiles event of Bharat Tex 2024 host is a testament to India's commitment to becoming a global textile powerhouse.

## **Green Power / Renewable Energy:**

The Sun has been worshiped as a life-giver to our planet since ancient times. The industrial ages gave us the understanding of sunlight as an energy source. India is endowed with vast solar energy potential. Off-grid decentralized and low-temperature applications will be advantageous from a rural application perspective and meeting other energy needs for power, heating and cooling in both rural and urban areas. From an energy security perspective, solar is the most secure of all sources, since it is abundantly available. There has been a visible

impact of solar energy in the Indian energy scenario during the last few years. In order to utilize the natural sunlight, Government of India has taken several steps for promotion of solar energy in the country. These include:

1. Permitting Foreign Direct Investment (FDI) up to 100 percent under the automatic route,
2. Waiver of Inter State Transmission System (ISTS) charges for inter-state sale of solar and wind power for projects to be commissioned by June 30, 2025,
3. Declaration of trajectory for Renewable Purchase Obligation (RPO) up to the year 2029-30,
4. Notification of standards for deployment of solar photovoltaic system/devices,
5. Setting up of Project Development Cell for attracting and facilitating investments,
6. Standard Bidding Guidelines for tariff based competitive bidding process for procurement of Power from Grid Connected Solar PV and Wind Projects.
7. Government has issued orders that power shall be dispatched against Letter of Credit (LC) or advance payment to ensure timely payment by distribution licensees to RE generators.

Now, India stands 5th in solar PV deployment across the globe at the end of 2023 (Ref. REN21's Global Status Report 2023 & IRENA's Renewable Capacity Statistics 2023). Solar power installed capacity has reached around 70.10 GW as on 30-06-2023. The country has set an ambitious target to achieve 500 GW renewable energy by 2030.

Considering the importance giving by the Indian Government and the available State Government guidelines of the Solar Policy, the company installed Solar Power Plants about 15 MW within the manufacturing units for Captive consumption of power generations. These installed capacities mitigate 30% of the company annual power requirements and it reduces the dependence on DISCOM power supplies. The average cost of power from operating of these plants will be about Rs.2.20 per unit, thereby the company able to reduce the average unit cost of power. The company also proposed to install further capacities with in the manufacturing units towards Cost Reduction Techniques in the coming years. The company also has a state-of-the-art Sewage Treatment Plants in both the units whereby 95% of the water used in the factories is purified and recycled.

Further, the 100% Subsidiary company namely Suntree Solar Energy Pvt Ltd, having 10 MW AC Capacity Solar Power Plant with Power Purchase Agreement for 20 years (remaining period of 11 years) with Telangana Government, installed in 64 acres of land in the state of Telangana.

## **Expansion in core activity of Spinning :**

The company had installed proven technology of Vortex Spin equipments and the Yarn produced with this technology are under process to establish quality and quantum for a decision to expand this Yarn product volumes. Presently installed Vortex Spin equipment equivalent to 12000 Ring Spindles, having created infrastructure to increase the capacities to the equivalent of 30000 Ring Spindles in the coming years

## **Opportunities & Threats of Company:**

Suryalata holding on hand opportunities to strengthen its position with -

- (a) Availability of advanced technology equipment.
- (b) Experienced management team.
- (c) Emphasis on Quality Products
- (d) Timely deliveries to Customers.
- (e) Long standing Customer Relations
- (f) Simple and Strategic market potentiality.
- (g) Rich resources of raw materials like PSF.VSF, Silk and Cotton.

The Company estimates the Threats to Synthetic Industry such as -

- a) Significant changes in raw cotton prices effects to Synthetic Fiber prices .
- b) Logistic costs are adversely affecting its ability to compete in exports.
- c) High power costs and High Interest costs are burdened for this Thin margin industry.
- d) Long export lead times are eroding India's export competitiveness across the textile chain.
- d) Currency fluctuations are highly affecting the synthetic spinning industry.
- e) Profitability undermined with inflation and causing to raise wages
- f) Fierce competition stressed by e-commerce activities
- g) Changing consumer behavior (e.g. fast fashion).

## **Risks and Concerns:**

Risks are integral part of the growth of a business. However, the Company frames the effective risk management which helps to mitigate the risks effectively and ensures business sustainability.

Effective risk management comprises the,

- i) Standard policy to pass the cost increases with its premium quality.
- ii) Consciously up-keep of equipment and implementing the cost control methods,
- iii) Strengthen and widen the customer base with timely supplies.
- iv) Change into high count patterns which support high contributions Future Outlook of the Company Products:

Synthetic Yarn Products are expected to grow at significant rate over the coming years. The growth can be attributed to its beneficial properties such as high strength, chemical & wrinkle resistance, quick drying etc., are towards personal care and hygiene applications. It is also used in households as cushioning & insulating material in pillows and in industries for making carpets, Tyres, air filters, coated fabrics and other products.

Also the fashion segment dominated the market owing to the increasing consumer spending on clothing and apparel. In addition, high consumer requirements for crease-free suiting & shirting fabrics and quality dyed & printed fabrics are likely to drive and to increase the demand for Synthetic products.

Considering all these present applications and forecasting the future requirement of Synthetic Yarn Products, the company focused on technically proved Vortex Yarns to have new product in the basket, increase the volumes, improve the margins and to strengthen the financial position.

### Key Financial Ratios:

Debtors / Turnover	Current year – 21.28 % (previous year 18.88%)	Increased due to higher volume of year end –March sales.
Inventory/ Turnover	Current year – 18.40 % (previous year 15.61%)	Marginal increase in sluggish market conditions
Interest Coverage Ratio	Current year – 5.54 (previous year 11.50)	Due to increase in borrowings with new TLs & drop in margins
Debt / Equity Ratio	Current year – 0.41 % (previous year 0.28%)	New Term loans Borrowings for Vortex & Solar Projects
Operating Profit Margin (PBT)	Current year – 3.85% (previous year 8.96%)	Stress on Margins in sluggish market conditions
Net Profit Margin (PAT)	Current year – 2.68 % (previous year 6.42%)	Stress on Margins in sluggish market conditions
Return on Net Worth	Current year – 5.0 % ( (previous year 13.70%)	Drop in profit margins

### Human Resource Developments / Industrial Relations:

The Company firmly believes that Human Resource Development strategies and practices will continue to provide a sustained competitive advantage and will continuously work towards nurturing and enhancing a competitively superior position in terms of human capital, people processes and employees behavior.

### Internal Control Systems and their Adequacy:

The Company has a well-established framework of internal controls in all areas of its operations, including suitable monitoring procedures and competent personnel. In addition to statutory audit, the financial controls of the Company at various locations are reviewed by the Internal Auditors, who report their findings to the Audit Committee of the Board. The Audit Committee is headed by an Independent Director and this ensures independence of functions and transparency of the process of supervision. The Committee meets to review the progress of the internal audit initiatives, significant audit observations and planning and implementation of follow-up action required. The Company conducts its business with integrity and high standard of ethical behavior and in compliance with the laws and regulations that govern its business.

### Review of Financial & Operational performance:

The Standalone Net turnover of your Company for the Financial Year 2023-24 was dropped to Rs.441.01 crores as compared to previous year 479.26 crore, inspite an increase in quantum of product volumes to 29109 MTs from 27496 MTs in previous year.

Your Company has earned a Consolidated Profit Before Tax Rs. 25.26 crore in comparison to Rs.46.60 crore in the previous year due to price stress in the sluggish market. Consolidated Profit after tax is Rs.18.65 crore as against Rs.34.34 crore in the previous year.



**Standalone  
Financial  
Statements**



**INDEPENDENT AUDITOR’S REPORT**

**To the Members of SURYALATA SPINNING MILLS LIMITED**

**Report on the Audit of the Standalone Financial Statements**

**Opinion**

We have audited the accompanying standalone financial statements of **SURYALATA SPINNING MILLS LIMITED** (“the company”), which comprise the standalone Balance Sheet as at March 31, 2024, the standalone Statement of Profit and Loss (including other comprehensive income), the standalone Statement of Changes in Equity and the standalone Statement of Cash Flows for the year ended on that date, and a summary of the Material accounting policies and other explanatory information (herein after referred to as “the financial statements”)

In our opinion and to the best of our information and according to the explanations given to us, the accompanying standalone financial statements give the information required by the Companies Act, 2013 (“the Act”) in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India, of the state of affairs of the Company as at March 31, 2024, the profit and other comprehensive income, changes in equity and its cash flows for the year ended on that date.

**Basis for Opinion**

We conducted our audit of the financial statements in accordance with the Standards on Auditing (SAs) specified under Section 143(10) of the Act. Our responsibilities under those standards are further described in the *Auditors responsibility for the Audit of Standalone Financial Statements* section of our report. We are independent of the company in accordance with the Code of Ethics issued by the Institute of Chartered Accountants of India (ICAI) together with the ethical requirements that are relevant to our audit of the standalone financial statements under the provisions of the Act and the Rules made thereunder, and we have fulfilled our other ethical responsibilities in accordance with these requirements and the Code of Ethics. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion on the standalone financial statements.

**Key Audit Matters**

Key Audit matters are those matters that in our professional judgment, were of most significance in our audit of the standalone financial statements of the current period. These matters were addressed in the context of our audit of the standalone financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters. We have determined the matters described below to be the key audit matters to be communicated in our report.

<b>Key Audit Matters</b>	<b>Auditor’s Response</b>
<p><b>Ind AS 115 – Revenue recognition:</b></p> <p>Refer to note -1.12 of Material accounting policies of the financial statements.</p> <p>The Company revenue is mainly derived from sale of PV/PSF synthetic blended yarn.</p> <p>In accordance with Ind AS 115, revenue from sale of goods is recognised when control of the products being sold is transferred to the customer and when there are no unfulfilled obligations. The performance obligations in the contracts are fulfilled at the time of dispatch, delivery or upon formal customer acceptance depending on terms of contract with the customer. Revenue is measured at fair value of the consideration received or receivable after deduction of any trade/volume discounts and taxes or duties collected.</p> <p>We identified revenue recognition as a key audit matter since revenue is significant to the financial statements and is required to be recognised as per the requirements of applicable accounting framework.</p>	<p><b>Principal audit procedures</b></p> <ul style="list-style-type: none"> <li>We assessed the appropriateness of the revenue recognition accounting policies in line with Ind AS 115 “Revenue from Contracts with Customers”;</li> <li>We performed substantive testing of revenue transactions, recorded during the year by testing the underlying documents which included goods dispatch notes, shipping documents and customer acknowledgments, as applicable;</li> <li>We tested, on a sample basis, specific revenue transactions recorded before and after the financial year end date including examination of credit notes issued after the year end to determine whether the revenue has been recognised in the appropriate financial period.</li> </ul> <p>Based on the above stated procedures, no significant exceptions or unusual items were noted in revenue recognition.</p>

## **Information Other than the Financial Statements and Auditor's Report Thereon**

The Company's Board of Directors is responsible for the other information. The other information comprises the information included in the Annual Report, but does not include the standalone financial statements and our auditor's report thereon.

Our opinion on the standalone financial statements does not cover the other information and we do not express any form of assurance conclusion thereon.

In connection with our audit of the standalone financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the standalone financial statements or our knowledge obtained during the course of our audit or otherwise appears to be materially misstated. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

## **Responsibilities of Management and Those Charged with Governance for the Standalone Financial Statements**

The Company's Board of Directors is responsible for the matters stated in Section 134(5) of the Act with respect to the preparation of these standalone financial statements that give a true and fair view of the financial position, financial performance including other comprehensive income, cash flows and changes in equity of the Company in accordance with the Indian Accounting Standards (Ind AS) prescribed under Section 133 of the Act read with relevant rules issued there under and other accounting principles generally accepted in India.

This responsibility also includes maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding of the assets of the company and for preventing and detecting the 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 standalone financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error.

In preparing the standalone financial statements, the Board of Directors is responsible for assessing the company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the Board of Directors either intends to liquidate the company or to cease operations, or has no realistic alternative but to do so.

The Board of Directors are responsible for overseeing the Company's financial reporting process.

## **Auditor's Responsibility for the Audit of the Standalone Financial Statements**

Our objectives are to obtain reasonable assurance about whether the standalone financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with SAs will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these standalone financial statements.

As part of an audit in accordance with SAs, we exercise professional judgment and maintain professional scepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the standalone financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal financial controls relevant to the audit in order to design audit procedures that are appropriate in the circumstances. Under section 143(3)(i) of the Act, we are also responsible for expressing our opinion on whether the Company has adequate internal financial controls in place and the operating effectiveness of such controls.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the standalone financial statements or, if such disclosures are

inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Company to cease to continue as a going concern.

- Evaluate the overall presentation, structure and content of the standalone financial statements, including the disclosures, and whether the standalone financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit. We also provide those charged with governance with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, related safeguards.

From the matters communicated with those charged with governance, we determine those matters that were of most significance in the audit of the standalone financial statements of the current period and are therefore the key audit matters. We describe these matters in our auditor's report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

### **Report on Other Legal and Regulatory Requirements**

- 1) As required by the Companies (Auditor's Report) Order, 2020 ("the Order") issued by the Central Government of India in terms of sub-section (11) of section 143 of the Act, we give in the Annexure A, a statement on the matters specified in the paragraph 3 and 4 of the Order, to the extent applicable.
- 2) As required by Section 143(3) of the Act, 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 law have been kept by the Company so far as it appears from our examination of those books,
  - c) the standalone balance sheet, the standalone statement of profit and loss including other comprehensive income, standalone statement of changes in equity and the standalone cash flow statement dealt with by this Report are in agreement with the books of account,
  - d) In our opinion, the aforesaid financial statements comply with the Indian Accounting Standards (Ind AS) prescribed under Section 133 of the Act.
  - e) On the basis of written representations received from the directors as on March 31, 2024 taken on record by the Board of Directors, none of the directors is disqualified as on March 31, 2024 from being appointed as a director in terms of Section 164(2) of the Act,
  - f) With respect to the adequacy of internal financial controls with reference to standalone financial statements of the Company and the operating effectiveness of such controls, refer to our separate report in "Annexure B".
  - g) With respect to the Managerial remuneration to be included in the auditor's report in accordance with the requirements of section 197(16) of the Act, as amended:

In our opinion and to the best of our information and according to the explanations given to us, the remuneration paid by the company to its directors during the year is in accordance with the provisions of Section 197 of the Act.
  - h) With respect to the other matters to be included in the Auditor's report in accordance with Rule 11 of the Companies (Audit and Auditors) Rules, 2014, 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 financial statements – Refer Note 39(A) to the standalone financial statements;
    - ii. The Company did not have any long-term contracts including derivative contracts for which there were any material foreseeable losses;
    - iii. There has been no delay in transferring amounts, required to be transferred, to the Investor Education and Protection Fund by the Company.
    - iv. a. The Management has represented that, to the best of its knowledge and belief, no funds (which are material either individually or in the aggregate) have been advanced or loaned or invested (either from

borrowed funds or share premium or any other sources or kind of funds) by the Company to or in any other person or entity, including foreign entity (“Intermediaries”), with the understanding, whether recorded in writing or otherwise, that the Intermediary shall, whether, directly or indirectly lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the Company (“Ultimate Beneficiaries”) or provide any guarantee, security or the like on behalf of the Ultimate Beneficiaries;

- b. The Management has represented, that, to the best of its knowledge and belief, no funds (which are material either individually or in the aggregate) have been received by the Company from any person or entity, including foreign entity (“Funding Parties”), with the understanding, whether recorded in writing or otherwise, that the Company shall, whether, directly or indirectly, lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the Funding Party (“Ultimate Beneficiaries”) or provide any guarantee, security or the like on behalf of the Ultimate Beneficiaries;
- c. Based on the audit procedures that have been considered reasonable and appropriate in the circumstances, nothing has come to our notice that has caused us to believe that the representations under sub-clause (a) and (b) above, contain any material misstatement.
- v. a. The final dividend paid by the Company during the year in respect of the same declared for the previous year is in accordance with section 123 of the Act to the extent it applies to payment of dividend.
- b. As stated in note 36 to the standalone financial statements, the Board of Directors of the Company have proposed final dividend for the year which is subject to the approval of the members at the ensuing Annual General Meeting. The dividend declared is in accordance with section 123 of the Act to the extent it applies to declaration of dividend.
- vi. Based on our examination, the Company has used an accounting software for maintaining its books of account which has a feature of recording audit trail (edit log) facility. The audit trail feature has been operated throughout the year for all transactions recorded in the accounting software. Further, during the course of our audit, we did not come across any instance of the audit trail feature being tampered with.

As proviso to Rule 3(1) of the Companies (Accounts) Rules, 2014 is applicable from April 01, 2023, reporting under Rule 11 (g) of the Companies (Audit and Auditors) Rules, 2014 on preservation of audit trail as per the statutory requirements for record retention is not applicable for the financial year ended March 31, 2024.

for **K S RAO & CO.,**  
Chartered Accountants  
Firm Regn. No. : 003109S

**V.VENKATESWARA RAO**  
Partner  
Membership No. 219209  
UDIN:24219209BKATSJ4301

Place : Hyderabad  
Date : 23.05.2024

### **Annexure - A to the Auditor's Report:**

The Annexure referred to in Para 1 under the heading of "Report on Other Legal and Regulatory Requirements" of our report of even date, to the members of SURYALATA SPINNING MILLS LIMITED, for the year ended March 31, 2024.,

- i. In respect of the Company's Property, Plant and Equipment and Intangible Assets:
  - a. (A) The Company has maintained proper records showing full particulars, including quantitative details and situation of Property, Plant and Equipment.
  - (B) The Company has maintained proper records showing full particulars of intangible assets.
  - b. The Company has a regular program of physical verification of its property, plant and equipment, and right of use assets under which the assets are physically verified in a phased manner over a period of three years, which, in our opinion, is reasonable having regard to the size of the Company and the nature of its assets. In accordance with this program, certain property, plant and equipment were verified during the year and no material discrepancies were noticed on such verification.
  - c. According to the information and explanations given to us and on the basis of our examination of the records of the Company, the title deeds of all the immovable properties (other than Properties where the company is the lessee, and the lease agreements are duly executed in favour of the lessee) are held in the name of the Company.
  - d. The company did not revalue its Property, Plant and Equipment or intangible assets during the year. Accordingly, paragraph 3 (i)(d) of the Order is not applicable.
  - e. There are no proceedings initiated or are pending against the Company for holding any benami property under the Prohibition of Benami Property Transactions Act, 1988 and rules made thereunder
- ii.
  - a. The management has conducted physical verification of inventory at reasonable intervals during the year. In our opinion, the coverage and procedure of such verification by the management is appropriate and no discrepancies of 10% or more in the aggregate for each class of inventory were noticed.
  - b. In our opinion and according to the information and explanation given to us and the records of the Company examined by us during the course of the audit, the quarterly returns or statements filed by the company with banks or financial institutions are in agreement with the books of account of the Company.
- iii.
  - a. During the year the Company has not provided loans, advances in the nature of loans, stood guarantee or provided security to companies, firms, Limited Liability Partnerships or any other parties. Accordingly, the requirement to report on clause 3(iii)(a) of the Order is not applicable to the Company.
  - b. In our opinion, the investment made and the terms and conditions of the grant of loans, prima facie, not prejudicial to the Company's interest.
  - c. In respect of loans granted by the Company, the schedule of repayment of principal and payment of interest has been stipulated and the repayments have been regular as per stipulation.
  - d. In respect of loans granted by the Company, there are no overdue interest amount for more than ninety days.
  - e. There is no loan which have falling due during the year, which has been renewed or extended or fresh loans given to settle the over dues of existing loans given to the same parties.
  - f. The Company has not granted any loans or advances in the nature of loans either repayable on demand or without specifying any terms or period of repayment during the year. Hence, reporting under clause 3(iii)(f) is not applicable.
- iv. In our opinion and according to the information and explanations given to us, the Company has complied with the provisions of section 186 of the Act, with respect to the investments made.
- v. The Company has not accepted any deposit or amounts which are deemed to be deposits. Hence, reporting under clause 3(v) of the Order is not applicable.

- vi. We have broadly reviewed the cost records maintained by the Company pursuant to sub-section (1) of section 148 of the Companies Act and are of the opinion that prime facie the prescribed accounts and records have been made and maintained. We have however not made a detailed examination of the cost records with a view to determine whether they are accurate or complete.
- vii. a. According to the records, the company is regular in depositing undisputed statutory dues including Goods and service tax, provident fund, employees' state insurance, income-tax, sales-tax, service tax, duty of customs, duty of excise, value added tax, cess and all other material statutory dues with the appropriate authorities and there were no arrears of statutory dues as at March 31, 2024 for a period of more than six months from the date they became payable.
- b. According to the information and explanations given to us and on the basis of our examination of the records of the Company, there are no statutory dues relating to Goods and service tax, provident fund, employees' state insurance, income-tax, sales-tax, service tax, duty of customs, duty of excise, value added tax, cess and all other material statutory dues which have not been deposited on account of any disputes, except the following:

Name of the Statute	Nature of Dues	Amount (Rs. )	Period to which amount related	Forum where dispute is pending
Goods and Service Tax Act 2017	IGST	1,79,02,110	FY2018-19	GST-Appellate Authority
Goods and Service Tax Act 2017	IGST & CGST	84,33,888	FY 2018-19 & FY 2019-20	GST-Appellate Authority
The Income Tax Act, 1961	Income Tax	1,24,83,124	FY 2013-14	I.Tax -Appellate Authority

- viii. According to the information and explanations given to us, no transactions were surrendered or disclosed as income during the year in the tax assessments under the Income Tax Act, 1961 (43 of 1961) which have not been recorded in the books of accounts.
- ix. a. According to the information and explanations given to us, the Company has not defaulted in repayment of loans or in the payment of interest thereon to any lender.
- b. According to the information and explanations given to us including representation received from the management of the Company, and on the basis of our audit procedures, we report that the Company has not been declared a willful defaulter by any bank or financial institution or other lender.
- c. In our opinion and according to the information and explanations given to us, the Company has utilized the money obtained by way of term loans during the year for the purpose for which they were obtained.
- d. In our opinion and according to the information and explanations given to us, and on an overall examination of the financial statements of the Company, funds raised on short-term basis have, prima facie, not been used during the year for long-term purposes by the Company.
- e. According to the information and explanations given to us and on an overall examination of the financial statements of the Company, the Company has not taken any funds from any entity or person on account of or to meet the obligations of its subsidiaries.
- f. According to the information and explanations given to us, the Company has not raised any loans during the year on the pledge of securities held in its subsidiaries.
- x. a. The Company did not raise any money by way of initial public offer or further public offer (including debt instruments) during the year. Accordingly, para 3 (x)(a) of the Order is not applicable.
- b. During the year, the Company has not made any preferential allotment or private placement of shares or convertible debentures (fully or partly or optionally) and hence, reporting under clause 3(x)(b) of the Order is not applicable.

# SURYALATA SPINNING MILLS LIMITED

- xi. a. No fraud by the Company and no material fraud on the Company has been noticed or reported during the year.
- b. No report under section 143(12) of the Act has been filed with the Central Government for the period covered by our audit.
- c. According to the information and explanations given to us including the representation made to us by the management of the Company, there are no whistle-blower complaints received by the Company during the year.
- xii. In our opinion and according to the information and explanations given to us, the Company is not a Nidhi Company. Accordingly, para 3(xii) of the Order is not applicable.
- xiii. According to the information and explanations given to us and based on our examination of the records of the Company, transactions with the related parties are in compliance with sections 177 and 188 of the Act where applicable and details of such transactions have been disclosed in the financial statements as required by the applicable accounting standards.
- xiv. a. In our opinion, the company has an adequate internal audit system commensurate with the size and nature of its business;
- b. We have considered the reports of the Internal Auditors for the period under audit.;
- xv. According to the information and explanations given to us and based on our examination of the records of the Company, the Company has not entered into any non-cash transactions with its Directors or persons connected with its directors. and hence provisions of section 192 of the Companies Act, 2013 are not applicable to the Company.
- xvi. a. In our opinion, the Company is not required to be registered under section 45-IA of the Reserve Bank of India Act, 1934. Hence, reporting under clause 3(xvi)(a), (b) and (c) of the Order is not applicable
- b. In our opinion, there is no core investment company within the Group (as defined in the Core Investment Companies (Reserve Bank) Directions, 2016 and accordingly reporting under 3(xvi)(d) of the Order is not applicable;
- xvii. The company has not incurred any cash losses in the financial year and also in the immediately preceding financial year.
- xviii. There is no resignation of statutory auditors of the Company during the year.
- xix. On the basis of the financial ratios, ageing and expected dates of realisation of financial assets and payment of financial liabilities, other information accompanying the financial statements and our knowledge of the Board of Directors and Management plans and based on our examination of the evidence supporting the assumptions, nothing has come to our attention, which causes us to believe that any material uncertainty exists as on the date of the audit report indicating that Company is not capable of meeting its liabilities existing at the date of balance sheet as and when they fall due within a period of one year from the balance sheet date. We further state that our reporting is based on the facts up to the date of the audit report and we neither give any guarantee nor any assurance that all liabilities falling due within a period of one year from the balance sheet date, will get discharged by the Company as and when they fall due.
- xx. According to the information and explanations given to us, the Company does not have any unspent amount in respect of any ongoing or other than ongoing project as at the expiry of the financial year. Accordingly, reporting under Para 3(xx) of the Order is not applicable to the Company.

for **K S RAO & CO.**,  
Chartered Accountants  
Firm Regn. No. : 003109S

**V.VENKATESWARA RAO**  
Partner  
Membership No. 219209  
UDIN:24219209BKATSJ4301

Place : Hyderabad  
Date : 23.05.2024

## **Annexure – B to the Auditor’s Report**

### **Report on the Internal Financial Controls under Clause (i) of Sub-section 3 of Section 143 of the Companies Act, 2013 (“the Act”)**

We have audited the internal financial controls with reference to standalone financial statements of SURYALATA SPINNING MILLS LIMITED (“the Company”) as of March 31, 2024 in conjunction with our audit of the standalone 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 with reference to standalone financial statements 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 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 Act.

#### **Auditor’s Responsibility**

Our responsibility is to express an opinion on the Company’s internal financial controls with reference to standalone financial statements 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, prescribed under Section 143(10) of the Act, to the extent applicable to an audit of internal financial controls with reference to standalone financial statements, both issued by ICAI. 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 with reference to standalone financial statements was established and maintained and if such controls operated effectively in all material aspects.

Our audit involves performing procedures to obtain audit evidence about the adequacy of the internal financial controls with reference to standalone financial statements and their operating effectiveness. Our audit of internal financial controls with reference to standalone financial statements included obtaining an understanding of internal financial controls with reference to these standalone financial statements, 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 auditor’s judgement, including the assessment of the risks of material misstatement of the standalone financial statements, whether due to fraud and 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 financial controls with reference to standalone financial statements.

#### **Meaning of Internal Financial Controls with Reference to Standalone Financial Statements**

A company’s internal financial control with reference to standalone financial statements is a process designed to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles. A company’s internal financial controls with reference to standalone financial statements 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 financial statements in accordance with generally accepted accounting principles, and that receipts and expenditure of the Company are being made only in accordance with authorisations of management and directors of the Company; and (3) provide reasonable assurance regarding prevention or timely detection of unauthorised acquisition, use, or disposition of the Company’s assets that could have a material effect on the financial statements.

#### **Inherent Limitations of Internal Financial Controls with Reference to Standalone Financial Statements**

Because of the inherent limitations of internal financial controls with reference to standalone financial statements, 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 with reference to standalone financial statements to future periods are subject to the risk that the internal financial control with reference to standalone financial statements may become inadequate because of changes in conditions, or that the degree of compliance with policies or procedures may deteriorate.



# **S SURYALATA SPINNING MILLS LIMITED**

## **Opinion**

In our opinion, the Company has, in all material respects, an adequate internal financial controls with reference to standalone financial statements and such internal financial controls with reference to standalone financial statements were operating effectively as at March 31,2024, 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 ICAI.

for **K S RAO & CO.,**  
Chartered Accountants  
Firm Regn. No. : 003109S

**V.VENKATESWARA RAO**  
Partner  
Membership No. 219209  
UDIN:24219209BKATSJ4301

Place : Hyderabad  
Date : 23.05.2024

# S SURYALATA SPINNING MILLS LIMITED

STANDALONE BALANCE SHEET AS AT 31ST MARCH, 2024

(All amounts in ₹ Lakhs)

Particulars	Note No.	As at 31.03.2024	As at 31.03.2023
<b>I. ASSETS</b>			
<b>1. Non-Current assets</b>			
(a) Property, Plant and Equipment	2.1	24,279.51	19,447.17
(b) Capital work-in-progress	2.2	2,598.10	1,020.38
(c) Financial Assets			
(i) Loans	3	3,690.57	4,502.76
(ii) Other financial assets	4	1,467.10	1,381.74
(d) Other non-current assets	5	92.30	981.49
<b>Total Non-current assets</b>		<b>32,127.58</b>	<b>27,333.54</b>
<b>2. Current assets</b>			
(a) Inventories	6	2,477.52	2,364.90
(b) Financial Assets			
(i) Investments	7	98.29	98.07
(ii) Trade receivables	8	2,024.91	2,161.40
(iii) Cash and cash equivalents	9	21.91	554.14
(iv) Other Bank Balances	10	164.27	618.46
(v) Other financial assets	11	142.96	123.35
(c) Other current assets	12	1,428.26	721.28
<b>Total Current assets</b>		<b>6,358.12</b>	<b>6,641.60</b>
<b>Total Assets</b>		<b>38,485.70</b>	<b>33,975.14</b>
<b>II. EQUITY AND LIABILITIES</b>			
<b>1. Equity</b>			
(a) Equity Share capital	13	426.70	426.70
(b) Other Equity	14	23,397.81	22,209.89
<b>Total Equity</b>		<b>23,824.51</b>	<b>22,636.59</b>
<b>2. Non- Current liabilities</b>			
a) Financial Liabilities			
Borrowings	15	5,642.36	3,157.86
b) Deferred tax liabilities (Net)		2,868.10	2,611.25
c) Other non-current liabilities	16	147.16	183.95
<b>Total Non- current liabilities</b>		<b>8,657.62</b>	<b>5,953.07</b>
<b>3. Current liabilities</b>			
(a) Financial Liabilities			
(i) Borrowings	17	4,233.84	3,734.91
(ii) Trade payables	18		
Micro and small enterprises		55.47	32.46
Other than micro and small enterprises		163.97	157.21
(iii) Other financial liabilities	19	1,263.25	1,210.05
(b) Other current liabilities	20	61.27	58.14
(c) Provisions	21	224.58	191.71
(d) Current tax liabilities (net)	22	1.19	0.99
<b>Total Current liabilities</b>		<b>6,003.57</b>	<b>5,385.48</b>
<b>Total liabilities</b>		<b>14,661.19</b>	<b>11,338.55</b>
<b>Total Equity and Liabilities</b>		<b>38,485.70</b>	<b>33,975.14</b>
Material Accounting policies and Key accounting adjustments & Judgments	1-45		

As Per Our Report of even date  
for **K S RAO & CO.,**  
Chartered Accountants  
Firm Regn. No. : 003109S

**V.VENKATESWARA RAO**  
Partner  
Membership No. 219209

Place : Secunderabad  
Date : 23<sup>rd</sup> May, 2024

**KUSHUBOO JAIN**  
Company Secretary

**K.NAGESWARA RAO**  
Chief Financial Officer

for and on behalf of the Board

**VITHALDAS AGARWAL**  
Managing Director

**MAHENDER KUMAR AGARWAL**  
Joint Managing Director

# S SURYALATA SPINNING MILLS LIMITED

## STANDALONE STATEMENT OF PROFIT AND LOSS FOR THE YEAR ENDED 31ST MARCH, 2024 (All amounts in ₹ Lakhs)

Particulars	Note No.	Current Year 31.03.2024	Previous Year 31.03.2023
<b>I. Revenue from operations</b>	23	44,101.13	47,926.24
<b>II. Other Income</b>	24	449.73	383.60
<b>III. Total Income (I + II)</b>		<b>44,550.86</b>	<b>48,309.84</b>
<b>IV. EXPENSES</b>			
Cost of Raw material Consumed	25	29,152.33	29,973.43
Changes in inventories of finished goods, and work in Process	26	(222.29)	80.86
Employee benefits expense	27	3,635.42	3,401.55
Finance costs	28	686.87	527.50
Depreciation and amortization expense	29	1,313.33	1,206.98
Other expenses	30	8,178.07	8,790.69
<b>Total expenses (IV)</b>		<b>42,743.72</b>	<b>43,981.02</b>
<b>V. Profit before exceptional items and tax (III - IV)</b>		1,807.14	4,328.82
<b>VI. Exceptional items</b>	31(a)	93.25	-
<b>VII. Profit before Tax (V-VI)</b>		<b>1713.89</b>	<b>4328.82</b>
<b>VIII. Tax expense:</b>			
a. Current Tax		275.28	1,010.00
b. Deferred Tax		245.75	215.59
<b>Total Tax Expenses</b>		<b>521.03</b>	<b>1,225.59</b>
<b>IX. Profit for the period offer tax (VII-VIII)</b>		<b>1,192.86</b>	<b>3,103.23</b>
<b>X. Other Comprehensive income</b>	31(b)		
i. Items that will not be reclassified subsequently to profit or loss		44.10	33.36
ii. Income tax relating to items that will not be reclassified to profit or loss		(11.10)	(8.40)
<b>Other Comprehensive Income (net of tax)</b>		<b>33.00</b>	<b>24.96</b>
<b>XI. Total Comprehensive Income for The Year (IX+X)</b>		<b>1,225.86</b>	<b>3,128.19</b>
<b>XII. Earnings per equity share (Face value of Rs 10/- each)</b>	32		
Basic and Diluted		27.96	72.73
Material Accounting policies and Key accounting adjustments & Judgments	1-45		

As Per Our Report of even date  
for **K S RAO & CO.,**  
Chartered Accountants  
Firm Regn. No. : 003109S

**V.VENKATESWARA RAO**  
Partner  
Membership No. 219209

Place : Secunderabad  
Date : 23<sup>rd</sup> May, 2024

**KUSHUBOO JAIN**  
Company Secretary

**K.NAGESWARA RAO**  
Chief Financial Officer

for and on behalf of the Board

**VITHALDAS AGARWAL**  
Managing Director

**MAHENDER KUMAR AGARWAL**  
Joint Managing Director

**STANDALONE STATEMENT OF CHANGES TO EQUITY**
**A. Equity Share Capital**

Particulars	(Amount in Lakhs)
<b>As at April 01,2022</b>	<b>426.70</b>
Changes in equity share capital	-
<b>As at march 31,2023</b>	<b>426.70</b>
Changes in equity share capital	-
<b>As at march 31,2024</b>	<b>426.70</b>

**B. Other Equity**

Particulars	Security Premium	Capital Redemption Reserve	Preference capital redemption reserve	General reserve	Retained earnings	Equity components of compound financial Statements	Remeasurement of defined benefit plan	Total
<b>Balance as 1 st April,2022</b>	<b>1288.20</b>	<b>1207.36</b>	<b>385.00</b>	<b>13000.00</b>	<b>3195.07</b>	<b>29.27</b>	<b>14.74</b>	<b>19119.64</b>
Profit for the Year					3103.23			<b>3103.23</b>
Other Comprehensive income for the year (Net)							24.96	<b>24.96</b>
Transfer to Capital reserve								
Transfer to general reserve				3000.00	(3000.00)			<b>0.00</b>
Equity Dividend Paid					(37.94)			<b>(37.94)</b>
<b>Balance as at 31 st March, 2023</b>	<b>1288.20</b>	<b>1207.36</b>	<b>385.00</b>	<b>16000.00</b>	<b>3260.36</b>	<b>29.27</b>	<b>39.70</b>	<b>22209.89</b>
Profit for the Year					1192.86			<b>1192.86</b>
Other Comprehensive income for the year (Net)							33.00	<b>33.00</b>
Transfer to general reserve				1000.00	(1000.00)			<b>0.00</b>
Equity Dividend Paid					(37.94)			<b>(37.94)</b>
<b>Balance as at 31st March, 2024</b>	<b>1288.20</b>	<b>1207.36</b>	<b>385.00</b>	<b>17000.00</b>	<b>3415.28</b>	<b>29.27</b>	<b>72.70</b>	<b>23397.81</b>

(All amounts in ₹ Lakhs)

**The description of nature and purpose of reserves within equity is as follows :**

- i) **Security Premium :** Premium received on issue of equity shares credited to security premium reserve, It can be utilized as per the provision of section 63 of the companies act.
- ii) **Capital Redemption Reserve :** Created on redemption of preference shares, It can be utilized as per section 63 of the companies act.
- iii) **Preference Capital Redemption Reserve :** Created against the profits for redemption of preference shares issued. It can be utilized for redemption of preference shares on due date.
- iv) **General reserve :** Reserve is created from time to time by transfer of profits from retained earnings. It can be utilised as per provisions of the companies act.
- v) **Retained earnings :** Retained earnings are accumulation of profits earned by the company. It can be utilised for distribution of dividends to equity share holders.
- vi) **Re-measurement of defined benefit obligations :**

The reserve represents the remeasurement gains/(losses) arising from the actuarial valuation of the defined benefit obligations of the Company.

The re-measurement gains/(losses) are recognised in other comprehensive income and accumulated under this reserve within equity. The amounts recognised under this reserve are not reclassified to profit or loss.

As Per Our Report of even date  
for **K S RAO & CO.,**  
Chartered Accountants  
Firm Regn. No. : 003109S

**V.VENKATESWARA RAO**  
Partner  
Membership No. 219209

Place : Secunderabad  
Date : 23<sup>rd</sup> May, 2024

**KUSHUBOO JAIN**  
Company Secretary

**K.NAGESWARA RAO**  
Chief Financial Officer

for and on behalf of the Board

**VITHALDAS AGARWAL**  
Managing Director

**MAHENDER KUMAR AGARWAL**  
Joint Managing Director

**STANDALONE CASH FLOW STATEMENT FOR THE YEAR ENDED 31ST MARCH, 2024**

(All amounts in ₹ Lakhs)

PARTICULARS	Year Ended 31.03.2024	Year Ended 31.03.2023
<b>A CASH FLOW FROM OPERATING ACTIVITIES</b>		
Profit before tax	1,713.89	4,328.82
<b>Adjustment for:</b>		
Depreciation	1,313.33	1,206.98
Finance Charges	686.87	527.50
Fair value (Profit )/Loss on Investments	(0.22)	(0.10)
Other Comprehensive Income/(Loss)	44.10	33.35
(Profit)/Loss on sale of Assets (net)	-	5.35
Interest Income	(398.93)	(236.69)
<b>Operating Profit before working capital Changes</b>	<b>3,359.04</b>	<b>5,865.21</b>
<b>Movement in Working Capital</b>		
Decrease/(Increase) in Inventories	(112.63)	1,459.49
Decrease/(Increase) in Receivables	136.50	795.33
Decrease/(Increase) Current Assets, in Loans & Advances	(253.12)	1,136.61
(Decrease)/Increase in Non Current Liabilities	(36.79)	(36.79)
(Decrease)/Increase in Current Liabilities	119.23	(411.92)
Cash Generated from Operations	<b>3,212.24</b>	<b>8,807.93</b>
Taxes Paid	(275.08)	(1,268.81)
<b>Net Cash flow from Operating Activities (A)</b>	<b>2,937.16</b>	<b>7,539.12</b>
<b>B CASHFLOW FROM INVESTING ACTIVITIES</b>		
Proceeds from sale of Assets	0.80	0.70
Interest Received	379.62	380.42
<b>OUTFLOW:</b>		
Decrease/(Increase) in Non-current financial assets	812.20	(4,502.20)
Decrease/(Increase) in Financial assets	(85.37)	(184.38)
Acquisition of fixed assets including Capital Work in Progress	(7,723.38)	(1,677.19)
(Increase)/Decrease in Investments	-	97.80
(Increase)/Decrease in Advance for Capital equipment	889.19	(6,107.35)
<b>Net Cash flow from Investing activity (B)</b>	<b>(5,726.93)</b>	<b>(5,921.49)</b>
<b>C CASH FLOW FROM FINANCING ACTIVITIES</b>		
Term Loans received	4,799.58	
Unsecured Loans received	95.00	183.00
Hire Purchase Loans Received	34.00	35.00
Deferred Payment Loan - Hero		
Increase/(decrease) in Bank Borrowings	(43.03)	4,885.56
<b>OUT FLOW :</b>		
Repayment of Term loans	1,300.00	1,300.00
Dividends Paid	68.74	68.74
Repayment of preference shares	-	-
Repayment of Solar Project loan - Hero	353.21	353.21
Repayment of Hire Purchase loans	24.96	31.31
Repayment of sales tax loans	94.83	110.78
Repayment of Unsecured loans	131.00	27.00
Interest Paid	655.28	2,628.02
<b>Net Cash flow from financing activities (C)</b>	<b>2,257.54</b>	<b>(1,371.18)</b>
Net increase/(decrease) in Cash/Cash Equivalents during the year (A+B+C)	(532.23)	246.46
<b>Add: Cash/Cash equivalents at the beginning of the year</b>	<b>554.14</b>	<b>307.68</b>
<b>Cash/Cash equivalents at the end of the year</b>	<b>21.91</b>	<b>554.14</b>

# SURYALATA SPINNING MILLS LIMITED

## Notes :

1. The above Cash Flow Statement has been prepared under the “Indirect Method” set out in Indian Accounting Standard (Ind-AS) - 7 on Statement of Cash flow.
2. Previous year comparatives have been reclassified to confirm with current year’s presentation, where ever applicable.
3. Cash and Cash equivalents comprises of :

S. No	Particulars	As at 31.03.2024	As at 31.03.2023
A.	Cash on Hand	5.30	5.28
B.	Balances in bank a/c's	16.61	548.86
	a. Current Accounts		
	b. Ear marked balance with Banks - Unpaid dividends		
	Cash and Cash equivalents in Cash Flow Statement	21.91	554.14

As Per Our Report of even date  
for **K S RAO & CO.,**  
Chartered Accountants  
Firm Regn. No. : 003109S

**V.VENKATESWARA RAO**  
Partner  
Membership No. 219209

Place : Secunderabad  
Date : 23<sup>rd</sup> May, 2024

**KUSHUBOO JAIN**  
Company Secretary

**K.NAGESWARA RAO**  
Chief Financial Officer

for and on behalf of the Board

**VITHALDAS AGARWAL**  
Managing Director

**MAHENDER KUMAR AGARWAL**  
Joint Managing Director

## Notes to Standalone Financial Statements for the Year Ended 31st March, 2024

### CORPORATE INFORMATION

Suryalata Spinning Mills Limited (the “Company”) is a public limited company incorporated on May 23rd, 1983 and as its Registered office at 105, S P Road, Surya Towers , 1st Floor, Secunderabad, Telangana State. The Company is engaged in producing the best quality of Synthetic Yarns like 100% Polyester (PSF) Yarns, 100% Viscose (VSF) Yarns, PSF & VSF Blended Yarns and Value Added Yarns like Slub Yarns, Elite Twist and Two for One Twist Yarns (T F O) etc., suitable for suitings, shirtings and knitting. The Company has established in the domestic market as well as in the international market and sells its products through the multiple channels. The Company is listed on Bombay Stock Exchange.

The financial statements of the company for the year ended March 31st, 2024 are approved for issue by the Company’s Board of Directors on May 23rd, 2024.

### MATERIAL ACCOUNTING POLICIES AND KEY ACCOUNTING ESTIMATES AND JUDGEMENTS.

#### I Material Accounting Policies:

##### 1. Statement of Compliance:

These financial statements have been prepared in accordance with the Indian Accounting Standards (Ind AS) as per the Companies (Indian Accounting Standard) Rules, 2015 notified under section 133 of the Companies Act 2013, amendments there to and other relevant provisions of the Act.

##### 2. Basis of Preparation and Measurement:

These Ind AS Financial Statements have been prepared on a going concern basis using historical cost convention and on an accrual method of accounting, except for certain financial assets and financial liabilities that are measured at 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 financial statements.

The financial statements are presented in INR which is also the Company’s functional currency and all values are rounded to the nearest Lakhs (INR 00,000), except when otherwise indicated.

##### 3. Classification of Assets and liabilities as Current and Non-current

The company has determined its operating cycle as 12 months for the purpose of classification of current and non-current assets and liabilities. This is based on the nature of product and the time between the acquisition of inventories for processing and their realization in cash and cash equivalents. All assets and liabilities have been classified as current or non-current as per the Company’s normal operating cycle and other criteria set out in the Schedule III(Division II) to the Companies Act, 2013.

Deferred tax assets and deferred tax liabilities are classified as non-current assets and non-current liabilities.

##### 4. Use of estimates & judgments:

The estimates and judgments used in the preparation of the financial statements are continuously evaluated by the Company and are based on historical experience and various other assumptions and factors (including expectations of future events) that the Company believes to be reasonable under the existing circumstances. Differences between actual results and estimates are recognized in the period in which the results are known / materialized.

##### 5. Property, Plant and Equipment-Tangible Assets:

- i. Property, plant and equipment other than land are stated at cost less accumulated depreciation and impairment losses if any. Freehold land is carried at cost of acquisition. Cost comprises of purchase price and any attributable cost of bringing the assets to its working condition for its intended use.
- ii. Capital work-in-progress in respect of assets which are not ready for their intended use are carried at cost, comprising of direct costs, related incidental expenses and attributable interest.
- iii. Subsequent expenditure are capitalized only if it is probable that the future economic benefits associated with the expenditure will flow to the Company. Costs in nature of repairs and maintenance of equipment are recognized in the Statement of Profit and Loss as and when incurred.
- iv. Depreciation on Fixed Assets is provided on ascertain useful life of assets under Straight Line Method (SLM) prescribed in Schedule II of the Companies act-2013 except the assets costing `5000 or less on which depreciation is charged @100% in the year of acquisition.
- v. The Company follows the policy of charging depreciation on pro-rata basis on the assets acquired or disposed off during the year.



## 6. Impairment of Assets

The carrying values of assets / cash generating units at each balance sheet date are reviewed for impairment if any indication of impairment exists. An asset is treated as impaired when the carrying cost of asset exceeds its recoverable value. Recoverable value being higher of value in use and fair value less cost of disposal. Value in use is computed at net present value of cash flow expected over the balance useful life of the assets. An impairment loss is recognized as an expense in the Profit and Loss Account in the year in which an asset is identified as impaired.

## 7. Inventory:

Inventories are valued at the lower of cost and net realizable value. The cost is determined on Weighted Average basis. Cost of finished goods and work-in-process include all costs of purchases, conversion costs and other costs incurred in bringing the inventories to their present location and condition.

Raw materials, Stores, spares and packing materials are valued at cost on weighted average basis. Scrap is valued at net realizable value. Net realizable value is the estimated selling price in the ordinary course of business less the estimated costs of necessary to make sale.

## 8. Financial Instrument:

A financial instrument is any contract that gives rise to a financial asset of one entity and financial liability or equity instrument of another entity.

### a. Financial Asset:

#### Initial recognition and measurement

All financial instruments are recognized initially at fair value plus, in the case of financial assets not recorded at fair value through profit or loss, transaction costs that are attributable to the acquisition of the financial asset, purchase or sales of financial assets that require delivery of assets within a time frame established by regulation or convention in the market place are recognized on the trade date i.e. the date that the company commits to purchase or sell the asset.

#### Subsequent Measurement

**For the purpose of subsequent measurement financial assets are classified as measured at:**

- 1) Amortized Cost
- 2) Fair value through profit and loss (FVTPL)
- 3) Fair value through other comprehensive income (FVTOCI)

#### Financial Asset measured at amortized cost

Financial Assets held within a business model whose objective is to hold financial assets in order to collect contractual cash flows and the contractual terms 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 are measured at amortized cost using effective interest rate (EIR) method. The EIR amortization is recognized as finance income in the statement of Profit & Loss.

The company while applying above criteria has classified all the financial assets (except investments in equity shares) at amortized cost.

#### Financial Assets Measured at fair value through other comprehensive income

Financial assets that are held within a business model whose objective is achieved by both, selling financial assets and collecting contractual cash flows that are solely payments of principal and interest, are subsequently measured at fair value through other comprehensive income. Fair value movements are recognized in the other comprehensive income(OCI). Interest income measured using the EIR method and impairment losses, if any are recognized in the Statement of Profit and Loss. On de-recognition, cumulative gain or loss previously recognized in OCI is reclassified from the equity to 'other income' in the Statement of Profit and Loss.

**Financial Assets at fair value through profit or loss (FVTPL)**

Financial Assets are measured at fair value through Profit & Loss if it does not meet the criteria for classification as measured at amortized cost or at FVTOCI. All fair value changes are recognized in the statement of profit & loss.

**De-recognition of Financial Assets**

The Company derecognizes a financial asset when the contractual rights to the cash flows from the financial asset expire, or it transfers the contractual rights to receive the cash flows from the asset.

**Impairment of Financial Assets**

In accordance with Ind AS 109, the Company applies expected credit loss (ECL) model for measurement and recognition of impairment loss on the debt instruments, that are measured at amortized cost e.g., loans, debt securities, deposits, trade receivables and bank balance.

Expected credit loss is the difference between all contractual cash flows that are due to the Company in accordance with the contract and all the cash flows that the entity expects to receive.

The management uses a provision matrix to determine the impairment loss on the portfolio of trade and other receivables. Provision matrix is based on its historically observed expected credit loss rates over the expected life of the trade receivables and is adjusted for forward looking estimates.

Expected credit loss allowance or reversal recognized during the period is recognized as income or expense, as the case may be, in the statement of profit and loss. In case of balance sheet, it is shown as reduction from the specific financial asset.

**b. Financial Liabilities.**

**Initial recognition and measurement**

Financial liabilities are recognized initially at fair value plus any transaction cost that are attributable to the acquisition of the financial liability except financial liabilities at FVTPL that are measured at fair value.

**Subsequent Measurement**

Financial liabilities are subsequently measured at amortised cost using the EIR method. Financial liabilities carried at fair value through profit or loss are measured at fair value with all changes in fair value recognized in the Statement of Profit and Loss.

**Financial Liabilities at amortized cost**

Amortized cost for financial liabilities represents amount at which financial liability is measured at initial recognition minus the principal repayments, plus or minus the cumulative amortization using the effective interest method of any difference between the initial amount and the maturity amount. All the financial liabilities of the company are subsequently measured at amortized cost using Effective Interest method.

**De recognition of Financial Liabilities**

A financial liability shall be derecognized when, and only when it is extinguished i.e. when the obligation specified in the contract is discharged or cancelled or expires.

**9. Government Grants:**

Grants from the government are recognized at their fair value where there is a reasonable assurance that the grant will be received and the Company will comply with all attached conditions. Grants related to revenue items are presented as part of profit or loss as a reduction from related expense. The benefit of a government loan at a below market rate of interest is treated as a government grant, measured as the difference between proceeds received and the fair value of the loan based on prevailing market interest rates.

## **10. Foreign Currency Transactions**

The functional and presentation currency of the Company is Indian Rupee. Transactions in foreign currency are accounted for at the exchange rate prevailing on the transaction date. Gains/ losses arising on settlement as also on translation of monetary items are recognized in the Statement of profit and loss.

## **11. Borrowing Costs**

Borrowing costs that are attributable to the acquisition or construction of qualifying assets are capitalized as part of the cost of such assets. A qualifying asset is one that necessarily takes substantial period of time to get ready for its intended use. All other borrowing costs are recognized as an expense in the period in which they are incurred.

## **12. Revenue Recognition**

Revenue is recognized to the extent that it is probable that the economic benefits will flow to the company and the revenue can be reliably measured a regardless of when the payment made. The specific recognition criteria described below must also be met before revenue is recognized.

### **a. Sale of Products**

Revenue from the sale of goods is recognized when significant risks and rewards of ownership have been transferred to the customer, the company no longer retain continuing managerial involvement to the degree usually associated with ownership nor has effective control over the goods sold, which is mainly upon delivery, the amount of revenue can be measured reliably and recovery of the consideration that will be derived in the sale of goods.

The Company collects Goods & Service Tax (GST) on behalf of the government and therefore, these are not economic benefits flowing to the Company. Hence these are excluded from the revenue. Revenue from export sales is recognized on the date of bill of lading, based on the terms of export.

### **b. Recognition of Export benefits**

Export benefits entitlements in respect of incentives schemes including Duty Drawback, RoDTEP( Export Incentive), Merchandise Export Incentive Scheme (MEIS) of the Government of India are recognized in the year in which Export Sales are accounted for.

### **c. Interest Income**

Interest on deposits with government departments, financial institutions and Loans provided to subsidiary company are recognized in statement of profit and loss when the right to receive/receivable during the period.

## **13. Taxes on Income**

### **Tax expense comprises of current and deferred tax**

#### **a. Current tax**

Current tax expense for the year is ascertained on the basis of assessable profits computed in accordance with the provisions of the Income Tax Act, 1961.

#### **b. Deferred tax**

Deferred tax is recognised in respect of temporary differences between the carrying amount of assets and liabilities for financial reporting purposes and the corresponding amounts used for taxation purposes. Deferred tax is measured based on the tax rates and the tax laws enacted or substantively enacted at the balance sheet date. Deferred tax assets are recognised only to the extent that it is probable that future taxable profits will be available against which the asset can be utilized.

## **14. Dividend Distribution**

Annual dividend distribution to the shareholders is recognized as a liability in the period in which the dividend is approved by the shareholders. Any interim dividend paid is recognized on approval by Board of Directors. Dividend payable and corresponding tax on dividend distribution is recognized directly in equity.

## 15. Employee Benefits

Short-term employee benefits are expensed as the related service is provided. A liability is recognized for the amount expected to be paid if the Company has a present legal or constructive obligation to pay this amount as a result of past service provided by the employee and the obligation can be estimated reliably.

### a. Defined Contribution plans

Contribution towards Provident Fund for employees is made to the regulatory authorities, where the Company has no further obligations. Such benefits are classified as Defined Contribution schemes as the Company does not carry any further obligations, apart from the Contributions made on a monthly basis.

### b. Defined benefit plans

Gratuity liability is defined benefit obligation and is provided on the basis of an actuarial valuation on projected unit credit method made at the end of each year. The Company funds the benefit through contributions to SBI Life.

Remeasurement of the net defined benefit liability, which comprise actuarial gains and losses and the return on plan assets (excluding interest) and the effect of the asset ceiling (if any, excluding interest), are recognized immediately in other comprehensive income (OCI). Net interest expense (income) on the net defined liability(asset) is computed by applying the discount rate, used to measure the net defined liability (asset). Net interest expense and other expenses related to defined benefit plans are recognized in Statement of Profit and Loss.

## 16. Provisions

Provisions are recognized when, as a result of a past event, the Company has a legal or constructive obligation; it is probable that an outflow of resources will be required to settle the obligation; and the amount can be reliably estimated. The amount so recognized is a best estimate of the consideration required to settle the obligation at the reporting date, taking into account the risks and uncertainties surrounding the obligation.

In an event when the time value of money is material, the provision is carried at the present value of the cash flows estimated to settle the obligation.

## 17. Contingent Liabilities

Contingent Liabilities are disclosed when there is a possible obligation arising from past events, the existence of which will be confirmed only by the occurrence or non-occurrence of one or more uncertain future events not wholly within the control of the Company or a present obligation that arises from past events where it is either not probable that an outflow of resources will be required to settle the obligation or a reliable estimate of the amount cannot be made.

## 18. Claims

Claims against the Company not acknowledged as debts are disclosed after a careful evaluation of the facts and legal aspects of the matter involved.

## 19. Offsetting

Financial Assets and Financial Liabilities are offset and the net amount presented in the Balance Sheet when, and only when, the Company currently has a legally enforceable right to set off the amounts and it intends either to settle them on a net basis or to realize the asset and settle the liability simultaneously.

## 20. Earnings per share

The Company presents basic and diluted earnings per share ("EPS") data for its ordinary shares. Basic EPS is calculated by dividing the profit or loss attributable to ordinary shareholders of the Company by the weighted average number of ordinary shares outstanding during the period. Diluted EPS is determined by adjusting the profit or loss attributable to ordinary shareholders and the weighted average number of ordinary shares outstanding for the effects of all dilutive potential ordinary shares.

## **21. Cash flow statement**

Cash flows are reported using the indirect method. Where by profit for the period is adjusted for effects of transactions of a non-cash nature, any deferrals are 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 flows from operating, investing and financing activities of the company are segregated.

## **22. Segment Reporting**

An operating segment is a component of the Company that engages in business activities from which it may earn revenues and incur expenses, whose operating results are regularly reviewed by the company's Chief Operating Decision Maker ("CODM") to make decisions for which discrete financial information is available. Based on the management approach as defined in Ind AS 108, the CODM evaluates the Company's performance and allocates resources based on an analysis of various performance indicators by business segments and geographic segments.

The operations of the company are related to one segment i.e. spinning in textiles

## **23. Events after Reporting date**

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

## **24. Recent Accounting Pronouncements**

The Company applied for the first time these amendments of Ind AS 8 , Ind AS 1 and Ind AS 12 and there is no material impact on financials.

Ministry of Corporate Affairs ("MCA") notifies new standards or amendments to the existing standards under Companies (Indian Accounting Standards) Rules as issued from time to time. For the year ended March 31, 2024, MCA has not notified any new standards or amendments to the existing standards applicable to the Company.

## **25. Critical Accounting Estimates and Judgments**

The preparation of financial statements is in conformity with generally Accepted Accounting Principles require management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent liabilities at the date of the financial statements and the result of operations during the reporting period. Although these estimates are based upon management's best knowledge of current events and actions, actual results could differ from these estimates. Revisions in accounting estimates are recognized prospectively.

The areas involving critical estimates or judgments are –

- Estimates of Useful life of Property, plant and equipment and Tangible Assets (refer note 1.5)
- Measurement of defined benefit obligation (refer note 1.15)
- Recognition of deferred taxes (refer note 1.13)
- Estimation of impairment (refer note 1.6 and 1.8)
- Estimation of provision and contingent liabilities (refer note 1.16 and 1.17)

(All amounts in ₹ Lakhs)

**Notes to Standalone Financial Statements For The Year Ended 31st March, 2024**

**Note No. 2 .1(a) : Property, Plant and Equipment**

Sl. No.	Particulars	Gross Block		Gross carrying amount			Accumulated Depreciation				Net Carrying amount	
		As at 01.04.2023	As at 31.03.2024	Additions	Deductions	As at 31.03.2024	Upto 01.04.2023	For the Year	Deductions	Upto 31.03.2024	As at 31.03.2024	As at 31.03.2024
1	Land (Freehold )	198.15	198.15	-	-	198.15	-	-	-	-	198.15	-
2	Buildings											
	- Factory Buildings	4,437.72	6,158.30	1,720.58	-	6,158.30	1,621.15	180.12	-	1,801.27	4,357.03	-
	- Non Factory Buildings	2,151.15	2,197.96	46.81	-	2,197.96	352.28	38.31	-	390.59	1,807.37	-
3	Plant and Equipment											
	- Plant & Machinery	20,645.76	24,629.98	3,984.22	-	24,629.98	8,886.88	851.08	-	9,737.96	14,892.02	-
	- Workshop Equipment	52.04	52.04	-	-	52.04	28.56	2.14	-	30.70	21.34	-
	- Testing Equipment	83.51	87.78	4.27	-	87.78	83.51	0.13	-	83.64	4.14	-
	- Electrical Installations	1,312.10	1,622.73	310.63	-	1,622.73	1,051.56	65.44	-	1,117.00	505.73	-
	- Weighing Machinery	13.55	14.17	0.62	-	14.17	13.05	0.06	-	13.11	1.06	-
	- Water Works	48.71	48.71	-	-	48.71	41.34	4.64	-	45.98	2.73	-
4	Furniture & Fixtures	131.26	131.54	0.28	-	131.54	116.69	2.11	-	118.80	12.74	-
5	Office Equipment	95.09	101.35	6.26	-	101.35	86.74	2.74	-	89.48	11.87	-
6	Vehicles	278.90	308.87	37.96	7.99	308.87	164.72	30.88	7.99	187.61	121.26	-
7	Data Processing Equipment	66.94	68.89	1.95	-	68.89	62.72	1.05	--	63.77	5.12	-
8	Material Handling Equipment	826.88	858.98	32.10	-	858.98	354.04	51.13	-	405.17	453.81	-
9	Solar Power Plant	2,087.42	2,087.42	-	-	2,087.42	118.78	83.50	-	202.28	1,885.14	-
	<b>Total</b>	<b>32,429.19</b>	<b>38,566.86</b>	<b>6,145.66</b>	<b>7.99</b>	<b>38,566.86</b>	<b>12,982.02</b>	<b>1,313.33</b>	<b>7.99</b>	<b>14,287.36</b>	<b>24,279.51</b>	

(All amounts in ₹ Lakhs)

**Notes to Standalone Financial Statements For The Year Ended 31st March, 2024**

**Note No. 2.1 (b) : Property, Plant and Equipment**

Sl. No.	Particulars	Gross Block		Gross carrying amount			Accumulated Depreciation			Net Carry-ing amount	
		As at 01.04.2022	As at 31.03.2023	Additions	Deductions	As at 31.03.2023	Upto 01.04.2022	For the Year	Deduc-tions	Upto 31.03.2023	As at 31.03.2023
1	Land (Freehold )	198.15	198.15	-	-	198.15	-	-	-	-	198.15
2	Buildings										
	- Factory Buildings	4,437.72	4,437.72	-	-	4,437.72	1,469.19	151.96	-	1,621.15	2,816.57
	- Non Factory Buildings	2,151.15	2,151.15	-	-	2,151.15	312.03	40.25	-	352.28	1,798.87
3	Plant and Equipment										
	- Plant & Machinery	20,529.39	20,645.76	132.45	16.08	20,645.76	8,123.86	771.65	8.63	8,886.88	11,758.89
	- Workshop Equipment	52.04	52.04	-	-	52.04	26.42	2.14	-	28.56	23.48
	- Testing Equipment	83.51	83.51	-	-	83.51	83.51	-	-	83.51	0.00
	- Electrical Installations	1,312.10	1,312.10	-	-	1,312.10	984.96	66.60	-	1,051.56	260.54
	- Weighing Machinery	13.02	13.55	0.53	-	13.55	13.02	0.03	-	13.05	0.50
	- Water Works	48.71	48.71	-	-	48.71	36.70	4.64	-	41.34	7.37
4	Furniture & Fixtures	127.75	131.26	3.51	-	131.26	111.63	5.06	-	116.69	14.57
5	Office Equipment	91.69	95.09	3.39	-	95.09	83.21	3.53	-	86.74	8.35
6	Vehicles	245.14	278.90	43.81	10.05	278.90	149.53	25.25	10.05	164.72	114.18
7	Data Processing Equipment	66.94	66.94	-	-	66.94	58.06	4.66	-	62.72	4.22
8	Material Handling Equipment	742.15	826.88	84.73	-	826.88	305.51	48.52	-	354.04	472.84
9	Solar Power Plant	1,730.53	2,087.42	356.89	-	2,087.42	36.22	82.56	-	118.78	1,968.64
	<b>Total</b>	<b>31,830.00</b>	<b>32,429.19</b>	<b>625.32</b>	<b>26.13</b>	<b>32,429.19</b>	<b>11,793.85</b>	<b>1,206.85</b>	<b>18.68</b>	<b>12,982.02</b>	<b>19,447.17</b>

**Notes to Standalone Financial Statements For The Year Ended 31st March, 2024**

(All amounts in ₹ Lakhs)

**Note No. 2.2 : Capital work-in-progress (CWIP)**
**2.2 (a) Ageing Schedule**

Capital work-in-progress	Amount in CWIP for a period of				Total as at 31st March 2024
	Less than 1 Year	1-2 Years	2-3 years	More than 3 years	
Project in Progress	2,598.10	-	-	-	2,598.10
Project temporarily suspended	-	-	-	-	-

**2.2 (b) Ageing Schedule**

Capital work-in-progress	Amount in CWIP for a period of				Total as at 31st March 2023
	Less than 1 Year	1-2 Years	2-3 years	More than 3 years	
Project in Progress	1020.38	-	-	-	1,020.38
Project temporarily suspended	-	-	-	-	-



**Notes to Standalone Financial Statement For The Year Ended 31<sup>st</sup> March, 2024**

(All amounts in ₹ Lakhs)

Note No.	PARTICULARS	As at 31.03.2024	As at 31.03.2023
	<b>Financial Assets</b>		
<b>3</b>	<b>Loans :</b>		
	Loan to related party Inter Corporate Loan Suntree Solar Energy Pvt. Ltd.	3,690.00	4,502.20
	Loans to Employees	0.57	0.56
	<b>Total</b>	<b>3,690.57</b>	<b>4,502.76</b>
<b>4</b>	<b>Other financial assets :</b>		
a.	Security deposits recoverable (Telephone, TSSPDCL & Other Deposits)	1,096.65	1,033.75
b.	Term Deposits with balance maturity of more than 12 months	370.45	347.98
	<b>Total</b>	<b>1,467.10</b>	<b>1,381.73</b>
<b>5</b>	<b>Other non-current assets( unsecured, considered good):</b>		
	Advances for Capital Works	92.30	981.49
	<b>Total</b>	<b>92.30</b>	<b>981.49</b>
<b>6</b>	<b>Inventories:</b>		
	(As certified by the management)		
a.	Raw Materials (Valued at lower of cost or net realisable value basis)	909.95	908.32
b.	Finished Goods (including consignment stocks) (Valued at lower of cost or net realisable value basis)	813.55	648.95
c.	Stores & Spares (Valued at cost on weighted average basis)	336.98	448.27
d.	Stocks-in-process (Valued at cost)	416.02	358.72
e.	Others - 'PV & PSF Waste (at realisable value)	1.02	0.64
	<b>Total</b>	<b>2,477.52</b>	<b>2,364.90</b>
<b>7</b>	<b>Investments - Current:</b>		
	Investment in Equity Instruments		
a.	In Subsidiary ( At Cost ) Unquoted - Non traded 8,15,000 Equity Shares in Suntree Solar P Ltd of Rs.10/- each	97.80	97.80
b.	In Others (at Fair value through profit or loss)		
	Quoted- Non Trade 800 Equity Shares in UCO Bank of Rs.10/-	0.42	0.20
	Unquoted 999 Equity Shares in YP Solar P Ltd of Rs.10/- each	0.07	0.07
	<b>Total</b>	<b>98.29</b>	<b>98.07</b>
	Aggregate book value of quoted investments	0.42	0.20
	Aggregate market value of quoted investments	0.42	0.20
	Aggregate value of unquoted investments	97.87	97.87
	Aggregate amount of impairment in the value of investments in the unquoted equity shares	-	-

Note No.	PARTICULARS	As at 31.03.2024	As at 31.03.2023
<b>8</b>	<b>Trade Receivables:</b>		
	A. Secured Considered Good		
	B. Unsecured, Considered Good		
	i). related parties		
	ii). Others		
	Trade Receivables which have significant increase in credit Risk	2,024.91	2,161.40
	Trade Receivables - Credit impaired		
	<b>Total</b>	<b>2,024.91</b>	<b>2,161.40</b>

### 8.a Trade Receivables ageing Schedule

S NO	Particulars	Outstanding for following periods from due date of payment					Total as at 31 march 2024 INR lacs
		Less than 6 Months	6 months – 1 year	1-2 years	2-3 years	More than 3 years	
		INR lacs	INR lacs	INR lacs	INR lacs	INR lacs	
a)	Undisputed Trade Receivables – considered good	2,024.91					2,024.91
b)	Undisputed Trade Receivables – which have significant increase in credit risk						-
c)	Undisputed Trade receivable – credit impaired						-
d)	Disputed Trade receivables - considered good						-
e)	Disputed Trade receivables – which have significant increase in credit risk						-
f)	Disputed Trade receivables – credit impaired						-

### 8.b Trade Receivables ageing Schedule

S. NO	Particulars	Outstanding for following periods from due date of payment					Total as at 31 march 2023 INR lacs
		Less than 6 Months	6 months – 1 year	1-2 years	2-3 years	More than 3 years	
		INR lacs	INR lacs	INR lacs	INR lacs	INR lacs	
a)	Undisputed Trade Receivables – considered good	2,161.40					2,161.40
b)	Undisputed Trade Receivables – which have significant increase in credit risk						-
c)	Undisputed Trade receivable – credit impaired						-
d)	Disputed Trade receivables - considered good						-
e)	Disputed Trade receivables – which have significant increase in credit risk						-
f)	Disputed Trade receivables – credit impaired						-

**Notes to Standalone Financial Statement For The Year Ended 31<sup>st</sup> March, 2024**

(All amounts in ₹ Lakhs)

Note No.	PARTICULARS	As at 31.03.2024	As at 31.03.2023
<b>9</b>	<b>Cash and cash equivalents:</b>		
a.	Cash on Hand	5.30	5.28
b.	Balances in bank a/c's Current Accounts	16.61	548.86
	<b>Total</b>	<b>21.91</b>	<b>554.14</b>
	* Cash and cash equivalents include cash on hand, cheques & drafts on hand, cash at bank and deposits with banks with original maturity of 3 months or less.		
<b>10</b>	<b>Other Bank balances</b>		
	Balances with banks		
a.	Term deposits with balance maturity less than 12 months	158.78	613.04
b.	Unclaimed dividend accounts	5.49	5.42
	<b>Total</b>	<b>164.27</b>	<b>618.46</b>
<b>11</b>	<b>Other financial assets - Current:</b>		
a.	Advances to Staff & Workers	15.96	15.65
b.	Interest receivable	127.00	107.70
	<b>Total</b>	<b>142.96</b>	<b>123.35</b>
<b>12</b>	<b>Other Current Assets:</b>		
a.	Advances for Suppliers & Expenses	296.31	189.03
b.	Prepaid Expenses	51.72	45.32
c.	Export Benefit entitlement Receivable	47.20	17.01
d.	GST benefit entitlement	896.12	333.01
e.	State Incentive Receivables	136.91	136.91
	<b>Total</b>	<b>1,428.26</b>	<b>721.28</b>
<b>13</b>	<b>Equity Share Capital:</b>		
<b>A.</b>	<b>Authorised Share Capital:</b>		
(i)	90,00,000 Equity Shares of Rs. 10/- each	900.00	900.00
(ii)	8,00,000 preference share of Rs 100/- each	800.00	800.00
	<b>Total</b>	<b>1,700.00</b>	<b>1,700.00</b>
<b>B.</b>	<b>Issued Share Capital:</b>		
(i)	42,67,000 Equity shares of Rs 10/- each	426.70	426.70
(ii)	1,50,000 7% Cumulative Redeemable Pref shares of Rs. 100 each	-	-
(iii)	3,85,000 8% Cumulative Redeemable Pref shares of Rs. 100 each	385.00	385.00
	<b>Total</b>	<b>811.70</b>	<b>811.70</b>
<b>C.</b>	<b>Subscribed and fully paid up capital:</b>		
(i)	42,67,000 Equity shares of Rs 10/- each	426.70	426.70
	<b>Total</b>	<b>426.70</b>	<b>426.70</b>

Note No.	PARTICULARS	As at 31.03.2024	As at 31.03.2023
<b>D.</b>	<b>Reconciliation of the shares outstanding at the beginning and at the end of year:</b>		
	<b>Particulars</b>	<b>No. of Shares</b>	<b>Value of Shares</b>
	(A) Equity Share Capital		
	At the Beginning and at the end of the period	42,67,000	4,26,70,000
	(B) Preference Share Capital		
	(i) 8% Cumulative Redeemable Preference Shares		
	At the Beginning and at the end of the period	3,85,000	3,85,00,000
<b>E.</b>	<b>Details of Shareholders holding more than 5% shares in the company:</b>		
	<b>(A) Equity Shares:</b>		
	a. Vithaldas Agarwal - No of shares held	8,18,844	8,18,844
	- In % of total shares of the Company	19.19%	19.19%
	b. Mahender Kumar Agarwal - No of shares held	12,47,133	12,47,133
	- In % of total shares of the Company	29.23%	29.23%
	c. Madhavi Agarwal - No of shares held	7,45,291	7,45,291
	- In % of total shares of the Company	17.47%	17.47%

**F. Shares held by promoters of the Company**

Promoter's Name	FY 2023-24			% change during the year
	No of Shares held at the start of the year	No of Shares held at the end of the year	% total shares	
Vithaldas Agarwal	8,18,844	8,18,844	19.19%	0.00%
Mahender Kumar Agarwal	12,47,133	12,47,133	29.23%	0.00%
Madhavi Agarwal	7,45,291	7,45,291	17.47%	0.00%

**G. Rights, preferences and restrictions attached to the ordinary Shares**

The Company has only one class of equity shares having par value of Rs .10/- per share. Each holder of equity shares is entitled to one vote per share. The company declares and pays dividends in Indian rupees, the dividend proposed by the Board of Directors is subject to the approval of the shareholders in the ensuing Annual General Meeting.

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 proportion to the number of equity shares held by the shareholders.

Note No.	PARTICULARS	As at 31.03.2024	As at 31.03.2023
<b>14</b>	<b>Other Equity</b>		
a.	Securities Premium	1,288.20	1,288.20
b.	Capital Redemption Reserve	1,207.36	1,207.36
c.	Preference Capital Redemption Reserve	385.00	385.00
d.	General Reserve	17,000.00	16,000.00
e.	Retained Earnings	3,415.29	3,260.37
	At the beginning of the period	3,260.37	3,195.08
	(+) For the current year	1,192.86	3,103.23
	(-) Dividend on Equity Shares	37.94	37.94
	(-) Transfer to General Reserve	1,000.00	3,000.00
f.	Equity portion of Preference Shares	29.27	29.27
g.	Items of Other Comprehensive Income		
	Remeasurement of net defined benefit plans	72.71	39.71
	<b>Total</b>	<b>23,397.81</b>	<b>22,209.89</b>
<b>15</b>	<b>Borrowings - Non Current:</b>		
	<b>Secured</b>		
	<b>A. Term loans-Banks :</b>		
	<b>i). IDBI Bank Limited</b>		
	Term Loan	1,050.00	1,750.00
	less: Current maturities	700.00	700.00
	<b>Sub total</b>	<b>350.00</b>	<b>1,050.00</b>
	<b>ii). Indusind Bank</b>		
	Term Loan-1	900.00	1,498.25
	less: Current maturities	600.00	600.00
	<b>Sub total</b>	<b>300.00</b>	<b>898.25</b>
	<b>iii). Indusind Bank</b>		
	Term Loan-2	3,499.58	-
	less: Current maturities	583.33	-
	<b>Sub total</b>	<b>2,916.25</b>	<b>-</b>
	<b>iv). HDFC Bank</b>		
	Term Loan	1,300.00	-
	less: Current maturities		
	<b>Sub total</b>	<b>1,300.00</b>	<b>-</b>
	<b>Total</b>	<b>4,866.25</b>	<b>1,948.25</b>
	<b>Details of security for Term loans</b>		

Loans referred in (a) and (b) are secured by pari passu first charge on all movable and immovable properties of the Company present and future. These loans are further secured by personal guarantees of two promoter Directors of the company and pledge of some shares of the promoters of the company.

# S SURYALATA SPINNING MILLS LIMITED

## Notes to Standalone Financial Statement For The Year Ended 31<sup>st</sup> March, 2024

### Terms of Repayment:

Particulars	Sanction Date	Rate of Interest	Quarterly Instalments
<b>A) IDBI Bank Limited</b>			
i) Term Loan - 3500 Lcs	13.05.2016	9.60%	6
<b>B) IndusInd Bank</b>			
ii) Term Loan - 3000 Lcs	13.12.2016	10.75%	6
<b>C) IndusInd Bank</b>			
iii) Term Loan - 3500 Lcs	25.04.2023	9.10%	24
<b>D) HDFC Bank</b>			
iii) Term Loan - 1300 Lcs	03.02.2024	9.20%	from Sept'25 (60 Months)

(All amounts in ₹ Lakhs)

Note No.	PARTICULARS	As at 31.03.2024	As at 31.03.2023
<b>B. HERO Deferred Payment</b>			
	HREPL - Solar Power Plant	533.60	886.70
	Less: Current maturities	353.21	353.21
	<b>Sub total</b>	<b>180.39</b>	<b>533.49</b>
<b>C. Vehicle loans from banks</b>		45.27	33.14
	Note : Vehicle loans are secured by hypothecation of the respective vehicles and guaranteed by the Managing Director of the Company.		
	<b>Unsecured</b>		
<b>D. Preference shares</b>			
	8% Cumulative Redeemable Preference shares of Rs. 100 each	385.00	385.00
	<b>Sub total</b>	<b>385.00</b>	<b>385.00</b>
<b>E. Unsecured loans</b>			
	- Loans from related parties	-	-
	Inter-Corporate Deposits	5.11	5.11
	<b>Sub total</b>	<b>5.11</b>	<b>5.11</b>
<b>F. Deferred payment liabilities</b>			
	-Sales Tax Deferment (loan)	160.34	252.87
	<b>Sub total</b>	<b>160.34</b>	<b>252.87</b>
	<b>Grand total (A+B+C+D+E+F)</b>	<b>5,642.36</b>	<b>3,157.86</b>
<b>16 Other non-current liabilities</b>			
	Deferred Government Grant	147.16	183.95
	<b>Total</b>	<b>147.16</b>	<b>183.95</b>
<b>17 Borrowings :</b>			
<b>A. Secured</b>			
	<b>Loans repayable on demand from banks *</b>		
	(i) HDFC - Cash Credit	983.15	1,520.64
	(ii) IDBI Bank Ltd - Cash Credit	494.47	-
	<b>Sub total</b>	<b>1,477.62</b>	<b>1,520.64</b>

### NOTE:

\* Working Capital loans from bank referred to in (A) above are secured by hypothecation of stock in trade, raw materials, stock in process, stores and spares and receivables present and future and by a second charge on the present and future movable and immovable properties of the Company on pari passu basis. The loans further secured by personal guarantees of two promoter directors of the Company.

Note No.	PARTICULARS	As at 31.03.2024	As at 31.03.2023
<b>B.</b>	<b>Unsecured</b>		
	Loans from Directors	409.00	445.00
	<b>Sub total</b>	<b>409.00</b>	<b>445.00</b>
<b>C.</b>	<b>Current maturity of long term debt</b>		
i)	IDBI Bank Limited Term Loan	700.00	700.00
ii)	Indusind Bank Term Loan-1	600.00	600.00
	Term Loan-2	583.33	-
iii)	Deffered Payment HREPL - Solar Power Plant	353.21	353.21
iv)	Vehicle Loans from Banks	18.15	21.23
v)	Sales tax deferment (loan)	92.53	94.83
	<b>Sub total</b>	<b>2,347.22</b>	<b>1,769.27</b>
	<b>Total</b>	<b>4,233.84</b>	<b>3,734.91</b>
<b>18</b>	<b>Trade Payables :</b>		
	Micro,Small and Medium Enterprises	55.47	32.46
	Other than Micro, Small and Medium Enterprises	163.97	157.21
	<b>Total</b>	<b>219.44</b>	<b>189.67</b>

**18 a Trade Payable ageing schedule**

S NO	Particulars	Outstanding for following periods from due date of payment				31-Mar-24 INR lacs
		Less than 1 Year	1-2 years	2-3 years	More than 3 years	
		INR lacs	INR lacs	INR lacs	INR lacs	
a)	Total outstanding dues of MSME	55.47				55.47
b)	Total outstanding dues of creditors other than MSME	163.83	0.14			163.97
c)	Disputed dues of creditors - MSME					
d)	Disputed dues of creditors - Other than MSME					

**18 b Trade Payable ageing schedule**

Particulars	Outstanding for following periods from due date of payment				31-Mar-23 INR lacs	
	Less than 1 Year	1-2 years	2-3 years	More than 3 years		
	INR lacs	INR lacs	INR lacs	INR lacs		
a)	Total outstanding dues of MSME	32.46				32.46
b)	Total outstanding dues of creditors other than MSME	155.23	1.98			157.21
c)	Disputed dues of creditors - MSME					
d)	Disputed dues of creditors - Other than MSME					

Note No.	PARTICULARS	As at 31.03.2024	As at 31.03.2023
<b>19</b>	<b>Other Financial Liabilities - Current:</b>		
a.	Interest Accrued but not due	1.13	0.33
b.	Interest accrued on Preference Shares	30.80	30.80
c.	Dues to Others	595.18	813.91
d.	Unpaid Dividends	5.49	5.42
e.	Employee benefits payable	310.08	302.03
f.	Creditors for Capital purchases	320.57	57.56
	<b>Total (a+b+c+d+e+f)</b>	<b>1,263.25</b>	<b>1,210.05</b>
<b>20</b>	<b>Other Current Liabilities:</b>		
a.	Advance from Customers	0.17	0.07
b.	Contribution to PF & ESI	22.14	21.05
c.	Statutory remittances	38.96	37.02
	<b>Total</b>	<b>61.27</b>	<b>58.14</b>
<b>21</b>	<b>Provisions - Current:</b>		
	<b>Provision for employee benefits</b>		
(i).	Provision for Gratuity	168.07	137.13
(ii).	Leave Encashment	56.51	54.58
	<b>Total</b>	<b>224.58</b>	<b>191.71</b>
<b>22</b>	<b>Current Tax Liabilities (net):</b>		
	Provision for Income Tax (net of Advance Tax)	1.19	0.99
	<b>Total</b>	<b>1.19</b>	<b>0.99</b>

Note No.	PARTICULARS	Current Year 31.03.2024	Previous Year 31.03.2023
<b>23</b>	<b>Revenue from Operations:</b>		
i)	<b>Sale of Products - Yarn</b>	49,099.93	52,933.58
ii)	<b>Other operating Revenue</b>		
a.	Sale of Waste / Scrap	34.79	37.02
b.	Export Benefit entitlements	63.96	107.58
	<b>Total Sales :</b>	49,198.68	53,078.18
	Less : GST	5,097.55	5,151.94
	<b>Total</b>	<b>44,101.13</b>	<b>47,926.24</b>
<b>24</b>	<b>Other Income:</b>		
a.	Interest Income on		
i.	Deposits with banks and TSSPDCL	113.04	179.05
i.	Loans to related party	285.88	57.64
b.	Fair value Gain/(Loss) on Investments	0.22	0.10
c.	Profit on sale of Assets (Net)	0.80	-
d.	Net Gain on foreign currency transactions & translation	13.00	109.99
e.	Miscellaneous Income	-	0.03
f.	Government grant on Sales tax deferment loan	36.79	36.79
	<b>Total</b>	<b>449.73</b>	<b>383.60</b>



# S SURYALATA SPINNING MILLS LIMITED

Notes to Standalone Financial Statement For The Year Ended 31<sup>st</sup> March, 2024

(All amounts in ₹ Lakhs)

Note No.	PARTICULARS	Current Year 31.03.2024	Previous Year 31.03.2023
<b>25</b>	<b>Cost of Materials Consumed</b>		
	Opening Stock	908.32	2,352.32
	Add: Purchases	29,194.40	28,529.43
		30,102.72	30,881.75
	Less : Value of Raw materials sold	40.44	-
	Less: Closing Stock	909.95	908.32
	<b>Total</b>	<b>29,152.33</b>	<b>29,973.43</b>
<b>26</b>	<b>Changes in inventories of Finished Goods, and work-in-process</b>		
a.	Inventory at the beginning of the period	1,008.30	1,089.16
b.	Inventory at the end of the period	1,230.59	1,008.30
	<b>Total</b>	<b>-222.29</b>	<b>80.86</b>
<b>27</b>	<b>Employee Benefits Expense</b>		
a.	Salaries, Wages and Bonus	3,116.94	2,934.52
b.	Contribution to Provident Fund	213.60	180.61
c.	Staff welfare expenses	112.01	107.36
d.	Gratuity	125.38	115.46
e.	Contribution to Employee State Insurance and EDLI	67.49	63.60
	<b>Total</b>	<b>3,635.42</b>	<b>3,401.55</b>
<b>28</b>	<b>Finance Costs</b>		
a.	Interest on Term loans	435.97	347.90
b.	Interest on others	206.38	121.88
c.	Interest on Preference Shares	30.80	30.80
d.	Bank charges	13.72	26.92
	<b>Total</b>	<b>686.87</b>	<b>527.50</b>
<b>29</b>	<b>Depreciation and amortisation expense:</b>		
a.	Depreciation on Property ,Plant and Equipment	1,313.33	1,206.85
b.	Amortisation of Intangible Assets	-	0.13
	<b>Total</b>	<b>1,313.33</b>	<b>1,206.98</b>
<b>30</b>	<b>Other expenses:</b>		
a.	Stores consumed:		
	Stores and Spares	789.06	706.91
	Packing Material	470.53	513.44
b.	Power and Fuel		
	Electricity charges	4,736.13	4,776.40
	Power Line charters	-	60.56
c.	Repairs to :		
	Buildings	26.09	41.49
	Machinery	505.28	657.43
	Others	4.78	4.07
d.	Sales Expenses :		
	GST on others	0.33	0.61
	Commission on Sales	32.39	42.37
	Freight & Others - Domestic Sales	802.56	769.14
	Freight & Others - Export Sales	91.64	368.74

# S SURYALATA SPINNING MILLS LIMITED

Notes to Standalone Financial Statement For The Year Ended 31<sup>st</sup> March, 2024

(All amounts in ₹ Lakhs)

Note No.	PARTICULARS	Current Year 31.03.2024	Previous Year 31.03.2023
e.	Payments to Auditors		
	As Auditors	2.50	2.50
	for Tax Audit	0.50	0.50
	for Certification	0.73	1.58
	for Cost Auditors	0.50	0.39
f.	Rates and Taxes	32.24	29.78
g.	Printing and Stationery	10.80	8.34
h.	Postage, Telegrams and Telephones	9.22	11.95
i.	Travelling, Conveyance and Vehicle expenses	128.50	166.03
j.	Insurance	60.95	62.41
k.	Managerial Remuneration	162.12	151.04
l.	Directors sitting fees	2.35	2.04
m.	Professional charges	20.79	16.94
n.	Office Maintenance	207.32	194.79
o.	Miscellaneous expenses	50.16	50.87
p.	Loss on sale of assets (Net)	-	4.65
q.	Corporate Social Responsibility	24.25	141.95
r.	Donations	6.35	3.77
	<b>Total</b>	<b>8,178.07</b>	<b>8,790.69</b>
<b>31.a</b>	<b>Exceptional items:</b>		
	Exceptional items for the year ended 31st March 2024 of Rs. 0.93 Lakhs related to Cyber Crime incident in remittances of USD foreign Currency.		
<b>31.b</b>	<b>Other comprehensive income:</b>		
a.	Actuarial Gain/(Losses) on Gratuity Expense for the period	44.10	33.36
b.	Deferred Taxes on above	-11.10	-8.40
	<b>Total</b>	<b>33.00</b>	<b>24.96</b>
<b>32</b>	<b>Earnings Per Equity Share:</b>		
a.	Profit for the year attributable to equity shareholders	1,192.86	3,103.23
b.	Weighted average number of equity shares of Rs. 10/-each	42.67	42.67
	Earnings per equity share in Rs (Basic and Diluted) - (a) / (b)	<b>27.96</b>	<b>72.73</b>

**Note No 33**

**Reconciliation of tax expenses**

**Income tax**

Particulars	As at	
	March 31, 2024	March 31, 2023
Amount recognised in statement of profit & loss account		
Current tax	275.28	1,010.00
Defered tax	245.75	215.59
<b>Taxes expenses for the year</b>	<b>521.03</b>	<b>1,225.59</b>
<b>Reconciliation of effective tax rate</b>		
Profit before Income tax expense	1,713.89	4,328.82
Tax at the Indian tax rate of 25.168% (2023: 25.168%)	431.35	1,089.48
Effect on non detuctable expenses	67.07	76.25
Tax impact due to revaluation of deferred tax	-	156.04
Other Adjustments	22.61	2.03
	<b>521.03</b>	<b>1,225.59</b>
<b>Effective tax rate</b>	<b>28.83%</b>	<b>28.31%</b>

**Deferred tax liabilities (net)**

Particulars	As at	
	March 31, 2024	March 31, 2023
Property, Plant and Equipment	2,827.73	2,581.98
Other items including employee benefits, Fair value	40.37	29.27
<b>Total</b>	<b>2,868.10</b>	<b>2,611.25</b>

**Movement in deferred tax liabilities**

Particulars	Property, Plant and Equipment	Other Items	Total
<b>As at March 31, 2023</b>	<b>2,581.98</b>	<b>29.27</b>	<b>2,611.25</b>
Charged / (Credited)			-
to Profit or loss (including OCI )	245.75	11.10	256.85
<b>As at March 31, 2024</b>	<b>2,827.73</b>	<b>40.37</b>	<b>2,868.10</b>

**Note No 34**

**Fair Value Measurement Hierarchy**

The following table provides an analysis of financial instruments that are measured subsequent to initial recognition at fair value, grouped into level 1 to level 3 as described below.

**Level 1 – Quoted prices in an active market:**

Level 1 hierarchy includes financial instruments measured using quoted prices. This includes listed equity instruments, traded bonds, ETFs and mutual funds that have quoted price. The fair value of all equity instruments (including bonds) which are traded in the stock exchanges is valued using the closing price as at the reporting period.

**Level 2 – Valuation techniques with observable inputs:**

The fair value of financial instruments that are not traded in an active market (for example, traded bonds, over-the counter derivatives) is determined using valuation techniques which maximize the use of observable market data and rely as little as possible on entity-specific estimates. If all significant inputs required to fair value an instrument are observable, the instrument is included in level 2.

**Level 3 – Valuation techniques with significant unobservable inputs:**

This level of hierarchy includes financial assets and liabilities measured using inputs that are not based on observable market data (unobservable inputs). Fair values are determined in whole or in part, using a valuation model based on assumptions that are neither supported by prices from observable current market transactions in the same instrument nor are they based on available market data.

The following table provide the fair value measurement hierarchy of the company's assets and liabilities.

Quantitative disclosures of fair value measurement hierarchy as at March 31, 2024

Particulars	Fair value hierarchy (Level)	As at	
		March 31 2024	March 31 2023
<b>Financial Assets measured at FVTPL</b>			
Investments	1	98.29	98.07
<b>Financial Assets measured at amortised Cost</b>			
Loans to employees	3	0.57	0.56
<b>Financial Liabilities measured at Amortised cost</b>			
Deferred Sales tax liability	3	252.87	347.70
Government grant		147.17	183.95
Term loans	2	6749.58	3248.25
Loans from related Parties	3	5.11	5.11

**Note No 35**

**Financial Risk Management**

The Company's activities expose it to market risk, credit risk and liquidity risk. Company's overall risk management focuses on the unpredictability of financial markets and seeks to minimize potential adverse effects on the financial performance.

**I. Market Risk**

Market risk is the risk of loss of the future earnings, fair values or future cash flows that may result from a change in the price of a financial instrument. The value of a financial instrument may change as a result of changes in the interest rates, foreign currency exchange rates, commodity prices and other market changes that affect market risk sensitive instruments. Market risk is attributable to all market risk sensitive financial instruments including investments and deposits, foreign currency receivables, payables and borrowings

- a. Foreign Currency Risk** – Foreign Currency Risk is the risk of impact related to fair value or future cash flows of an exposure in foreign currency, which fluctuate due to change in foreign currency rates. The Company's exposure to the risk of changes in foreign exchange rates relates primarily to impact of raw materials and spare parts, capital expenditure, borrowings and exports of yarns. The company does not enter into any derivative instruments for trading or speculative purposes.

The carrying amounts of the company's foreign currency denominated monetary items are as follows.

Year	Receivables	
	INR	USD
As at 31st March,2023	0	0
As at 31st March,2024	283.48	3.42

**Sensitivity Analysis**

Sensitivity analysis of 5% Change rate at the ending of the reporting period net of hedges NIL

- b. Interest Rate Risk** – Interest rate risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market interest rates. The Company's exposure to the risk of changes in market rates relates primarily to the Company's short term borrowing. The Company constantly monitors the credit markets and rebalances its financing strategies to achieve an optimal maturity profile and financing cost. Since all the borrowings are on floating rate, no significance risk of change in interest rate.
- c. Commodity Risk** – Commodity price risk arises due to fluctuation in raw material (fiber prices) linked to various external factors, which can affect the production cost of the Company. The Company actively manages inventory and in many cases sale prices are linked to major raw material prices. These risks are reviewed and managed by senior management on continuous basis.

**II. Credit Risk**

Credit risk arises when a customer or counterparty does not meet its obligations under a financial instrument or customer contract, leading to a financial loss. The Company is exposed to credit risk from its operating activities (primarily trade receivables) and from its financing/investing activities, including deposits with banks. The company has a prudent and conservative process for managing its credit risk arising in the course of its business activities. The Company is receiving payments regularly from its customers and hence the Company has no significant credit risk.

**III. Liquidity Risk**

Liquidity risk is defined as the risk that the company will not be able to settle or meet obligations on time or at reasonable price. Prudent liquidity risk management implies maintaining sufficient cash and marketable securities and the availability of funding through an adequate amount of credit facilities to meet obligations when due. The Company's treasury team is responsible for liquidity, funding as well as settlement management. In addition, processes and policies related to such risks are overseen by senior management. Management monitors the Company's liquidity position through rolling forecasts based on expected cash flows.

**Note No 36**

**Subsequent Events**

**Dividend Proposed to be distributed**

Particulars	As at	
	March 31, 2024	March 31, 2023
	(Note below)	(Note below)
Dividend Proposed for Equity Share Holders	25.29	37.94

**Note :** For the year ended the directors have recommended the payment of a final dividend of Rs. 2/- per fully paid non-promoter equity share ( 31st March 2023- Rs.3/-). This proposed dividend is subject to the approval of shareholders in the ensuing annual general meeting hence the same is not recognised.

**Note No 37**

**Capital Management**

The Company's objectives when managing capital are to

- Safeguard their ability to continue as a going concern, so that they can continue to provide returns for shareholders and benefits for other stakeholders.
- Maintain an optimal capital structure to reduce the cost of capital Consistent with others in the industry, the company monitors capital on the basis of the following gearing ratio: Net debt (total borrowings net of cash and cash equivalents) divided by Total 'equity' (as shown in the balance sheet)

**GEARING RATIO**

Particulars	As at	
	March 31, 2024	March 31, 2023
(a) Debt	9,876.20	6,892.78
(b) Cash and Cash Equivalents	21.90	555.23
(c) Net Debt (a) - (b)	9,854.30	6,338.64
(d) Total Equity	23,824.51	22,636.59
Net Debt to equity ratio (c) / (d)*	0.41	0.28

**Note 38**

**Corporate Social Responsibility**

As per section 135 of the companies Act 2013, a company, has to spend 2% of its average net profits of three immediate preceding financial year as detailed below.

Particulars	Year ended March 31, 2024	Year ended March 31, 2023
Amount required to be spent by the Company during the year	86.89	71.31
Amount of expenditure incurred on:		
(i) Construction/acquisition of any asset		
(ii) On purposes other than (i) above	24.25	141.95
<b>Shortfall / (Excess) at the end of the year</b>	<b>62.64</b>	<b>-70.64</b>
Set off of Short fall from previous years carry forward	62.64	0.00
Reason for shortfall	0	0
Nature of CSR Activities	Imparting universal message of the vedas at their impressionable age and to provide health consciousness	
Details of related party transactions in relation to CSR expenditure as per relevant Accounting Standard :	NA	NA

The Company has spent the total amount of earmarked during the financial year.

**Note 39**

**Contingent Liabilities**

PARTICULARS	As on 31.03.2024	As on 31.03.2023
a. Contingent Liabilities not provided for on account of		
i. Bank Guarantee	235.47	235.47
ii. GST appeals on tax demands against inverted duty and Input Tax Credit on capital goods refund claims.	263.36	223.2
iii. Income Tax Assessment year 2014-15	124.83	Nil
b. Estimated amount of Contracts to be executed on capital projects.	114.15	4557.18

**Note No 40**

**Employee benefits: Gratuity**

Consequent to the adoption of Accounting Standard on Employees Benefits (Ind AS-19) issued by the Institute of Chartered Accountants of India, the following disclosures have been made as required by the Standard for Actuarial valuation of Gratuity.

The company has created a Trust namely SLSML Employees Gratuity Trust vide Trust deed dated 31st December, 2005 and obtained approvals from Income Tax Authorities vide letter No. CIT-III/10/GF/2005-06 dated 18.10.2006. SBI Life Insurance has been appointed for management of the Trust fund for the Benefit of the employees. The following tables summarize the components of net benefits.

PARTICULARS	31.03.2024	31.03.2023
<b>I. Table showing changes in present value of obligations</b>		
Present value of obligations as at beginning of year	973.38	869.87
Interest cost	70.51	62.62
Current Service Cost	114.33	110.10
Benefits Paid	(66.58)	(35.86)
Actuarial gain / (Loss) on obligations	(44.10)	-33.35
Present value of obligations as at end of year	<b>1047.54</b>	<b>973.38</b>
<b>II. Table showing changes in the fair value of plan assets</b>		
Fair value of plan assets at beginning of year	836.25	778.99
Expected return on plan assets	62.02	57.26
Contributions	47.79	35.86
Benefits Paid	-66.58	-35.86
Actuarial gain / (Loss) on Plan assets	0.00	0.00
Fair value of plan assets at the end of year	<b>879.48</b>	<b>836.25</b>
<b>III. Table showing fair value of plan assets</b>		
Fair value of plan assets at beginning of year	836.25	778.99
Actual return on plan assets	62.02	57.26
Contributions	47.79	35.86
Benefits Paid	-66.58	-35.86
Actuarial gain / (Loss) on Plan assets	0	0
Fair value of plan assets at the end of year	879.48	836.25
Funded status including OCI	(168.06)	(137.13)
Excess of Actual over estimated return on plan assets	Nil	Nil
(Actual rate of return = Estimated rate of return as ARD falls on 31st March)		
<b>IV. Assumptions</b>		
Discount rate	7.23%	7.50%
Rate of return on assets		
Salary Escalation	8.00%	8.00%

**Note No 41**

**DUES TO MICRO AND SMALL ENTERPRISES**

The Micro, Small and Medium Enterprises have been identified on the basis of the information available with the Company. This has been relied upon by the auditors. Dues to such parties are given below:

PARTICULARS	As at 31.03.2024	As at 31.03.2023
a) The principal amount remaining unpaid as at the end of the year	55.47	79.11
(b) The amount of interest accrued and remaining unpaid at the end of the year		-
(c) Amount of interest paid by the Company in terms of Section 16, of (MSMED Act, 2006) along with the amounts of payments made beyond the appointed date during the year.		-
(d) Amount of interest due and payable for the period of delay in making payment without the interest specified under the (MSMED Act, 2006).		-
(e) The amount of further interest remaining due and payable in the succeeding years, until such date when the interest dues as above are actually paid to the small enterprise for the purpose of disallowance as a deductible expenditure under Section 23 of the (MSMED Act, 2006).		-

**Note No 42**

**Related party disclosures as required by the IND AS 24 are given under.**

**i) Transactions during the year**

Sl. No	Name	Relationship	Nature of Transaction	Current Year 2023-24	Previous Year 2022-23
a)	Sri Vithaldas Agarwal Managing Director	Key Management	Remuneration	51.00	48.00
			Interest (Gross)	24.99	22.03
			Unsecured loan Repaid	90.00	0.27
			Unsecured loan Received	62.00	0.88
b)	Sri Mahender Kumar Agarwal Joint Managing Director	Key Management	Remuneration	60.03	56.65
			Interest (Gross)	3.72	2.16
			Unsecured loan Repaid	41.00	0
			Unsecured loan Received	15.00	0.65
c)	Smt Madhavi Agarwal Executive Director	Key Management	Remuneration	51.09	46.39
			Interest (Gross)	2.69	0.99
			Unsecured loan Repaid	0	0
			Unsecured loan Received	18.00	0.30
e)	Suryamba Spinning Mills Ltd	Enterprise in which Key Management personal is interested	Sale of Yarn	0.00	41.00
f)	Surana Solar Ltd	Enterprise in which Key Management personal is interested	Solar Power purchased	70.44	67.37
g)	Suntree Solar Energy Pvt. Ltd.	Subsidiary	(a) Interest Income	285.88	57.64
			(b) Unsecured Loans given	-	4,502.20
			(C) Unsecured Loans recovered	812.20	-
h)	Sri K Nageswara Rao	Chief Financial Officer	Remuneration	32.96	31.10
i)	Sri R Surendar reddy	Chairman	sitting fee	0.75	0.69
j)	Sri K Suresh Reddy	Director	Sitting fee	0.70	0.69
k)	Sri Harish Chandra Prasad	Director	Sitting fee	0.90	0.66
l)	Kushboo Jain	Company secretary	Remuneration	3.00	3.00



**(ii) Payables as at 31.03.2024**

Sl. No	Name	Relationship	Nature of Transaction	As at 31.03.2024	As at 31.03.2023
a)	Sri Vithaldas Agarwal	Key Management	Remuneration (net)	3.12	9.90
	Managing Director		Interest (net)	6.10	8.37
			Unsecured loan	322.00	350.00
b)	Sri Mahender Kumar Agarwal	Key Management	Remuneration (net)	6.38	9.39
	Joint Managing Director		Interest (net)	0.67	0.91
			Unsecured loan	39.00	65.00
c)	Smt Madhavi Agarwal	Key Management	Remuneration (net)	5.64	11.22
	Executive Director		Interest (net)	0.83	0.90
			Unsecured loan	48.00	30.00
d)	Surana Solar Ltd	Enterprise in which Key Management personal is interested	Solar Power purchased	6.70	7.18

**(iii) Receivables as at 31.03.2024**

a)	Suntree Solar Energy Pvt. Ltd.	Subsidiary	(a) Unsecured Loans	3,690.00	4,502.20
			(b) Interest (Net)	59.04	52.97

**Note 43 : Key Financial Ratios**

Ratio	Numerator	Denominator	31st March, 2024	31st March, 2023	% of Change	Reason for variance
Current Ratio	Current assets	Current liabilities	1.06	1.23	-14%	NA
Debt Equity Ratio	Debt	Shareholders Equity	0.41	0.28	48%	Refer Note(a)
Return on Equity	Profit after tax	Average Shareholder's Equity	0.05	0.15	-65%	Refer Note(b)
Inventory Turnover Ratio (times)	Gross Revenue	Average inventories	18.40	15.61	18%	NA
Trade Receivables Turnover Ratio	Gross Revenue	Average trade receivables	21.28	18.88	13%	NA
Trade Payables Turnover Ratio	Net Purchases	Average trade payales	142.72	123.14	16%	NA
Working Capital Turnover Ratio	Gross Revenue	Working Capital	125.65	38.46	227%	Refer Note(c)
Net Profit Ratio	Profit after tax	Revenue from operations	0.03	0.07	-57%	Refer Note(d)
Return on Capital Employed	Profit before tax	Average Capital Employed	0.06	0.15	-62%	Refer Note(e)

**Notes:**

- Increase due to new term loan borrowings for Vortex Plant and Solar power plant
- Dropped due to fall in Margins and selling prices in the shuggish market condition
- Due to surplus funds utilized for capital projects.
- Due to fall in Margins and selling prices in the Shuggish market condition
- Due to fall in Margins and selling prices in the Shuggish market condition

**Note 44 Additional Information:**

- i) The Company do not have any Benami property and neither any proceedings have been initiated or is pending against the Company for holding any Benami property.
- ii) The Company do not have any transactions with companies struck off.
- iii) The Company do not have any charges or satisfaction which is yet to be registered with ROC beyond the statutory period.
- iv) The Company has not been declared a wilful defaulter by any bank or financial institution or any other lender during the current period.
- v) The Company have not advanced or loaned or invested funds to any other person(s) or entity(ies), including foreign entities (Intermediaries) with the understanding that the Intermediary shall:
  - a. directly or indirectly lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the company (Ultimate Beneficiaries) or
  - b. provide any guarantee, security or the like to or on behalf of the Ultimate Beneficiaries.
- vi) The Company has not received any fund from any person(s) or entity(ies), including foreign entities (Funding Party) with the understanding (whether recorded in writing or otherwise) that the Company shall:
  - a. directly or indirectly lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the Funding Party (Ultimate Beneficiaries) or
  - b. Provide any quarentee, security or the like on behalf of the Ultimate Beneficiaries.
- vii) The loan has been utilized for the purpose for which it was obtained and no short term funds have been used for long term purpose.
- viii) The company is in compliance with the number of layers prescribed under clause (87) of section 2 of the Companies Act read with the companies ( Restrictiion on number of Layers ? Rules, 2017.
- ix) The Company have not traded or invested in Crypto currency or Virtual Currency during the financial year.
- x) The Company have not any such transaction which is not recorded in the books of accounts that has been surrendered or disclosed as income during the year in the tax assessments under the Income Tax Act, 1961 ( such as, search or survey or any other relevant provisions of the Income Tax Act, 1961.)

**Note No 45**

Previous Year's Figures have been regrouped wherever necessary to correspond with the current year's figures. Except when otherwise stated, the figures are presented in Rupees in Lakhs.

As Per Our Report of even date  
for **K S RAO & CO.,**  
Chartered Accountants  
Firm Regn. No. : 003109S

**V.VENKATESWARA RAO**  
Partner  
Membership No. 219209

Place : Secunderabad  
Date : 23<sup>rd</sup> May, 2024

**KUSHUBOO JAIN**  
Company Secretary

**K.NAGESWARA RAO**  
Chief Financial Officer

for and on behalf of the Board

**VITHALDAS AGARWAL**  
Managing Director

**MAHENDER KUMAR AGARWAL**  
Joint Managing Director



**Consolidated  
Financial  
Statements**

**INDEPENDENT AUDITOR’S REPORT**

**TO THE MEMBERS OF SURYALATA SPINNING MILLS LIMITED.**

**Report on the Audit of Consolidated Financial Statements**

**Opinion**

We have audited the accompanying consolidated financial statements of SURYALATA SPINNING MILLS LIMITED (hereinafter referred to as the “Holding Company”), its subsidiary (the Holding Company and its subsidiary together referred to as “the Group”), which comprise the Consolidated Balance sheet as at March 31, 2024, and the consolidated Statement of Profit and Loss (including other comprehensive income), consolidated Statement of changes in equity and consolidated statement of Cash Flows for the year then ended, and notes to the consolidated financial statements, including a summary of Material accounting policies and other explanatory information (hereinafter referred to as “the consolidated financial statements”).

In our opinion and to the best of our information and according to the explanations given to us, the aforesaid consolidated financial statements give the information required by the Companies Act, 2013 (‘Act’) in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India, of the consolidated state of affairs of the Group as at March 31, 2024, and its consolidated profit and other comprehensive income, consolidated changes in equity and its consolidated cash flows for the year ended on that date.

**Basis for Opinion**

We conducted our audit of consolidated financial statements in accordance with the Standards on Auditing specified under Section 143(10) of the Act. Our responsibilities under those standards are further described in the Auditor’s Responsibilities for the Audit of the Consolidated Financial Statements section of our report. We are independent of the Group in accordance with the Code of Ethics issued by the Institute of Chartered Accountants of India (‘ICAI’) together with the ethical requirements that are relevant to our audit of the financial statements under the provisions of the Act and the rules thereunder, and we have fulfilled our other ethical responsibilities in accordance with these requirements and the Code of Ethics. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion on the consolidated financial statements.

**Key Audit Matters**

Key audit matters are those matters that, in our professional judgement and based on the consideration of the reports of the other auditors on separate financial statements and on the other financial information of the subsidiaries, were of most significance in our audit of the consolidated financial statements of the current period. These matters were addressed in the context of our audit of the consolidated financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters. We have determined the matters described below to be the key audit matters to be communicated in our report.

<b>Key Audit Matters</b>	<b>Auditor’s Response</b>
<p><b>Ind AS 115 – Revenue recognition:</b>  Refer to note - 1.12 of Material accounting policies of the financial statements.  The Company revenue is mainly derived from sale of PV/PSF synthetic blended yarn.  In accordance with Ind AS 115, revenue from sale of goods is recognised when control of the products being sold is transferred to the customer and when there are no unfulfilled obligations. The performance obligations in the contracts are fulfilled at the time of dispatch, delivery or upon formal customer acceptance depending on terms of contract with the customer. Revenue is measured at fair value of the consideration received or receivable after deduction of any trade/volume discounts and taxes or duties collected.  We identified revenue recognition as a key audit matter since revenue is significant to the financial statements and is required to be recognised as per the requirements of applicable accounting framework.</p>	<p><b>Principal audit procedures</b></p> <ul style="list-style-type: none"> <li>• We assessed the appropriateness of the revenue recognition accounting policies in line with Ind AS 115 “Revenue from Contracts with Customers”;</li> <li>• We performed substantive testing of revenue transactions, recorded during the year by testing the underlying documents which included goods dispatch notes, shipping documents and customer acknowledgments, as applicable;</li> <li>• We tested, on a sample basis, specific revenue transactions recorded before and after the financial year end date including examination of credit notes issued after the year end to determine whether the revenue has been recognised in the appropriate financial period. Based on the above stated procedures, no significant exceptions or unusual items were noted in revenue recognition.</li> </ul>

## **Information Other than the Financial Statements and Auditor's Report Thereon**

The Holding Company's Board of Directors is responsible for the other information. The other information comprises the information included in the Annual Report, but does not include the consolidated financial statements and our auditor's report thereon. Our opinion on the consolidated financial statements does not cover the other information and we do not express any form of assurance conclusion thereon.

In connection with our audit of the consolidated financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the consolidated financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

## **Responsibilities of Management and Those Charged with Governance for the Consolidated Financial Statements**

The Holding Company's Board of Directors is responsible for the matters stated in section 134(5) of the Act with respect to the preparation and presentation of these consolidated financial statements in terms of the requirements of the Act that give a true and fair view of the consolidated financial position, consolidated financial performance including other comprehensive income, consolidated cash flows and consolidated changes in equity of the Group in accordance with the accounting principles generally accepted in India, including the Ind AS specified under Section 133 of the Act. The respective Board of Directors of the companies included in the Group covered under the Act are responsible for maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding the assets of each 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 consolidated financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error, which have been used for the purpose of preparation of the consolidated financial statements by the Directors of the Holding Company, as aforesaid.

In preparing the consolidated financial statements, the respective Board of Directors of the companies included in the Group are responsible for assessing the ability of the Group to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless management either intends to liquidate the Group or to cease operations, or has no realistic alternative but to do so.

The respective Board of Directors of the companies included in the Group are responsible for overseeing the financial reporting process of each company.

## **Auditor's Responsibilities for the Audit of the Consolidated Financial Statements**

Our objectives are to obtain reasonable assurance about whether the consolidated financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with SAs will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these consolidated financial statements.

As part of an audit in accordance with SAs, we exercise professional judgment and maintain professional skepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the consolidated financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances. Under section 143(3) (i) of the Act, we are also responsible for expressing our opinion on whether the Holding Company has adequate internal financial controls with reference to financial statements in place and the operating effectiveness of such controls.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.

- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the ability of the Group to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the consolidated financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Group to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the consolidated financial statements, including the disclosures, and whether the consolidated financial statements represent the underlying transactions and events in a manner that achieves fair presentation.
- Obtain sufficient appropriate audit evidence regarding the financial information of such entities or business activities within the Group to express an opinion on the consolidated financial statements, of which we are the independent auditors. We are responsible for the direction, supervision and performance of the audit of financial information of such entities. For the other entities included in the consolidated financial statements, which have been audited by other auditors, such other auditors remain responsible for the direction, supervision and performance of the audits carried out by them. We remain solely responsible for our audit opinion.

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

We communicate with those charged with governance of the Holding Company and such other entities included in the consolidated financial statements of which we are the independent auditors regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

We also provide those charged with governance with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, related safeguards.

From the matters communicated with those charged with governance, we determine those matters that were of most significance in the audit of the consolidated financial statements of the current period and are therefore the key audit matters. We describe these matters in our Auditor's report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

## **Report on Other Legal and Regulatory Requirements**

1. As required by Section 143(3) of the Act, based on our audit we report, to the extent applicable, 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 of the aforesaid consolidated financial statements.
  - (b) In our opinion, proper books of account as required by law relating to the preparation of the aforesaid consolidated financial statement have been kept so far as it appears from our examination of those books and reports of other auditors.
  - (c) The Consolidated Balance Sheet, the Consolidated Statement of Profit and Loss including other comprehensive income, the Consolidated Cash Flow Statement and Consolidated Statement of changes in equity dealt with by this Report are in agreement with the relevant books of account maintained for the purpose of preparation of the consolidated financial statements.
  - (d) In our opinion, the aforesaid consolidated financial statements comply with the Indian Accounting Standards (Ind AS) specified under Section 133 of the Act.
  - (e) On the basis of written representations received from the directors of the Holding Company as on March 31, 2024 taken on record by the Board of Directors of the Holding Company, none of the directors of the Group Companies incorporated in India are disqualified as on March 31, 2024 from being appointed as a director in terms of Section 164(2) of the Companies Act;

- (f) With respect to the adequacy of the internal financial controls with reference to consolidated financial statements of the Holding Company and its subsidiary, incorporated in India, and the operating effectiveness of such controls, refer to our separate report in “Annexure A”.
- (g) With respect to the Managerial remuneration to be included in the auditor’s report in accordance with the requirements of section 197(16) of the Act, as amended:

In our opinion and to the best of our information and according to the explanations given to us, the remuneration paid by the company to its directors during the year is in accordance with the provisions of Section 197 of the Act.

- (h) With respect to the other matters to be included in the Auditor’s Report in accordance with Rule 11 of the Companies (Audit and Auditors) Rules, 2014, in our opinion and to the best of our information and according to the explanations given to us and based on the report of the other auditors on the separate financial statements and other financial information of the subsidiaries:
  - i. The Consolidated financial statements disclose the impact of pending litigations as at 31st March 2024 on the Consolidated financial position of the group. Refer Note 40 to the consolidated financial statements.
  - ii. The Consolidated financial statements did not have any long-term contracts including derivative contracts for which there were any material foreseeable losses;
  - iii. The Consolidated financial statements does not have any pending amounts, required to be transferred, to the Investor Education and Protection Fund by the Company.
  - iv. a. The respective Managements of the Holding Company and its subsidiary company which are companies incorporated in India, whose financial statements have been audited under the Act, have represented to us that, to the best of their knowledge and belief, no funds (which are material either individually or in the aggregate) have been advanced or loaned or invested (either from borrowed funds or share premium or any other sources or kind of funds) by the Holding Company to or in any other person or entity, including foreign entity (“Intermediaries”), with the understanding, whether recorded in writing or otherwise, that the Intermediary shall, directly or indirectly lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the Holding Company (“Ultimate Beneficiaries”) or provide any guarantee, security or the like on behalf of the Ultimate Beneficiaries.  
  
b. The respective Managements of the Holding Company and its subsidiary company which are companies incorporated in India, whose financial statements have been audited under the Act, have represented to us that, to the best of their knowledge and belief, no funds (which are material either individually or in the aggregate) have been received by the Holding Company from any person or entity, including foreign entity (“Funding Parties”), with the understanding, whether recorded in writing or otherwise, that the Holding Company shall, directly or indirectly, lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the Funding Party (“Ultimate Beneficiaries”) or provide any guarantee, security or the like on behalf of the Ultimate Beneficiaries.;  
  
c. Based on the audit procedures that have been considered reasonable and appropriate in the circumstances performed by us on the Holding Company which are companies incorporated in India whose financial statements have been audited under the Act, nothing has come to our notice that has caused us to believe that the representations under sub-clause (i) and (ii) of Rule 11(e), as provided under (a) and (b) above, contain any material misstatement.
  - v. a. The final dividend paid by the Holding Company, during the year in respect of the same declared for the previous year is in accordance with section 123 of the Act to the extent it applies to payment of dividend.  
  
b. As stated in note 37 to the consolidated financial statements, the Board of Directors of the Holding Company have proposed final dividend for the year which is subject to the approval of the members ensuing Annual General Meeting. The dividend declared is in accordance with section 123 of the Act to the extent it applies to declaration of dividend.
  - vi. Based on our examination which included test checks, and based on the other auditor’s reports of its subsidiary, companies incorporated in India whose financial statements have been audited under the Act, the Holding Company and its subsidiary have used accounting software systems for maintaining their respective books



of account for the financial year ended March 31, 2024 which has a feature of recording audit trail (edit log) facility and the same has operated throughout the year for all relevant transactions recorded in the software.

Further, where audit trail (edit log) facility was enabled and operated throughout the year for the accounting software(s) we did not come across any instance of the audit trail feature being tampered with.

As proviso to Rule 3(1) of the Companies (Accounts) Rules, 2014 is applicable from April 1, 2023, reporting under Rule 11(g) of the Companies (Audit and Auditors) Rules, 2014 on preservation of audit trail as per the statutory requirements for record retention is not applicable for the year ended March 31, 2024

2. With respect to the matters specified in paragraphs 3(xxi) and 4 of the Companies (Auditor's Report) Order, 2020 (the "Order"/ "CARO") issued by the Central Government in terms of Section 143(11) of the Act, to be included in the Auditor's report, according to the information and explanations given to us, and based on the CARO reports issued by us for the Holding Company and its subsidiary included in the consolidated financial statements of the Company, to which reporting under CARO is applicable, we report that there are no qualifications or adverse remarks in these CARO reports.

for **K S RAO & CO.,**  
Chartered Accountants  
Firm Regn. No. : 003109S

**V.VENKATESWARA RAO**  
Partner  
Membership No. 219209  
UDIN:24219209BKATSK2573

Place : Hyderabad  
Date : 23.05.2024

## **Annexure – A to the Auditor’s Report**

### **Report on the Internal Financial Controls under Clause (i) of Sub-section 3 of Section 143 of the Companies Act, 2013 (“the Act”)**

In conjunction with our audit of the consolidated financial statements of the SURYALATA SPINNING MILLS LIMITED (“ the Holding Company) and its subsidiary (the Holding Company and its subsidiary together referred to as the Group) as at for the year ended March 31, 2024, we have audited the internal financial controls with reference to consolidated financial statements of the Holding Company and its subsidiary which are incorporated in India, as of that date.

#### **Management’s Responsibility for Internal Financial Controls**

The respective Board of Directors of Group which are companies incorporated in India, are responsible for establishing and maintaining internal financial controls based on the internal control over financial reporting criteria established by the Holding 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 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 Act.

#### **Auditor’s Responsibility**

Our responsibility is to express an opinion on the Holding Company’s internal financial controls with reference to consolidated financial statements of the Holding Company and its subsidiary company 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, prescribed under Section 143(10) of the Act, to the extent applicable to an audit of internal financial controls, both issued by the ICAI. 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 with reference to consolidated financial statements was established and maintained and if such controls operated effectively in all material aspects.

Our audit involves performing procedures to obtain audit evidence about the adequacy of the internal financial controls with reference to consolidated financial statements and their operating effectiveness. Our audit of internal financial controls with reference to consolidated financial statements included obtaining an understanding of internal financial controls with reference to consolidated financial statements, 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 auditor’s judgement, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud and 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 with reference to consolidated financial statements.

#### **Meaning of Internal Financial Controls with Reference to Consolidated Financial Statements**

A company’s internal financial control with reference to consolidated financial statements is a process designed to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles. A company’s internal financial control with reference to consolidated financial statements 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 financial statements in accordance with generally accepted accounting principles, and that receipts and expenditure of the Company are being made only in accordance with authorisations of management and directors of the Company; and (3) provide reasonable assurance regarding prevention or timely detection of unauthorised acquisition, use, or disposition of the Company’s assets that could have a material effect on the financial statements.

**Inherent Limitations of Internal Financial Controls with Reference to Consolidated Financial Statements**

Because of the inherent limitations of internal financial controls with reference to consolidated financial statements, 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 with reference to consolidated financial statements to future periods are subject to the risk that the internal financial control with reference to consolidated financial statements may become inadequate because of changes in conditions, or that the degree of compliance with policies or procedures may deteriorate.

**Opinion**

In our opinion to the best of our information and according to the explanations given to us, the Group which are companies incorporated in India, have, in all material respects, an adequate internal financial controls with reference to consolidated financial statements and such internal financial controls with reference to consolidated financial statements were operating effectively as at March 31, 2024 based on the internal control over financial reporting criteria established by the Holding 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 ICAI.

for **K S RAO & CO.,**  
Chartered Accountants  
Firm Regn. No. : 003109S

**V.VENKATESWARA RAO**  
Partner  
Membership No. 219209  
UDIN:24219209BKATSK2573

Place : Hyderabad  
Date : 23.05.2024

# S SURYALATA SPINNING MILLS LIMITED

## CONSOLIDATED BALANCE SHEET AS AT 31st March, 2024

(All amounts in ₹ Lakhs)

Particulars	Note No.	As at	As at
		31.03.2024	31.03.2023
<b>I. ASSETS</b>			
<b>1. Non-Current assets</b>			
(a) Property, Plant and Equipment	2.1	28,594.53	23,891.96
(b) Capital work-in-progress	2.2	2,598.10	1,020.38
(c) Good Will		16.30	16.30
(d) Financial Assets			
(i) Loans	3	0.57	0.56
(ii) Other financial assets	4	1,467.10	1,381.73
(e) Other non-current assets	5	92.30	981.49
<b>Total Non-current assets</b>		<b>32,768.90</b>	<b>27,292.42</b>
<b>2. Current assets</b>			
(a) Inventories	6	2,477.52	2,364.90
(b) Financial Assets			
(i) Investments	7	0.49	0.27
(ii) Trade receivables	8	2,242.06	2,478.00
(iii) Cash and cash equivalents	9	30.27	554.14
(iv) Other Bank Balances	10	164.27	618.46
(v) Other financial assets	11	313.92	695.96
(c) Other current assets	12	1,430.12	721.28
<b>Total Current assets</b>		<b>6,658.65</b>	<b>7,433.01</b>
<b>Total Assets</b>		<b>39,427.55</b>	<b>34,725.43</b>
<b>II. EQUITY AND LIABILITIES</b>			
<b>1. Equity</b>			
(a) Equity Share capital	13	426.70	426.70
(b) Other Equity	14	24,321.22	22,461.39
<b>Total Equity</b>		<b>24,747.92</b>	<b>22,888.09</b>
<b>2. Non-Current liabilities</b>			
(a) Financial Liabilities			
Borrowings	15	5,642.36	3,157.86
(b) Deferred tax liabilities (Net)		2,734.40	2,556.50
(c) Other non-current liabilities	16	147.17	183.95
<b>Total Non-current liabilities</b>		<b>8,523.93</b>	<b>5,898.31</b>
<b>3. Current liabilities</b>			
(a) Financial Liabilities			
(i) Borrowings	17	4,233.84	3,734.91
(ii) Trade payables	18		
Micro and small enterprises		55.47	36.22
Other than micro and small enterprises		180.30	182.30
(iii) Other financial liabilities	19	1,370.18	1,678.49
(b) Other current liabilities	20	68.51	64.56
(c) Provisions	21	224.58	191.72
(d) Current tax liabilities (net)	22	22.82	50.83
<b>Total Current liabilities</b>		<b>6,155.70</b>	<b>5,939.03</b>
<b>Total liabilities</b>		<b>14,679.63</b>	<b>11,837.34</b>
<b>Total Equity and Liabilities</b>		<b>39,427.55</b>	<b>34,725.43</b>

Material Accounting policies and Key accounting adjustments & Judgments

1-45

As Per Our Report of even date  
for **K S RAO & CO.,**  
Chartered Accountants  
Firm Regn. No. : 003109S

**V.VENKATESWARA RAO**  
Partner  
Membership No. 219209

**KUSHUBOO JAIN**  
Company Secretary

Place : Secunderabad  
Date : 23<sup>rd</sup> May, 2024

**K.NAGESWARA RAO**  
Chief Financial Officer

for and on behalf of the Board

**VITHALDAS AGARWAL**  
Managing Director

**MAHENDER KUMAR AGARWAL**  
Joint Managing Director

# S SURYALATA SPINNING MILLS LIMITED

## Consolidated Statement of Profit And Loss For The Year Ended 31st March, 2024 (All Amounts In ₹ Lakhs)

Particulars	Note No.	Current Year	Previous Year
		31.03.2024	31.03.2023
I. Revenue from operations	23	45,348.83	48,400.45
II. Other Income	24	166.53	331.33
<b>III. Total Income (I + II)</b>		<b>45,515.36</b>	<b>48,731.78</b>
<b>IV. EXPENSES</b>			
Cost of Raw material Consumed	25	29,152.33	29,973.43
Changes in inventories of finished goods, and work in Process	26	(222.29)	80.86
Employee benefits expense	27	3,635.42	3,401.55
Finance costs	28	687.05	545.03
Depreciation and amortization expense	29	1,443.09	1,243.25
Other expenses	30	8,293.07	8,827.54
<b>Total expenses (IV)</b>		<b>42,988.67</b>	<b>44,071.66</b>
V. Profit before exceptional items and tax (III - IV)		2,526.69	4,660.13
VI. Exceptionl Items	31.a	93.25	-
VII. Profit before Tax (V-VI)		<b>2,433.44</b>	<b>4,660.13</b>
<b>VIII. Tax expense:</b>			
a. Current Tax		401.87	1,065.30
b. Deferred Tax		166.80	160.85
<b>Total Tax Expenses</b>		<b>568.67</b>	<b>1,226.15</b>
IX. Profit for the period after tax (VII-VIII)		<b>1,864.77</b>	<b>3,433.97</b>
X. Other Comprehensive income	31.b		
i. Items that will not be reclassified subsequently to profit or loss		44.10	33.36
ii. Income tax relating to items that will not be reclassified to profit or loss		(11.10)	(8.40)
<b>Other Comprehensive Income (net of tax)</b>		<b>33.00</b>	<b>24.96</b>
<b>XI. Total Comprehensive Income for The year (IX + X)</b>		<b>1,897.77</b>	<b>3,458.93</b>
XII. Earnings per equity share (Face value of Rs 10/- each)	32		
Basic and Diluted		43.70	80.48
Material Accounting policies and Key accounting adjustments & Judgments	1-45		

As Per Our Report of even date  
for **K S RAO & CO.,**  
Chartered Accountants  
Firm Regn. No. : 003109S

**V.VENKATESWARA RAO**  
Partner  
Membership No. 219209

Place : Secunderabad  
Date : 23<sup>rd</sup> May, 2024

**KUSHUBOO JAIN**  
Company Secretary

**K.NAGESWARA RAO**  
Chief Financial Officer

for and on behalf of the Board

**VITHALDAS AGARWAL**  
Managing Director

**MAHENDER KUMAR AGARWAL**  
Joint Managing Director

## CONSOLIDATED STATEMENT OF CHANGES TO EQUITY

### A. Equity Share Capital

Particulars	(Amount in Lakhs)
<b>As at April 01, 2022</b>	<b>426.70</b>
Changes in equity share capital	-
<b>As at march 31, 2023</b>	<b>426.70</b>
Changes in equity share capital	-
<b>As at march 31, 2024</b>	<b>426.70</b>

### B. Other Equity

(All amounts in ₹ Lakhs)

Particulars	Security Premium	Capital Redemption Reserve	Preference capital redemption reserve	General reserve	Retained earnings	Equity components of compound financial Statements	Remeasurement of defined benefit plan	Total
<b>Balance as 1 st April, 2022</b>	<b>1288.20</b>	<b>1207.36</b>	<b>385.00</b>	<b>13000.00</b>	<b>3195.07</b>	<b>29.27</b>	<b>14.74</b>	<b>19119.64</b>
Profit for the Year					3354.73			3354.73
Other Comprehensive income for the year (Net)							24.96	24.96
Transfer to Capital reserve								
Transfer to general reserve				3000.00	(3000.00)			0.00
Equity Dividend Paid					(37.94)			(37.94)
<b>Balance as at 31 st March, 2023</b>	<b>1288.20</b>	<b>1207.36</b>	<b>385.00</b>	<b>16000.00</b>	<b>3511.86</b>	<b>29.27</b>	<b>39.70</b>	<b>22461.39</b>
Profit for the Year					1864.77			1864.77
Other Comprehensive income for the year (Net)							33.00	33.00
Transfer to general reserve				3000.00	(3000.00)			0.00
General reserve								0.00
Equity Dividend Paid					(37.94)			(37.94)
<b>Balance as at 31st March, 2024</b>	<b>1288.20</b>	<b>1207.36</b>	<b>385.00</b>	<b>19000.00</b>	<b>2338.69</b>	<b>29.27</b>	<b>72.70</b>	<b>24321.22</b>

## The description of nature and purpose of reserves within equity is as follows :

- i) **Security Premium** : Premium received on issue of equity shares credited to security premium reserve, It can be utilized as per the provision of section 63 of the companies act.
- ii) **Capital Redemption Reserve** : Created on redemption of preference shares, It can be utilized as per section 63 of the companies act.
- iii) **Preference Capital Redemption Reserve** : Created against the profits for redemption of preference shares issued. It can be utilized for redemption of preference shares on due date.
- iv) **General reserve** : Reserve is created from time to time by transfer of profits from retained earnings. It can be utilised as per provisions of the companies act.
- v) **Retained earnings** : Retained earnings are accumulation of profits earned by the company. It can be utilised for distribution of dividends to equity share holders.
- vi) **Re-measurement of defined benefit obligations** :

The reserve represents the remeasurement gains/(losses) arising from the actuarial valuation of the defined benefit obligations of the Company.

The re-measurement gains/(losses) are recognised in other comprehensive income and accumulated under this reserve within equity. The amounts recognised under this reserve are not reclassified to profit or loss.

As Per Our Report of even date  
for **K S RAO & CO.,**  
Chartered Accountants  
Firm Regn. No. : 003109S

**V.VENKATESWARA RAO**  
Partner  
Membership No. 219209

Place : Secunderabad  
Date : 23<sup>rd</sup> May, 2024

**KUSHUBOO JAIN**  
Company Secretary

**K.NAGESWARA RAO**  
Chief Financial Officer

for and on behalf of the Board

**VITHALDAS AGARWAL**  
Managing Director

**MAHENDER KUMAR AGARWAL**  
Joint Managing Director

# S SURYALATA SPINNING MILLS LIMITED

## CONSOLIDATED CASH FLOW STATEMENT FOR THE YEAR ENDED 31ST MARCH, 2024

(All amounts in ₹ Lakhs)

PARTICULARS	Year Ended		Year Ended	
	31.03.2024		31.03.2023	
<b>A CASH FLOW FROM OPERATING ACTIVITIES</b>				
<b>Profit before tax</b>		<b>2,433.46</b>		<b>4,660.13</b>
<b>Adjustment for:</b>				
Depreciation	1,443.09		1,243.25	
Finance Charges	687.05		545.03	
Fair value (Profit)/Loss on Investments	(0.22)		(0.10)	
Other Comprehensive Income/(Loss)	44.10		33.35	
(Profit)/Loss on sale of Assets (net)	-		5.35	
Interest Income	(113.05)	2,060.97	(179.05)	1,647.83
<b>Operating Profit before working capital Changes</b>		<b>4,494.42</b>		<b>6,307.95</b>
<b>Movement in Working Capital</b>				
Decrease/(Increase) in Inventories	(112.63)		1,459.49	
Decrease/(Increase) in Receivables	235.94		402.33	
Decrease/(Increase) in Loans & Advances	139.52		1,135.52	
(Decrease)/Increase in Non Current Liabilities	(36.79)		(36.79)	
(Decrease)/Increase in Current Liabilities	(253.97)	(27.93)	313.94	3,274.49
<b>Cash Generated from Operations</b>		<b>4,466.49</b>		<b>9,582.44</b>
Taxes Paid		(429.86)		(1,273.81)
<b>Net Cash flow from Operating Activities (A)</b>		<b>4,036.63</b>		<b>8,308.62</b>
<b>B CASHFLOW FROM INVESTING ACTIVITIES</b>				
Proceeds from sale of Assets	0.80		0.70	
Interest Received	100.90	101.70	110.80	111.50
<b>OUTFLOW:</b>				
<b>Decrease/(Increase) in Non-current financial assets</b>				
Decrease/(Increase) in Financial assets	(85.37)		(430.26)	
Acquisition of fixed assets including Capital Work in Progress	(7,723.38)		(6,530.05)	
(Increase)/Decrease in Investments	-		-	
(Increase)/Decrease in Advance for Capital equipment	889.19	(6,919.56)	175.34	(6,784.97)
<b>Net Cash flow from Investing activity (B)</b>		<b>(6,817.86)</b>		<b>(6,673.47)</b>
<b>C CASH FLOW FROM FINANCING ACTIVITIES</b>				
Term Loan Received	4,799.58			
Unsecured Loans received	95.00		183.00	
Hire Purchase Loans Received	34.00		35.00	
Deferred Payment Loan - Hero				
Increase/(decrease) in Bank Borrowings	(43.02)	4,885.56	740.36	958.36



PARTICULARS	Year Ended	
	31.03.2024	31.03.2023
OUT FLOW		
Repayment of Term loans	1,300.00	1,300.00
Dividends Paid	68.74	68.74
Repayment of preference shares		
Repayment of Solar Project loan - Hero	353.21	353.21
Repayment of Hire Purchase loans	24.96	31.31
Repayment of sales tax loans	94.83	110.78
Repayment of Unsecured loans	131.00	27.00
Interest Paid	655.47	456.03
	<b>2,628.21</b>	<b>2,347.07</b>
<b>Net Cash flow from financing activities ('C)</b>	<b>2,257.36</b>	<b>(1,388.70)</b>
Net increase/(decrease) in Cash/Cash Equivalents during the year (A+B+C)	(523.87)	246.46
Add: Cash/Cash equivalents at the beginning of the year	554.14	307.68
Cash/Cash equivalents at the end of the year	30.27	554.14

**Notes :**

- The above Cash Flow Statement has been prepared under the "Indirect Method" set out in Indian Accounting Standard (Ind-AS) - 7 on Statement of Cash flow.
- Previous year comparatives have been reclassified to confirm with current year's presentation, where ever applicable.
- Cash and Cash equivalents comprises of :

S.No	Particulars	As at 31.03.2024	As at 31.03.2023
A.	Cash on Hand	5.30	5.28
B.	Balances in bank a/c's	24.97	548.86
	a. Current Accounts		
	b. Ear marked balance with Banks - Unpaid dividends		
	Cash and Cash equivalents in Cash Flow Statement	30.27	554.14

As Per Our Report of even date  
for **K S RAO & CO.,**  
Chartered Accountants  
Firm Regn. No. : 003109S

**V.VENKATESWARA RAO**  
Partner  
Membership No. 219209

Place : Secunderabad  
Date : 23<sup>rd</sup> May, 2024

**KUSHUBOO JAIN**  
Company Secretary

**K.NAGESWARA RAO**  
Chief Financial Officer

for and on behalf of the Board

**VITHALDAS AGARWAL**  
Managing Director

**MAHENDER KUMAR AGARWAL**  
Joint Managing Director

## Notes to Consolidated Financial Statements for the Year Ended 31st March, 2024

### CORPORATE INFORMATION

Suryalata Spinning Mills Limited (the “Company”) is a public limited company incorporated on May 23rd, 1983 and as its Registered office at 105, S P Road, Surya Towers , 1st Floor, Secunderabad, Telangana State. The Company is engaged in producing the best quality of Synthetic Yarns like 100% Polyester (PSF) Yarns, 100% Viscose (VSF) Yarns, PSF & VSF Blended Yarns and Value Added Yarns like Slub Yarns, Eli twist yarns Two for One Twist Yarns (T F O) etc., suitable for suitings, shirtings and knitting. The Company has established in the domestic market as well as in the international market and sells its products through the multiple channels. The Company is listed on Bombay Stock Exchange.

The 100% Subsidiary company Suntree Solar Energy P Ltd which is having 10 MW AC Capacity Solar Power Plant situated at Dhanwada Village and Mandal Narayanpet, Telangana State had supplied generated power units to the Grid of Telangana State as per Power Purchase agreement.

The Consolidated financial statements of the company for the year ended March 31st, 2024 are approved for issue by the Company’s Board of Directors on May 23rd, 2024.

### MATERIAL ACCOUNTING POLICIES AND KEY ACCOUNTING ESTIMATES AND JUDGEMENTS.

#### I Material Accounting Policies:

##### 1. Statement of Compliance:

These Consolidated financial statements have been prepared in accordance with the Indian Accounting Standards (Ind AS) as per the Companies (Indian Accounting Standard) Rules, 2015 notified under section 133 of the Companies Act 2013, amendments there to and other relevant provisions of the Act.

##### 2. a. Basis of Preparation and Measurement:

These Ind AS Financial Statements have been prepared on a going concern basis using historical cost convention and on an accrual method of accounting, except for certain financial assets and financial liabilities that are measured at 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 financial statements.

The Consolidated financial statements are presented in INR which is also the Company’s functional currency and all values are rounded to the nearest Lakhs (INR 00,000), except when otherwise indicated.

##### 2. b. Basis of consolidation

The consolidated financial statements comprise the financial statements of the Holding Company and its subsidiary (“the Group”) as at March 31, 2024.

The Consolidated financial statements have been prepared on the following basis:

Subsidiary is an entity that is controlled by the Group, Control exists when the Company is exposed to, or has rights, to variable returns from its involvement with the entity, and has the ability to affect those returns through power over the entity. The net assets and results of acquired businesses are included in the consolidated financial statements from their respective dates of acquisition, being the date on which the Group obtains control. The results of disposed businesses are included in the consolidated financial statements up to their date of disposal, being the date control ceases.

The Group combines the financial statements of the parent and its subsidiary on a line by line basis by adding together like items of assets, liabilities, equity, income and expenses. Intercompany transactions, balances and unrealized gains on transactions between group Companies are eliminated. Consolidated financial statements are prepared using uniform accounting policies for like transactions and other events in similar circumstances.

The excess of cost to the Group of its investment in subsidiary, on the acquisition dates over and above the Group share of equity in the subsidiary, is recognized as ‘Goodwill on Consolidation’ being an asset in the consolidated financial statements. The said Goodwill is not amortized, however, it is tested for impairment at each Balance Sheet date and the impairment loss, if any, is provided for. On the other hand, where the share of equity in subsidiary as on the date of investment is in excess of cost of investments of the Group, it is recognized as ‘Capital Reserve’ and shown under the head ‘Other Equity’ in the consolidated financial statements.

Non-controlling interests in the net assets of consolidated subsidiary is identified and presented in the consolidated Balance Sheet separately within equity. Non-controlling interests in the net assets of consolidated subsidiary consists of:

- (a) The amount of equity attributable to non-controlling interests at the date on which investment in a `diary is made; and
- (b) The non-controlling interest's share of movements in equity since the date parent subsidiary relationship came into existence

### **3. Classification of Assets and liabilities as Current and Non-current**

The company has determined its operating cycle as 12 months for the purpose of classification of current and non-current assets and liabilities. This is based on the nature of product and the time between the acquisition of inventories for processing and their realization in cash and cash equivalents. All assets and liabilities have been classified as current or non-current as per the Company's normal operating cycle and other criteria set out in the Schedule III(Division II) to the Companies Act, 2013.

Deferred tax assets and deferred tax liabilities are classified as non-current assets and non-current liabilities.

### **4. Use of estimates & judgments:**

The estimates and judgments used in the preparation of the financial statements are continuously evaluated by the Company and are based on historical experience and various other assumptions and factors (including expectations of future events) that the Company believes to be reasonable under the existing circumstances. Differences between actual results and estimates are recognized in the period in which the results are known / materialized.

### **5. Property, Plant and Equipment-Tangible Assets:**

- i. Property, plant and equipment other than land are stated at cost less accumulated depreciation and impairment losses if any. Freehold land is carried at cost of acquisition. Cost comprises of purchase price and any attributable cost of bringing the assets to its working condition for its intended use.
- ii. Capital work-in-progress in respect of assets which are not ready for their intended use are carried at cost, comprising of direct costs, related incidental expenses and attributable interest.
- iii. Subsequent expenditure are capitalized only if it is probable that the future economic benefits associated with the expenditure will flow to the Company. Costs in nature of repairs and maintenance of equipment are recognized in the Statement of Profit and Loss as and when incurred.
- iv. Depreciation on Fixed Assets is provided on ascertain useful life of assets under Straight Line Method (SLM) prescribed in Schedule II of the Companies act-2013 except the assets costing `5000 or less on which depreciation is charged @100% in the year of acquisition.
- v. The Company follows the policy of charging depreciation on pro-rata basis on the assets acquired or disposed off during the year.

### **6. Impairment of Assets**

The carrying values of assets / cash generating units at each balance sheet date are reviewed for impairment if any indication of impairment exists. An asset is treated as impaired when the carrying cost of asset exceeds its recoverable value. Recoverable value being higher of value in use and fair value less cost of disposal. Value in use is computed at net present value of cash flow expected over the balance useful life of the assets. An impairment loss is recognized as an expense in the Profit and Loss Account in the year in which an asset is identified as impaired.

### **7. Inventory:**

Inventories are valued at the lower of cost and net realizable value. The cost is determined on Weighted Average basis. Cost of finished goods and work-in-process include all costs of purchases, conversion costs and other costs incurred in bringing the inventories to their present location and condition.

Raw materials, Stores, spares and packing materials are valued at cost on weighted average basis. Scrap is valued at net realizable value. Net realizable value is the estimated selling price in the ordinary course of business less the estimated costs of necessary to make sale.

## 8. Financial Instrument:

A financial instrument is any contract that gives rise to a financial asset of one entity and financial liability or equity instrument of another entity.

### a. Financial Asset:

#### Initial recognition and measurement

All financial instruments are recognized initially at fair value plus, in the case of financial assets not recorded at fair value through profit or loss, transaction costs that are attributable to the acquisition of the financial asset, purchase or sales of financial assets that require delivery of assets within a time frame established by regulation or convention in the market place are recognized on the trade date i.e. the date that the company commits to purchase or sell the asset.

#### Subsequent Measurement

For the purpose of subsequent measurement financial assets are classified as measured at:

- 1) Amortized Cost
- 2) Fair value through profit and loss (FVTPL)
- 3) Fair value through other comprehensive income (FVTOCI)

#### Financial Asset measured at amortized cost

Financial Assets held within a business model whose objective is to hold financial assets in order to collect contractual cash flows and the contractual terms 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 are measured at amortized cost using effective interest rate (EIR) method. The EIR amortization is recognized as finance income in the statement of Profit & Loss.

The company while applying above criteria has classified all the financial assets (except investments in equity shares) at amortized cost.

#### Financial Assets Measured at fair value through other comprehensive income.

Financial assets that are held within a business model whose objective is achieved by both, selling financial assets and collecting contractual cash flows that are solely payments of principal and interest, are subsequently measured at fair value through other comprehensive income. Fair value movements are recognized in the other comprehensive income(OCI). Interest income measured using the EIR method and impairment losses, if any are recognized in the Statement of Profit and Loss. On de-recognition, cumulative gain or loss previously recognized in OCI is reclassified from the equity to ' other income' in the Statement of Profit and Loss.

#### Financial Assets at fair value through profit or loss (FVTPL)

Financial Assets are measured at fair value through Profit & Loss if it does not meet the criteria for classification as measured at amortized cost or at FVTOCI. All fair value changes are recognized in the statement of profit & loss.

#### De-recognition of Financial Assets

The Company derecognizes a financial asset when the contractual rights to the cash flows from the financial asset expire, or it transfers the contractual rights to receive the cash flows from the asset.

#### Impairment of Financial Assets

In accordance with Ind AS 109, the Company applies expected credit loss (ECL) model for measurement and recognition of impairment loss on the debt instruments, that are measured at amortized cost e.g., loans, debt securities, deposits, trade receivables and bank balance.

Expected credit loss is the difference between all contractual cash flows that are due to the Company in accordance with the contract and all the cash flows that the entity expects to receive.

The management uses a provision matrix to determine the impairment loss on the portfolio of trade and other receivables. Provision matrix is based on its historically observed expected credit loss rates over the expected life of the trade receivables and is adjusted for forward looking estimates.

Expected credit loss allowance or reversal recognized during the period is recognized as income or expense, as the case may be, in the statement of profit and loss. In case of balance sheet, it is shown as reduction from the specific financial asset.

**b. Financial Liabilities.**

**Initial recognition and measurement**

Financial liabilities are recognized initially at fair value plus any transaction cost that are attributable to the acquisition of the financial liability except financial liabilities at FVTPL that are measured at fair value.

**Subsequent Measurement**

Financial liabilities are subsequently measured at amortised cost using the EIR method. Financial liabilities carried at fair value through profit or loss are measured at fair value with all changes in fair value recognized in the Statement of Profit and Loss.

**Financial Liabilities at amortized cost**

Amortized cost for financial liabilities represents amount at which financial liability is measured at initial recognition minus the principal repayments, plus or minus the cumulative amortization using the effective interest method of any difference between the initial amount and the maturity amount. All the financial liabilities of the company are subsequently measured at amortized cost using Effective Interest method.

**De recognition of Financial Liabilities**

A financial liability shall be derecognized when, and only when it is extinguished i.e. when the obligation specified in the contract is discharged or cancelled or expires.

**9. Government Grants:**

Grants from the government are recognized at their fair value where there is a reasonable assurance that the grant will be received and the Company will comply with all attached conditions. Grants related to revenue items are presented as part of profit or loss as a reduction from related expense. The benefit of a government loan at a below market rate of interest is treated as a government grant, measured as the difference between proceeds received and the fair value of the loan based on prevailing market interest rates.

**10. Foreign Currency Transactions**

The functional and presentation currency of the Company is Indian Rupee. Transactions in foreign currency are accounted for at the exchange rate prevailing on the transaction date. Gains/ losses arising on settlement as also on translation of monetary items are recognized in the Statement of profit and loss.

**11. Borrowing Costs**

Borrowing costs that are attributable to the acquisition or construction of qualifying assets are capitalized as part of the cost of such assets. A qualifying asset is one that necessarily takes substantial period of time to get ready for its intended use. All other borrowing costs are recognized as an expense in the period in which they are incurred.

**12. Revenue Recognition**

Revenue is recognized to the extent that it is probable that the economic benefits will flow to the company and the revenue can be reliably measured a regardless of when the payment made. The specific recognition criteria described below must also be met before revenue is recognized.

**a. Sale of Products**

Revenue from the sale of goods is recognized when significant risks and rewards of ownership have been transferred to the customer, the company no longer retain continuing managerial involvement to the degree usually associated with ownership nor has effective control over the goods sold, which is mainly upon delivery, the amount of revenue can be measured reliably and recovery of the consideration that will be derived in the sale of goods.

The Company collects Goods & Service Tax (GST) on behalf of the government and therefore, these are not economic benefits flowing to the Company. Hence these are excluded from the revenue. Revenue from export sales is recognized on the date of bill of lading, based on the terms of export.

**b. Recognition of Export benefits**

Export benefits entitlements in respect of incentives schemes including Duty Drawback, RoDTEP( Export Incentive), Merchandise Export Incentive Scheme (MEIS) of the Government of India are recognized in the year in which Export Sales are accounted for.

**c. Interest Income**

Interest on deposits with government departments and financial institutions are recognized in statement of profit and loss when the right to receive/receivable during the period.

### **13. Taxes on Income**

Tax expense comprises of current and deferred tax

**a. Current tax**

Current tax expense for the year is ascertained on the basis of assessable profits computed in accordance with the provisions of the Income Tax Act, 1961.

**b. Deferred tax**

Deferred tax is recognised in respect of temporary differences between the carrying amount of assets and liabilities for financial reporting purposes and the corresponding amounts used for taxation purposes. Deferred tax is measured based on the tax rates and the tax laws enacted or substantively enacted at the balance sheet date. Deferred tax assets are recognised only to the extent that it is probable that future taxable profits will be available against which the asset can be utilized.

Minimum Alternate Tax credit is recognised as deferred tax asset only when and to the extent there is convincing evidence that the Company will pay normal income tax during the specified period. Such asset is reviewed at each Balance Sheet date and the carrying amount of the MAT credit asset is written down to the extent there is no longer a convincing evidence to the effect that the Company will pay normal income tax during the specified period.

### **14. Dividend Distribution**

Annual dividend distribution to the shareholders is recognized as a liability in the period in which the dividend is approved by the shareholders. Any interim dividend paid is recognized on approval by Board of Directors. Dividend payable and corresponding tax on dividend distribution is recognized directly in equity.

### **15. Employee Benefits**

Short-term employee benefits are expensed as the related service is provided. A liability is recognized for the amount expected to be paid if the Company has a present legal or constructive obligation to pay this amount as a result of past service provided by the employee and the obligation can be estimated reliably.

**a. Defined Contribution plans**

Contribution towards Provident Fund for employees is made to the regulatory authorities, where the Company has no further obligations. Such benefits are classified as Defined Contribution schemes as the Company does not carry any further obligations, apart from the Contributions made on a monthly basis.

**b. Defined benefit plans**

Gratuity liability is defined benefit obligation and is provided on the basis of an actuarial valuation on projected unit credit method made at the end of each year. The Company funds the benefit through contributions to SBI Life.

Remeasurement of the net defined benefit liability, which comprise actuarial gains and losses and the return on plan assets (excluding interest) and the effect of the asset ceiling (if any, excluding interest), are recognized immediately in other comprehensive income (OCI). Net interest expense (income) on the net defined liability(asset) is computed by applying the discount rate, used to measure the net defined liability (asset). Net interest expense and other expenses related to defined benefit plans are recognized in Statement of Profit and Loss.

## **16. Provisions**

Provisions are recognised when, as a result of a past event, the Company has a legal or constructive obligation; it is probable that an outflow of resources will be required to settle the obligation; and the amount can be reliably estimated. The amount so recognised is a best estimate of the consideration required to settle the obligation at the reporting date, taking into account the risks and uncertainties surrounding the obligation.

In an event when the time value of money is material, the provision is carried at the present value of the cash flows estimated to settle the obligation.

## **17. Contingent Liabilities**

Contingent Liabilities are disclosed when there is a possible obligation arising from past events the existence of which will be confirmed only by the occurrence or non-occurrence of one or more uncertain future events not wholly within the control of the Company or a present obligation that arises from past events where it is either not probable that an outflow of resources will be required to settle the obligation or a reliable estimate of the amount cannot be made.

## **18. Claims**

Claims against the Company not acknowledged as debts are disclosed after a careful evaluation of the facts and legal aspects of the matter involved.

## **19. Offsetting**

Financial Assets and Financial Liabilities are offset and the net amount presented in the Balance Sheet when, and only when, the Company currently has a legally enforceable right to set off the amounts and it intends either to settle them on a net basis or to realize the asset and settle the liability simultaneously.

## **20. Earnings per share**

The Company presents basic and diluted earnings per share ("EPS") data for its ordinary shares. Basic EPS is calculated by dividing the profit or loss attributable to ordinary shareholders of the Company by the weighted average number of ordinary shares outstanding during the period. Diluted EPS is determined by adjusting the profit or loss attributable to ordinary shareholders and the weighted average number of ordinary shares outstanding for the effects of all dilutive potential ordinary shares.

## **21. Cash flow statement**

Cash flows are reported using the indirect method. Where by profit for the period is adjusted for effects of transactions of a non-cash nature, any deferrals are 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 flows from operating, investing and financing activities of the company are segregated.

## **22. Segment Reporting**

An operating segment is a component of the Company that engages in business activities from which it may earn revenues and incur expenses, whose operating results are regularly reviewed by the company's Chief Operating Decision Maker ("CODM") to make decisions for which discrete financial information is available. Based on the management approach as defined in Ind AS 108, the CODM evaluates the Company's performance and allocates resources based on an analysis of various performance indicators by business segments and geographic segments.

Refer Note. 33 For segment information provided.

**23. Events after Reporting date**

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

**24. Recent Accounting Pronouncements**

The Company applied for the first time these amendments of Ind AS 8 , Ind AS 1 and Ind AS 12 and there is no material impact on financials.

Ministry of Corporate Affairs (“MCA”) notifies new standards or amendments to the existing standards under Companies (Indian Accounting Standards) Rules as issued from time to time. For the year ended March 31, 2024, MCA has not notified any new standards or amendments to the existing standards applicable to the Company.

**25. Critical Accounting Estimates and Judgments**

The preparation of financial statements is in conformity with generally Accepted Accounting Principles require management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent liabilities at the date of the financial statements and the result of operations during the reporting period. Although these estimates are based upon management’s best knowledge of current events and actions, actual results could differ from these estimates. Revisions in accounting estimates are recognized prospectively.

**The areas involving critical estimates or judgments are –**

- Estimates of Useful life of Property, plant and equipment and Tangible Assets (refer note 1.5)
- Measurement of defined benefit obligation (refer note 1.15)
- Recognition of deferred taxes (refer note 1.13)
- Estimation of impairment (refer note 1.6 and 1.8)
- Estimation of provision and contingent liabilities (refer note 1.16 and 1.17)



**Notes to Consolidated Financial Statements For The Year Ended 31st March, 2024**

(All amounts in ₹ Lakhs)

Sl. No.	Particulars	Gross Block		Gross carrying amount			Accumulated Depreciation			Net Carrying amount	
		As at 01.04.2023	As at 31.03.2024	Additions	Deductions	As at 31.03.2024	Upto 01.04.2023	For the Year	Deductions	Upto 31.03.2024	As at 31.03.2024
1	Land (Freehold )	198.15	198.15	-	-	198.15	-	-	-	-	198.15
2	Buildings	4,437.72	6,158.30	1,720.58	-	6,158.30	1,621.15	180.12	-	1,801.27	4,357.03
	- Factory Buildings			46.80		2,197.95	352.28	38.31		390.59	1,807.36
	- Non Factory Buildings										
3	Plant and Equipment	20,645.77	24,629.99	3,984.22	-	24,629.99	8,886.88	851.08	-	9,737.96	14,892.03
	- Plant & Machinery										
	- Workshop Equipment	52.04	52.04	4.27	-	52.04	28.56	2.14	-	30.70	21.34
	- Testing Equipment	83.51	87.78	310.63	-	87.78	83.51	0.13	-	83.64	4.14
	- Electrical Installations	1,312.10	1,622.72	0.62	-	1,622.72	1,051.56	65.44	-	1,117.00	505.73
	- Weighing Machinery	13.55	14.17	0.28	-	14.17	13.05	0.06	-	13.11	1.06
	- Water Works	48.71	48.71	6.26	-	48.71	41.34	4.64	-	45.98	2.73
4	Furniture & Fixtures	131.26	131.54	0.28	-	131.54	116.69	2.11	-	118.80	12.74
5	Office Equipment	95.09	101.35	6.26	-	101.35	86.74	2.74	-	89.48	11.87
6	Vehicles	278.90	308.87	37.96	7.99	308.87	164.72	30.88	7.99	187.61	121.26
7	Data Processing Equipment	66.94	68.89	1.95	-	68.89	62.72	1.05	-	63.77	5.12
8	Material Handling Equipment	826.88	858.98	32.10	-	858.98	354.04	51.13	-	405.17	453.81
9	Solar Power Plant	2,087.42	2,087.42	-	-	2,087.42	118.78	83.50	-	202.28	1,885.14
10	Suntree Solar Power - Land	2,534.52	2,534.52	-	-	2,534.52	-	-	-	-	2,534.52
11	Suntree Solar Power - Power generating	1,946.53	1,946.53	-	-	1,946.53	36.26	129.77	-	166.03	1,780.50
	<b>Total</b>	<b>36,910.24</b>	<b>43,047.91</b>	<b>6,145.66</b>	<b>7.99</b>	<b>43,047.91</b>	<b>13,018.28</b>	<b>1,443.10</b>	<b>7.99</b>	<b>14,453.39</b>	<b>28,594.53</b>

(All amounts in ₹ Lakhs)

**Notes to Consolidated Financial Statements For The Year Ended 31st March, 2024**

**Note No. 2 .1 (a) : Property, Plant and Equipment**

Sl. No.	Particulars	Gross Block		Gross carrying amount			Accumulated Depreciation			Net Carrying amount	
		As at 01.04.2022	As at 31.03.2023	Additions	Deductions	As at 31.03.2023	Upto 01.04.2022	For the Year	Deductions	Upto 31.03.2023	As at 31.03.2023
1	Land (Freehold )	198.15	198.15	-	-	-	-	-	-	-	198.15
2	Buildings										
	- Factory Buildings	4,437.72	4,437.72	-	-	1,469.19	151.96	-	1,621.15	2,816.57	
	- Non Factory Buildings	2,151.15	2,151.15	-	-	312.03	40.25	-	352.28	1,798.87	
3	Plant and Equipment										
	- Plant & Machinery	20,529.39	20,645.77	132.46	16.08	8,123.86	771.65	8.63	8,886.88	11,758.89	
	- Workshop Equipment	52.04	52.04	-	-	26.42	2.14	-	28.56	23.48	
	- Testing Equipment	83.51	83.51	-	-	83.51	-	-	83.51	0.00	
	- Electrical Installations	1,312.10	1,312.10	-	-	984.96	66.60	-	1,051.56	260.54	
	- Weighing Machinery	13.02	13.55	0.53	-	13.02	0.03	-	13.05	0.50	
	- Water Works	48.71	48.71	-	-	36.70	4.64	-	41.34	7.37	
4	Furniture & Fixtures	127.75	131.26	3.51	-	111.63	5.06	-	116.69	14.57	
5	Office Equipment	91.69	95.09	3.39	-	83.21	3.53	-	86.74	8.35	
6	Vehicles	245.14	278.90	43.81	10.05	149.53	25.25	10.05	164.72	114.18	
7	Data Processing Equipment	66.94	66.94	-	-	58.06	4.66	-	62.72	4.22	
8	Material Handling Equipment	742.15	826.88	84.73	-	305.51	48.52	-	354.04	472.84	
9	Solar Power Plant	1,730.53	2,087.42	356.89	-	36.22	82.56	-	118.78	1,968.64	
10	Suntree Solar Power - Land		2,534.52	2,534.52	-	-	-	-	-	2,534.52	
11	Suntree Solar Power - Power generating		1,946.53	1,946.53	-	-	36.26	-	36.26	1,910.27	
	<b>Total</b>	<b>31,830.00</b>	<b>36,910.24</b>	<b>5,106.37</b>	<b>26.13</b>	<b>11,793.85</b>	<b>1,243.11</b>	<b>18.68</b>	<b>13,018.28</b>	<b>23,891.96</b>	

**Notes to Consolidated Financial Statements For The Year Ended 31st March, 2024**

(All amounts in ₹ Lakhs)

**Note No. 2.2 : Capital work-in-progress (CWIP)**
**2.2 (a) Ageing Schedule**

Capital work-in-progress	Amount in CWIP for a period of				Total as at 31st March 2024
	Less than 1 Year	1-2 Years	2-3 years	More than 3 years	
Project in Progress	2,598.10	-	-	-	2,598.10
Project temporarily suspended	-	-	-	-	-

**2.2 (b) Ageing Schedule**

Capital work-in-progress	Amount in CWIP for a period of				Total as at 31st March 2023
	Less than 1 Year	1-2 Years	2-3 years	More than 3 years	
Project in Progress	1020.38	-	-	-	1,020.38
Project temporarily suspended	-	-	-	-	-

# S SURYALATA SPINNING MILLS LIMITED

Notes to Consolidated Financial Statements For The Year Ended 31st March,2024

(All amounts in ₹ Lakhs)

Note No.	PARTICULARS	As at	As at
		31.03.2024	31.03.2023
	<b>Financial Assets</b>		
<b>3</b>	<b>Loans :</b>		
	Loans to Employees	0.57	0.56
	<b>Total</b>	<b>0.57</b>	<b>0.56</b>
<b>4</b>	<b>Other financial assets :</b>		
a.	Security deposits recoverable (Telephone, TSSPDCL & Other Deposits)	1,096.65	1,033.75
b.	Term Deposits with balance maturity of more than 12 months	370.45	347.98
	<b>Total</b>	<b>1,467.10</b>	<b>1,381.73</b>
<b>5</b>	<b>Other non-current assets( unsecured, considered good):</b>		
	Advances for Capital Works	92.30	981.49
	<b>Total</b>	<b>92.30</b>	<b>981.49</b>
<b>6</b>	<b>Inventories:</b>		
	(As certified by the management)		
a.	Raw Materials (Valued at lower of cost or net realisable value basis)	909.95	908.32
b.	Finished Goods (including consignment stocks) (Valued at lower of cost or net realisable value basis)	813.55	648.95
c.	Stores & Spares (Valued at cost on weighted average basis)	336.98	448.27
d.	Stocks-in-process (Valued at cost)	416.02	358.72
e.	Others - 'PV & PSF Waste (at realisable value)	1.02	0.63
	<b>Total</b>	<b>2,477.52</b>	<b>2,364.90</b>
<b>7</b>	<b>Investments - Current:</b>		
a.	In Others (at Fair value through profit or loss)		
	Quoted- Non Trade		
	800 Equity Shares in UCO Bank of Rs.10/-	0.42	0.20
	Unquoted		
	999 Equity Shares in YP Solar P Ltd of Rs.10/- each	0.07	0.07
	<b>Total</b>	<b>0.49</b>	<b>0.27</b>
	Aggregate book value of quoted investments	0.42	0.20
	Aggregate market value of quoted investments	0.42	0.20
	Aggregate amount of impairment in the value of investments in the unquoted equity shares	-	-
<b>8</b>	<b>Trade Receivables:</b>		
A.	Secured Considered Good		
B.	Unsecured, Considered Good		
	i) related parties		
	ii) Others	2,242.06	2,478.00
	Trade Receivables which have significant increase in credit Risk		
	Trade Receivables - Credit impaired		
	<b>Total</b>	<b>2,242.06</b>	<b>2,478.00</b>

8.a Trade Receivables ageing Schedule						
S NO	Particulars	Outstanding for following periods from due date of payment				Total as at 31 march 2024
		Less than 6 Months	6 months – 1 year	2-3 years	More than 3 years	
		INR lacs	INR lacs	INR lacs	INR lacs	INR lacs
a)	Undisputed Trade Receivables – considered good	2,242.06				2,242.06
b)	Undisputed Trade Receivables – which have significant increase in credit risk					-
c)	Undisputed Trade receivable – credit impaired					-
d)	Disputed Trade receivables - considered good					-
e)	Disputed Trade receivables – which have significant increase in credit risk					-
f)	Disputed Trade receivables – credit impaired					-

8.a Trade Receivables ageing Schedule						
S NO	Particulars	Outstanding for following periods from due date of payment				Total as at 31 march 2023
		Less than 6 Months	6 months – 1 year	2-3 years	More than 3 years	
		INR lacs	INR lacs	INR lacs	INR lacs	INR lacs
a)	Undisputed Trade Receivables – considered good	2,478.00				2,478.00
b)	Undisputed Trade Receivables – which have significant increase in credit risk					-
c)	Undisputed Trade receivable – credit impaired					-
d)	Disputed Trade receivables - considered good					-
e)	Disputed Trade receivables – which have significant increase in credit risk					-
f)	Disputed Trade receivables – credit impaired					-

Note No.	PARTICULARS	As at 31.03.2024	As at 31.03.2023
<b>9</b>	<b>Cash and cash equivalents:</b>		
	a. Cash on Hand	5.30	5.28
	b. Balances in bank a/c's Current Accounts	24.97	548.86
	<b>Total</b>	<b>30.27</b>	<b>554.14</b>
	* Cash and cash equivalents include cash on hand, cheques & drafts on hand, cash at bank and deposits with banks with original maturity of 3 months or less.		
<b>10</b>	<b>Other Bank balances</b>		
	Balances with banks		
	a. Term deposits with balance maturity less than 12 months	158.78	613.04
	b. Unclaimed dividend accounts	5.49	5.42
	<b>Total</b>	<b>164.27</b>	<b>618.46</b>
<b>11</b>	<b>Other financial assets - Current:</b>		
	a. Advances to Staff & Workers	15.96	15.65
	b. Interest receivable	67.97	55.82
	c. Unbilled revenue	119.68	157.14
	d. Security Deposit with TS Transco	3.37	
	e. receivable from TSSPDCL on A/c of suntree	106.94	467.35
	<b>Total</b>	<b>313.92</b>	<b>695.96</b>

Note No.	PARTICULARS	As at 31.03.2024	As at 31.03.2023
<b>12</b>	<b>Other Current Assets:</b>		
	a. Advances for Suppliers & Expenses	296.31	189.03
	b. Prepaid Expenses	53.58	45.32
	c. Export Benefit entitlement Receivable	47.20	17.01
	d. GST benefit entitlement	896.12	333.01
	e. State Incentive Receivables	136.91	136.91
	<b>Total</b>	<b>1,430.12</b>	<b>721.28</b>
<b>13</b>	<b>Equity Share Capital:</b>		
	<b>A. Authorised Share Capital:</b>		
	(i) 90,00,000 Equity Shares of Rs. 10/- each	900.00	900.00
	(ii) 8,00,000 preference share of Rs 100/- each	800.00	800.00
	<b>Total</b>	<b>1,700.00</b>	<b>1,700.00</b>
	<b>B. Issued Share Capital:</b>		
	(i) 42,67,000 Equity shares of Rs 10/- each	426.70	426.70
	(ii) 1,50,000 7% Cumulative Redeemable Pref shares of Rs. 100 each	-	-
	(iii) 3,85,000 8% Cumulative Redeemable Pref shares of Rs. 100 each	385.00	385.00
	<b>Total</b>	<b>811.70</b>	<b>811.70</b>
	<b>C. Subscribed and fully paid up capital:</b>		
	(i) 42,67,000 Equity shares of Rs 10/- each	426.70	426.70
	<b>Total</b>	<b>426.70</b>	<b>426.70</b>
	<b>D. Reconciliation of the shares outstanding at the beginning and at the end of year:</b>		
	<b>Particulars</b>	<b>No. of Shares</b>	<b>Value of shares</b>
	<b>(A) Equity Share Capital</b>		
	At the Beginning and at the end of the period	42,67,000	4,26,70,000
	<b>(B) Preference Share Capital</b>		
	<b>(i) 8% Cumulative Redeemable Preference Shares</b>		
	At the Beginning and at the end of the period	3,85,000	3,85,00,000
	<b>E. Details of Shareholders holding more than 5% shares in the company:</b>		
	<b>(A) Equity Shares:</b>		
	a. Vithaldas Agarwal - No of shares held	8,18,844	8,18,844
	- In % of total shares of the Company	19.19%	19.19%
	b. Mahender Kumar Agarwal - No of shares held	12,47,133	12,47,133
	- In % of total shares of the Company	29.23%	29.23%
	c. Madhavi Agarwal - No of shares held	7,45,291	7,45,291
	- In % of total shares of the Company	17.47%	17.47%

**F. Shares held by promoters of the Company**

Promoter's Name	FY 2023-24			% change during the year
	No of Shares held at the start of the year	No of Shares held at the end of the year	% total shares	
Vithaldas Agarwal	8,18,844	8,18,844	19.19%	0.00%
Mahender Kumar Agarwal	12,47,133	12,47,133	29.23%	0.00%
Madhavi Agarwal	7,45,291	7,45,291	17.47%	0.00%

## G. Rights, preferences and restrictions attached to the ordinary Shares

The Company has only one class of equity shares having par value of Rs .10/- per share. Each holder of equity shares is entitled to one vote per share. The company declares and pays dividends in Indian rupees, the dividend proposed by the Board of Directors is subject to the approval of the shareholders in the ensuing Annual General Meeting.

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 proportion to the number of equity shares held by the shareholders.

Note No.	PARTICULARS	As at 31.03.2024	As at 31.03.2023
<b>14</b>	<b>Other Equity</b>		
a.	Securities Premium	1,288.20	1,288.20
b.	Capital Redemption Reserve	1,207.36	1,207.36
c.	Preference Capital Redemption Reserve	385.00	385.00
d.	General Reserve	17,000.00	16,000.00
e.	Retained Earnings	4,338.68	3,511.89
	At the beginning of the period	3,511.87	3,195.08
	(+) For the current year	1,864.76	3,433.97
	(-) Dividend on Equity Shares	37.94	37.94
	(-) Transfer to General Reserve	1,000.00	3,000.00
f.	Equity portion of Preference Shares	29.27	29.27
g.	Items of Other Comprehensive Income		
	Remeasurment of net defined benefit plans	72.71	39.71
	<b>Total</b>	<b>24,321.22</b>	<b>22,461.39</b>
<b>15</b>	<b>Borrowings - Non Current:</b>		
	<b>Secured</b>		
	<b>A. Term loans-Banks :</b>		
i)	IDBI Bank Limited		
	(ii) Term Loan	1,050.00	1,750.00
	less: Current maturities	700.00	700.00
	<b>Sub Total</b>	<b>350.00</b>	<b>1,050.00</b>
ii).	Inusind Bank		
	Term Loan-1	900.00	1,498.25
	less: Current maturities	600.00	600.00
	<b>Sub Total</b>	<b>300.00</b>	<b>898.25</b>

Note No.	PARTICULARS	As at 31.03.2024	As at 31.03.2023
iii).	Inclusind Bank		
	Term Loan-2	3,499.58	-
	less: Current maturities	583.33	-
	<b>Sub Total</b>	<b>2,916.25</b>	<b>-</b>
iv).	HDFC Bank		
	Term Loan	1,300.00	-
	less: Current maturities		
	<b>Sub Total</b>	<b>1,300.00</b>	<b>-</b>
	<b>Total</b>	<b>4,866.25</b>	<b>1,948.25</b>

#### Details of security for Term loans

Loans referred in (a) and (b) are secured by pari passu first charge on all movable and immovable properties of the Company present and future. These loans are further secured by personal guarantees of two promoter Directors of the company and pledge of some shares of the promoters of the company.

#### Terms of Repayment:

Particulars	Sanction Date	Rate of Interest	Quarterly Instalments
A) IDBI Bank Limited			
i) Term Loan - 3500 Lcs	13.05.2016	9.60%	6
B) Inclusind Bank			
ii) Term Loan - 3000 Lcs	13.12.2016	10.75%	6
C) Inclusind Bank			
iii) Term Loan - 3500 Lcs	25.04.2023	9.10%	24
D) HDFC Bank			
iii) Term Loan - 1300 Lcs	03.02.2024	9.20%	from Sep'25 (60 Months)

#### B. HERO Deferred Payment

HREPL - Solar Power Plant	533.60	886.70
less: Current maturities	353.21	353.21
<b>Sub Total</b>	<b>180.39</b>	<b>533.49</b>

#### C. Vehicle loans from banks

**Sub Total** 45.27 33.14

**Note :** Vehicle loans are secured by hypothecation of the respective vehicles and guaranteed by the Managing Director of the Company.

#### Unsecured

#### D. Preference shares

8% Cumulative Redeemable Preference shares of Rs.100 each	385.00	385.00
<b>Sub total</b>	<b>385.00</b>	<b>385.00</b>



# S SURYALATA SPINNING MILLS LIMITED

Notes to Consolidated Financial Statements For The Year Ended 31st March,2024

(All amounts in ₹ Lakhs)

Note No.	PARTICULARS	As at 31.03.2024	As at 31.03.2023
<b>E. Unsecured loans</b>			
	- Loans from related parties		
	Inter-Corporate Deposits	5.11	5.11
	<b>Sub total</b>	<b>5.11</b>	<b>5.11</b>
<b>F. Deferred payment liabilities</b>			
	-Sales Tax Deferment (loan)	160.34	252.87
	<b>Sub total</b>	<b>160.34</b>	<b>252.87</b>
	<b>Grand Total (A+B+C+D+E+F)</b>	<b>5,642.36</b>	<b>3,157.86</b>

<b>16 Other non-current liabilities</b>			
	Deferred Government Grant	147.17	183.95
	<b>Total</b>	<b>147.17</b>	<b>183.95</b>
<b>17 Borrowings :</b>			
<b>A. Secured</b>			
	<b>Loans repayable on demand from banks *</b>		
	(i) HDFC - Cash Credit	983.15	1,520.64
	(ii) IDBI Bank Ltd - Cash Credit	494.47	-
	<b>Sub total</b>	<b>1,477.62</b>	<b>1,520.64</b>

**NOTE:** \* Working Capital loans from bank referred to in (A) above are secured by hypothecation of stock in trade, raw materials, stock in process, stores and spares and receivables present and future and by a second charge on the present and future movable and immovable properties of the Company on pari passu basis. The loans further secured by personal guarantees of two promoter directors of the Company.

Note No.	PARTICULARS	As at 31.03.2024	As at 31.03.2023
<b>B. Unsecured</b>			
	Loans from Directors	409.00	445.00
	<b>Sub total</b>	<b>409.00</b>	<b>445.00</b>
<b>C. Current maturity of long term debt</b>			
	i) IDBI Bank Limited		
	Term Loan	700.00	700.00
	ii) Indusind Bank		
	Term Loan-1	600.00	600.00
	Term Loan-2	583.33	-
	iii) Deffered Payment		
	HREPL - Solar Power Plant	353.21	353.21
	iv) Vehicle Loans from Banks	18.15	21.23
	v) Sales tax deferment (loan)	92.53	94.83
	<b>Sub total</b>	<b>2,347.22</b>	<b>1,769.27</b>
	<b>Total</b>	<b>4,233.84</b>	<b>3,734.91</b>

# S SURYALATA SPINNING MILLS LIMITED

Notes to Consolidated Financial Statements For The Year Ended 31st March,2024

(All amounts in ₹ Lakhs)

**18 Trade Payables :**

Micro,Small and Medium Enterprises	55.47	36.22
Other than Micro, Small and Medium Enterprises	180.30	182.30

**Total** **235.77** **218.52**

**18 a Trade Payable ageing schedule**

S NO	Particulars	Outstanding for following periods from due date of payment				31-Mar-24
		Less than 1 Year	1-2 years	2-3 years	More than 3 years	
		INR lacs	INR lacs	INR lacs	INR lacs	INR lacs
a)	Total outstanding dues of MSME	55.47				55.47
b)	Total outstanding dues of creditors other than MSME	180.16	0.14			180.30
c)	Disputed dues of creditors - MSME					
d)	Disputed dues of creditors - Other than MSME					

**18 b Trade Payable ageing schedule**

S NO	Particulars	Outstanding for following periods from due date of payment				31-Mar-23
		Less than 1 Year	1-2 years	2-3 years	More than 3 years	
		INR lacs	INR lacs	INR lacs	INR lacs	INR lacs
a)	Total outstanding dues of MSME	36.22				36.22
b)	Total outstanding dues of creditors other than MSME	180.32	1.98			182.30
c)	Disputed dues of creditors - MSME					
d)	Disputed dues of creditors - Other than MSME					

Note No.	PARTICULARS	As at 31.03.2024	As at 31.03.2023
<b>19</b>	<b>Other Financial Liabilities - Current:</b>		
a.	Interest Accrued but not due	1.12	0.33
b.	Interest accrued on Preference Shares	30.80	30.80
c.	Dues to Others	702.13	1,282.35
d.	Unpaid Dividends	5.49	5.42
e.	Employee benefits payable	310.08	302.03
f.	Creditors for Capital purchases	320.56	57.56
	<b>Total (a+b+c+d+e+f)</b>	<b>1,370.18</b>	<b>1,678.49</b>
<b>20</b>	<b>Other Current Liabilities:</b>		
a.	Advance from Customers	0.17	0.07
b.	Contribution to PF & ESI	22.15	21.04
c.	Statutory remittances	46.19	43.45
	<b>Total</b>	<b>68.51</b>	<b>64.56</b>

# S SURYALATA SPINNING MILLS LIMITED

Notes to Consolidated Financial Statements For The Year Ended 31st March,2024

(All amounts in ₹ Lakhs)

<b>21 Provisions - Current:</b>		
Provision for employee benefits		
(i). Provision for Gratuity	168.07	137.13
(ii). Leave Encashment	56.51	54.58
<b>Total</b>	<b>224.58</b>	<b>191.71</b>
<b>22 Current Tax Liabilities (net):</b>		
Provision for Income Tax (net of Advance Tax)	22.82	50.83
<b>Total</b>	<b>22.83</b>	<b>50.82</b>

Note No.	PARTICULARS	Current Year 31.03.2024	Current Year 31.03.2023
<b>23 Revenue from Operations:</b>			
i) Sale of Products - Yarn		49,099.93	52,933.58
Sale of Solar power		1,247.70	474.21
ii) Other operating Revenue			
a. Sale of Waste / Scrap		34.79	37.02
b. Export Benefit entitlements		63.96	107.58
<b>Total Sales :</b>		<b>50,446.38</b>	<b>53,552.39</b>
Less : GST		5,097.55	5,151.94
<b>Total</b>		<b>45,348.83</b>	<b>48,400.45</b>
<b>24 Other Income:</b>			
a. Interest Income on			
i. Deposits with banks and TSSPDCL		113.04	179.05
b. Fair value Gain/(Loss) on Investments		0.22	0.10
c. Sundry Credit Balances written back		2.68	5.37
d. Profit on sale of Assets( net )		0.80	-
e. Net Gain on foreign currency transactions & translation		13.00	109.99
f. Miscellaneous Income		-	0.03
g. Government grant on Sales tax deferment loan		36.79	36.79
<b>Total</b>		<b>166.53</b>	<b>331.33</b>
<b>25 Cost of Materials Consumed</b>			
Opening Stock		908.32	2,352.32
Add: Purchases		29,194.40	28,529.43
		30,102.72	30,881.75
Less : Value of Raw materials sold		40.44	-
Less: Closing Stock		909.95	908.32
<b>Total</b>		<b>29,152.33</b>	<b>29,973.43</b>
<b>26 Changes in inventories of Finished Goods, and work-in-process</b>			
a. Inventory at the beginning of the period		1,008.30	1,089.16
b. Inventory at the end of the period		1,230.59	1,008.30
<b>Total</b>		<b>-222.29</b>	<b>80.86</b>

# S SURYALATA SPINNING MILLS LIMITED

Notes to Consolidated Financial Statements For The Year Ended 31st March,2024

(All amounts in ₹ Lakhs)

Note No.	PARTICULARS	Current Year 31.03.2024	Current Year 31.03.2023
<b>27</b>	<b>Employee Benefits Expense</b>		
a.	Salaries, Wages and Bonus	3,116.94	2,934.52
b.	Contribution to Provident Fund	213.60	180.61
c.	Staff welfare expenses	112.01	107.36
d.	Gratuity	125.38	115.46
e.	Contribution to Employee State Insurance and EDLI	67.49	63.60
	<b>Total</b>	<b>3,635.42</b>	<b>3,401.55</b>
<b>28</b>	<b>Finance Costs</b>		
a.	Interest on Term loans	435.97	347.90
b.	Interest on others	206.56	139.41
c.	Interest on Preference Shares	30.80	30.80
d.	Bank charges	13.72	26.92
	<b>Total</b>	<b>687.05</b>	<b>545.03</b>
<b>29</b>	<b>Depreciation and amortisation expense:</b>		
a.	Depreciation on Property ,Plant and Equipment	1,443.09	1,243.12
b.	Amortisation of Intangible Assets	-	0.13
	<b>Total</b>	<b>1,443.09</b>	<b>1,243.25</b>
<b>30</b>	<b>Other expenses:</b>		
a.	Stores consumed:		
	Stores and Spares	789.06	706.91
	Packing Material	470.53	513.44
b.	Power and Fuel		
	Electricity charges	4,741.10	4,776.40
	Power Line chartes	-	60.56
c.	Repairs to :		
	Buildings	26.09	41.49
	Machinery	594.29	681.00
	Others	4.78	4.07
d.	Sales Expenses :		
	GST on others	0.33	0.61
	Commission on Sales	32.39	42.37
	Freight & Others - Domestic Sales	802.56	769.14
	Freight & Others - Export Sales	91.64	368.74
e.	Payments to Auditors		
	As Auditors	3.50	3.50
	for Tax Audit	0.50	0.50
	for Certification	1.28	3.13
	for Cost Auditors	0.50	0.39

**Notes to Consolidated Financial Statements For The Year Ended 31st March,2024**

(All amounts in ₹ Lakhs)

Note No.	PARTICULARS	Current Year 31.03.2024	Current Year 31.03.2023
f.	Rates and Taxes	36.74	29.78
g.	Printing and Stationery	10.80	8.34
h.	Postage, Telegrams and Telephones	9.22	11.95
i.	Travelling, Conveyance and Vehicle expenses	128.50	166.03
j.	Insurance	70.41	62.41
k.	Managerial Remuneration	162.12	151.04
l.	Directors sitting fees	2.35	2.04
m.	Professional charges	25.11	27.38
n.	Office Maintenance	207.32	194.79
o.	Miscellaneous expenses	50.36	51.16
p.	Loss on sale of assets (Net)	-	4.65
q.	Corporate Social Responsibility	24.25	141.95
r.	Donations	7.35	3.77
	<b>Total</b>	<b>8,293.07</b>	<b>8,827.54</b>
<b>31.a</b>	<b>Exceptional items:</b>		
	Exceptional items for the year ended 31st March 2024 of Rs. 0.93 Lakhs related to Cyber Crime incident in remittances of USD foreign Currency.		
<b>31.b</b>	<b>Other comprehensive income:</b>		
a.	Actuarial Gain/(Losses) on Gratuity Expense for the period	44.10	33.36
b.	Deferred Taxes on above	-11.10	-8.40
	<b>Total</b>	<b>33.00</b>	<b>24.96</b>
<b>32</b>	<b>Earnings Per Equity Share:</b>		
a.	Total Income for the period	1,864.76	3,433.97
b.	Weighted average number of equity shares of Rs. 10/-each	42.67	42.67
	Earnings per equity share (Basic and Diluted) - (a) / (b)	43.70	80.48

Note No: 33

Consolidated segment wise Revenue, Results Assets and Liabilities

S. No	Particulars	Year ended 31st March 2024	Year ended 31st March 2023
1	Segment wise Revenue:		
	(a) Spinning - Yarn	44,264.98	48,252.20
	(b) Solar Power	1250.38	479.58
	<b>Total revenue from Operations</b>	<b>45515.36</b>	<b>48731.78</b>
2	<b>Segment Results</b>		
	(a) Spinning - Yarn	2400.76	4856.32
	(b) Solar Power	719.73	348.83
	<b>Total Segment results</b>	<b>3120.49</b>	<b>5205.15</b>
	Less:		
	(i) Finance Cost - Spinning Yarn	686.87	527.50
	(ii) Finance cost - Solar Power	0.18	17.52
	<b>Profit before tax</b>	<b>2433.44</b>	<b>4660.13</b>
3	<b>Segment Assets</b>		
	(a) Spinning - Yarn	34521.47	29284.82
	(b) Solar Power	4906.08	5440.61
	<b>Total segment assets</b>	<b>39427.55</b>	<b>34725.43</b>
4	<b>Segment Liabilities</b>		
	(a) Spinning - Yarn	14527.49	11284.90
	(b) Solar Power	152.14	552.44
	<b>Total Segment Liabilities</b>	<b>14679.63</b>	<b>11837.34</b>

**Note No 34**
**Reconciliation of tax expenses**
**Income tax**

Particulars	March 31, 2024	March 31, 2023
Amount recognised in statement of profit & loss account		
Current tax	401.87	1,065.30
Defered tax	166.80	160.85
<b>Taxes expenses for the year</b>	<b>568.67</b>	<b>1,226.15</b>
Reconciliation of effective tax rate		
Profit before Income tax expense	2,433.44	4,660.13
Income Tax on above (net of MAT credit)	612.45	1,172.86
Effect on non deductible expenses	67.07	76.25
Tax impact due to revaluation of deferred tax	-	156.04
Other Adjustments	(110.85)	(179.00)
	<b>568.67</b>	<b>1,226.15</b>
Effective tax rate	23.37%	26.31%
<b>Deferred tax liabilities (net)</b>		
Particulars	March 31, 2024	March 31, 2023
Property, Plant and Equipment	2,748.78	2,581.98
Other items including employee benefits, Fair value	(14.38)	(25.48)
<b>Total</b>	<b>2,734.40</b>	<b>2,556.50</b>

**Movement in deferred tax liabilities**

Particulars	Property, Plant and Equipment	Other Items	Total
<b>As at March 31, 2023</b>	<b>2,581.98</b>	<b>(25.48)</b>	<b>2,556.50</b>
Charged / (Credited)			-
to Profit or loss (including OCI )	166.80	11.10	177.90
<b>As at March 31, 2024</b>	<b>2,748.78</b>	<b>(14.38)</b>	<b>2,734.40</b>

**Note No 35**
**Fair Value Measurement Hierarchy**

The following table provides an analysis of financial instruments that are measured subsequent to initial recognition at fair value, grouped into level 1 to level 3 as described below.

**Level 1 – Quoted prices in an active market:**

Level 1 hierarchy includes financial instruments measured using quoted prices. This includes listed equity instruments, traded bonds, ETFs and mutual funds that have quoted price. The fair value of all equity instruments (including bonds) which are traded in the stock exchanges is valued using the closing price as at the reporting period.

**Level 2 – Valuation techniques with observable inputs:**

The fair value of financial instruments that are not traded in an active market (for example, traded bonds, over-the counter derivatives) is determined using valuation techniques which maximize the use of observable market data and rely as little as possible on entity-specific estimates. If all significant inputs required to fair value an instrument are observable, the instrument is included in level 2.

### Level 3 – Valuation techniques with significant unobservable inputs:

This level of hierarchy includes financial assets and liabilities measured using inputs that are not based on observable market data (unobservable inputs). Fair values are determined in whole or in part, using a valuation model based on assumptions that are neither supported by prices from observable current market transactions in the same instrument nor are they based on available market data.

The following table provide the fair value measurement hierarchy of the company's assets and liabilities.

Quantitative disclosures of fair value measurement hierarchy as at March 31, 2024

Particulars	Fair value hierarchy (Level)	As at March 31 2024	As at March 31 2023
<b>Financial Assets measured at FVTPL</b>			
Investments	1	0.49	0.27
<b>Financial Assets measured at amortised Cost</b>			
Loans to employees	3	0.57	0.56
<b>Financial Liabilities measured at Amortised cost</b>			
Deferred Sales tax liability	3	252.87	347.71
Government grant		147.17	183.95
Term loans	2	6749.58	3248.25
Loans from related Parties	3	5.11	5.11

### Note No 36

#### Financial Risk Management

The Company's activities expose it to market risk, credit risk and liquidity risk. Company's overall risk management focuses on the unpredictability of financial markets and seeks to minimize potential adverse effects on the financial performance.

#### I. Market Risk

Market risk is the risk of loss of the future earnings, fair values or future cash flows that may result from a change in the price of a financial instrument. The value of a financial instrument may change as a result of changes in the interest rates, foreign currency exchange rates, commodity prices and other market changes that affect market risk sensitive instruments. Market risk is attributable to all market risk sensitive financial instruments including investments and deposits, foreign currency receivables, payables and borrowings

- Foreign Currency Risk** – Foreign Currency Risk is the risk of impact related to fair value or future cash flows of an exposure in foreign currency, which fluctuate due to change in foreign currency rates. The Company's exposure to the risk of changes in foreign exchange rates relates primarily to impact of raw materials and spare parts, capital expenditure, borrowings and exports of yarns. The company does not enter into any derivative instruments for trading or speculative purposes.

The carrying amounts of the company's foreign currency denominated monetary items are as follows.

Year	Receivables	
	INR	USD
As at 31st March,2023	0	0
As at 31st March,2024	283.48	3.42

#### Sensitivity Analysis

Sensitivity analysis of 5% Change rate at the ending of the reporting period net of hedges

- Interest Rate Risk** – Interest rate risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market interest rates. The Company's exposure to the risk of changes in market rates relates primarily to the Company's short term borrowing. The Company constantly monitors the credit markets and rebalances its financing strategies to achieve an optimal maturity profile and financing cost. Since all the borrowings are on floating rate, no significance risk of change in interest rate.



## Notes to Consolidated Financial Statements For The Year Ended 31st March,2024

(All amounts in ₹ Lakhs)

- c. **Commodity Risk** – Commodity price risk arises due to fluctuation in raw material (fiber prices) linked to various external factors, which can affect the production cost of the Company. The Company actively manages inventory and in many cases sale prices are linked to major raw material prices. These risks are reviewed and managed by senior management on continuous basis.

### II. Credit Risk

Credit risk arises when a customer or counterparty does not meet its obligations under a financial instrument or customer contract, leading to a financial loss. The Company is exposed to credit risk from its operating activities (primarily trade receivables) and from its financing/investing activities, including deposits with banks. The company has a prudent and conservative process for managing its credit risk arising in the course of its business activities. The Company is receiving payments regularly from its customers and hence the Company has no significant credit risk.

### III. Liquidity Risk

Liquidity risk is defined as the risk that the company will not be able to settle or meet obligations on time or at reasonable price. Prudent liquidity risk management implies maintaining sufficient cash and marketable securities and the availability of funding through an adequate amount of credit facilities to meet obligations when due. The Company's treasury team is responsible for liquidity, funding as well as settlement management. In addition, processes and policies related to such risks are overseen by senior management. Management monitors the Company's liquidity position through rolling forecasts based on expected cash flows.

### Note No 37

#### Subsequent Events

#### Dividend Proposed to be distributed

Particulars	As at	
	March 31, 2024	March 31, 2023
	(Note below)	(Note below)
Dividend Proposed for Equity Share Holders	25.29	37.94

**Note :** For the year ended the directors have recommended the payment of a final dividend of Rs. 2/- per fully paid non-promoter equity share ( 31st March 2023- Rs.3/-). This proposed dividend is subject to the approval of shareholders in the ensuing annual general meeting hence the same is not recognised.

### Note No 38

#### Capital Management

#### A. Capital Management and Gearing Ratio

The Company's objectives when managing capital are to

- Safeguard their ability to continue as a going concern, so that they can continue to provide returns for shareholders and benefits for other stakeholders.
- Maintain an optimal capital structure to reduce the cost of capital Consistent with others in the industry, the company monitors capital on the basis of the following gearing ratio: Net debt (total borrowings net of cash and cash equivalents) divided by Total 'equity' (as shown in the balance sheet)

#### GEARING RATIO

Particulars	As at March 31, 2024	As at March 31, 2023
(a) Debt	9,876.20	6,892.78
(b) Cash and Cash Equivalents	30.27	554.14
(c) Net Debt (a) - (b)	9,845.93	6,338.64
(d) Total Equity	24,747.92	22,888.09
Net Debt to equity ratio (c) / (d)*	0.37	0.25

**Note 39**

**Corporate Social Responsibility**

As per section 135 of the companies Act 2013, a company, has to spend 2% of its average net profits of three immediate preceding financial year as detaild below.

Particulars	Year ended March 31, 2024	Year ended March 31, 2023
Amount required to be spent by the Company during the year	86.89	71.31
Amount of expenditure incurred on:		
(i). Construction/acquisition of any asset		
(ii) On purposes other than (i) above	24.25	141.95
<b>Shortfall / (Excess) at the end of the year</b>	<b>62.64</b>	<b>-70.64</b>
Set off of Short fall from previous years carry forward	62.64	0.00
Reason for shortfall	0	0
Nature of CSR Activities	Imparting universal message of the vedas at their impressionable age and to provide health consciousness	
Details of related party transactions in relation to CSR expenditure as per relevant Accounting Standard :	NA	NA
The Company has spent the total amount of earmarked during the financial year.		

**Note 40**

**Contingent Liabilities**

PARTICULARS	As on 31.03.2024	As on 31.03.2023
a. Contingent Liabilities not provided for on account of		
i. Bank Guarantee	235.47	235.47
ii. GST appeals on tax demands against inverted duty and Input Tax Credit on capital goods refund claims.	263.36	223.2
iii. Income Tax Assessment year 2014-15	124.83	Nil
b. Estimated amount of Contracts to be executed on capital projects.	114.15	4,557.18

**Note no 41**

**Employee benefits: Gratuity**

Consequent to the adoption of Accounting Standard on Employees Benefits (Ind AS-19) issued by the Institute of Chartered Accountants of India, the following disclosures have been made as required by the Standard for Actuarial valuation of Gratuity.

The company has created a Trust namely SLSML Employees Gratuity Trust vide Trust deed dated 31st December, 2005 and obtained approvals from Income Tax Authorities vide letter No. CIT-III/10/GF/2005-06 dated 18.10.2006. SBI Life Insurance has been appointed for management of the Trust fund for the Benefit of the employees. The following tables summarize the components of net benefits.

PARTICULARS		As on 31.03.2024	As on 31.03.2023
<b>I</b>	<b>Table showing changes in present value of obligations</b>		
	Present value of obligations as at beginning of year	973.38	869.87
	Interest cost	70.51	62.62
	Current Service Cost	114.33	110.10
	Benefits Paid	(66.58)	(35.86)
	Actuarial gain / (Loss) on obligations	(44.10)	-33.35
	Present value of obligations as at end of year	<b>1047.54</b>	<b>973.38</b>
<b>II</b>	<b>Table showing changes in the fair value of plan assets</b>		
	Fair value of plan assets at beginning of year	836.25	778.99
	Expected return on plan assets	62.02	57.26
	Contributions	47.79	35.86
	Benefits Paid	-66.58	-35.86
	Actuarial gain / (Loss) on Plan assets	0.00	0.00
	Fair value of plan assets at the end of year	<b>879.48</b>	<b>836.25</b>
<b>III.</b>	<b>Table showing fair value of plan assets</b>		
	Fair value of plan assets at beginning of year	836.25	778.99
	Actual return on plan assets	62.02	57.26
	Contributions	47.79	35.86
	Benefits Paid	-66.58	-35.86
	Actuarial gain / (Loss) on Plan assets	0	0
	Fair value of plan assets at the end of year	879.48	836.25
	Funded status including OCI	(168.06)	(137.13)
	Excess of Actual over estimated return on plan assets (Actual rate of return = Estimated rate of return as ARD falls on 31st March)	Nil	Nil
<b>IV.</b>	<b>Assumptions</b>		
	Discount rate	7.23%	7.50%
	Rate of return on assets		
	Salary Escalation	8.00%	8.00%

**Note No 42**
**DUES TO MICRO AND SMALL ENTERPRISES**

The Micro, Small and Medium Enterprises have been identified on the basis of the information available with the Company. This has been relied upon by the auditors. Dues to such parties are given below:

PARTICULARS		As at 31.03.2024	As at 31.03.2023
a)	The principal amount remaining unpaid as at the end of the year	55.47	36.21
(b)	The amount of interest accrued and remaining unpaid at the end of the year		-
(c)	Amount of interest paid by the Company in terms of Section 16, of (MSMED Act, 2006) along with the amounts of payments made beyond the appointed date during the year.		-
(d)	Amount of interest due and payable for the period of delay in making payment without the interest specified under the (MSMED Act, 2006).		-
(e)	The amount of further interest remaining due and payable in the succeeding years, until such date when the interest dues as above are actually paid to the small enterprise for the purpose of disallowance as a deductible expenditure under Section 23 of the (MSMED Act, 2006).		-

**Note No 43**

Related party disclosures as required by the IND AS 24 are given under.

**i) Transactions during the year**

SI No	Name	Relationship	Nature of Transaction	Current Year 2023-24	Current Year 2022-23
a)	Sri Vithaldas Agarwal Managing Director	Key Management	Remuneration	51.00	48.00
			Interest (Gross)	24.99	22.03
			Unsecured loan Repaid	90.00	0.27
			Unsecured loan Received	62.00	0.88
b)	Sri Mahender Kumar Agarwal Joint Managing Director	Key Management	Remuneration	60.03	56.65
			Interest (Gross)	3.72	2.16
			Unsecured loan Repaid	41.00	0
			Unsecured loan Received	15.00	0.65
c)	Smt Madhavi Agarwal Executive Director	Key Management	Remuneration	51.09	46.39
			Interest (Gross)	2.69	0.99
			Unsecured loan Repaid	0	0
			Unsecured loan Received	18.00	0.30
e)	Suryamba Spinning Mills Ltd	Enterprise in which Key Management personal is interested	Sale of Yarn	0.00	41.00
f)	Surana Solar Ltd.	Enterprise in which Key Management personal is interested	Solar Power purchased	70.44	67.37
g)	sri K Nageswara Rao	Chief Financial Officer	Remuneration	32.96	31.1
h)	Sri R Surendar reddy	Chairman	sitting fee	0.75	0.69
i)	sri K Suresh Reddy	Director	Sitting fee	0.70	0.69
j)	Sri Harish Chandra Prasad	Director	Sitting fee	0.90	0.66
k)	Kushboo Jain	Company secretary	remuneration	3.00	3.00

<b>Payables as at 31.03.2024</b>					
<b>Sl no</b>	<b>Name</b>	<b>Relationship</b>	<b>Nature of Transaction</b>	<b>As at 31.03.2024</b>	<b>As at 31.03.2023</b>
a)	Sri Vithaldas Agarwal Managing Director	Key Management	Remuneration (net)	3.12	9.90
			Interest (net)	6.10	8.37
			Unsecured loan	322.00	350.00
b)	Sri Mahender Kumar Agarwal Joint Managing Director	Key Management	Remuneration (net)	6.38	9.39
			Interest (net)	0.67	0.91
			Unsecured loan	39.00	65.00
c)	Smt Madhavi Agarwal Executive Director	Key Management	Remuneration (net)	5.64	11.22
			Interest (net)	0.83	0.90
			Unsecured loan	48.00	30.00
d)	Surana Solar Limited	Enterprise in which Key Management personal is interested	Solar Power purchased	6.70	7.18

**Note 44 Additional Information:**

- i) The Company do not have any Benami property and neither any proceedings have been initiated or is pending against the Company for holding any Benami property.
- ii) The Company do not have any transactions with companies struck off.
- iii) The Company do not have any charges or satisfaction which is yet to be registered with ROC beyond the statutory period.
- iv) The Company has not been declared a wilful defaulter by any bank or financial institution or any other lender during the current period.
- v) The Company have not advanced or loaned or invested funds to any other person(s) or entity(ies), including foreign entities (Intermediaries) with the understanding that the Intermediary shall:
  - a. directly or indirectly lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the company (Ultimate Beneficiaries) or
  - b. provide any guarantee, security or the like to or on behalf of the Ultimate Beneficiaries.
- vi) The Company has not received any fund from any person(s) or entity(ies), including foreign entities (Funding Party) with the understanding (whether recorded in writing or otherwise) that the Company shall:
  - a. directly or indirectly lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the Funding Party (Ultimate Beneficiaries) or
  - b. Provide any quarentee, security or the like on behalf of the Ultimate Beneficiaries.
- vii) The loan has been utilized for the purpose for which it was obtained and no short term funds have been used for long term purpose.
- viii) The company is in compliance with the number of layers prescribed under clause (87) of section 2 of the Companies Act read with the companies ( Restrictiion on number of Layers ? Rules, 2017.
- ix) The Company have not traded or invested in Crypto currency or Virtual Currency during the financial year.
- x) The Company have not any such transaction which is not recorded in the books of accounts that has been surrendered or disclosed as income during the year in the tax assessments under the Income Tax Act, 1961 ( such as, search or survey or any other relevant provisions of the Income Tax Act, 1961.)

# **S SURYALATA SPINNING MILLS LIMITED**

## **Notes to Consolidated Financial Statements For The Year Ended 31st March,2024**

### **Note No 45**

Previous Year's Figures have been regrouped wherever necessary to correspond with the current year's figures. Except when otherwise stated, the figures are presented in Rupees in Lakhs.

As Per Our Report of even date  
for **K S RAO & CO.,**  
Chartered Accountants  
Firm Regn. No. : 003109S

**V.VENKATESWARA RAO**  
Partner  
Membership No. 219209

Place : Secunderabad  
Date : 23<sup>rd</sup> May, 2024

**KUSHUBOO JAIN**  
Company Secretary

**K.NAGESWARA RAO**  
Chief Financial Officer

for and on behalf of the Board

**VITHALDAS AGARWAL**  
Managing Director

**MAHENDER KUMAR AGARWAL**  
Joint Managing Director





# GREEN ENERGY - SOLAR PARKS







## VORTEX SPINNING PLANT (Urukondapet Unit)

