



Date: 06.09.2021

To

The General Manager

Department of Corporate Services

B.S.E. Limited

1st Floor, Rotunda Building,

B.S. Marg, Fort

Mumbai – 400 001

Dear Sir,

Subject: Submission of 42nd Annual Report along with the Notice of the 42nd Annual General Meeting (AGM) of the Company for the Financial Year 2020-21.

Ref.: BSE Scrip Code: 514140

Pursuant to Regulation 34 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, we are submitting herewith the Annual Report of the company for the Financial year 2020-21 along with the Notice of the 42nd Annual General Meeting scheduled to be held on **Thursday, 30th September, 2021** at 09.30 A.M at Incredible One Hotel, 1-2-40, 41 & 43, Park Lane, Sandhu Apartment, Kalasiguda, Secunderabad, Telangana 500003.

We request you to take the above information on record and acknowledge the receipt of the same.

Thanking you,

Yours faithfully,

For Suryavanshi Spinning Mills Limited

Rajender Kumar Agarwal

Managing director

DIN: 00041892

Encl: As above.

A Govt. Recognised Export House,

Regd. Office : Surya Towers, 6th Floor, 105, Sardar Patel Road, Secunderabad - 500 003. Telangana State, India, Ph. +91-40-2784 3333. Fax : 91-40-27815135



ANNUAL REPORT
2020-21

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Important Communication to Members

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

CORPORATE INFORMATION

BOARD OF DIRECTORS

Sri Rajender Kumar Agarwal	Managing Director & CFO
Sri Manish Gupta	Non Executive Independent Director
Smt Sushma Gupta	Non Executive Independent Director
Sri Uttam Gupta	Non Executive Independent Director (w.e.f 28.09.2020)

Company Secretary & Compliance Officer

Ms. Ashu
(resigned w.e.f 5.08.2021)
Ms. Diksha Omer
(appointed w.e.f 14.08.2021)

Auditors

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

Bankers

Union Bank of India (earlier Andhra Bank)

Registered Office

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

Audit Committee

Sri Manish Gupta
Sri Rajender Kumar Agarwal
Sri Uttam Gupta

Stakeholders' Relationship Committee

Sri Manish Gupta
Sri Rajender Kumar Agarwal
Sri Uttam Gupta

Nomination & Remuneration Committee

Sri Manish Gupta
Smt Sushma Gupta
Sri Uttam Gupta

Listed on BSE Limited

ISIN: INE431C01023
Scrip Code: 514140

Registrar and Share Transfer Agents

KFin Technologies Private Limited
Selenium Tower B, Plot No 31 & 32,
Gachibowli, Financial District, Nanakramguda,
Serilingampally, Hyderabad – 500 032
Tel No. 040-67162222
e-mail: einward.ris@kfintech.com
Website: www.kfintech.com

FACTORY

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

NOTICE

NOTICE IS HEREBY GIVEN THAT THE 42ND ANNUAL GENERAL MEETING OF THE MEMBERS OF SURYAVANSHI SPINNING MILLS LIMITED WILL BE HELD ON THURSSDAY, 30TH DAY OF SEPTEMBER, 2021 AT 09.30 AM AT INCREDIBLE ONE HOTEL, 1-2-40, 41 & 43, PARK LANE, SANDHU APARTMENT, KALASIGUDA, SECUNDERABAD, TELANGANA 500003 TO TRANSACT THE FOLLOWING BUSINESS:

ORDINARY BUSINESS

1. To receive, consider and adopt the Audited Financial Statements for the financial year ended 31st March 2021 and the Reports of the Directors and Auditors thereon.
2. To appoint a director in place of Sri Rajender Kumar Agarwal (DIN:00041892) who retires by rotation and, being eligible, offers himself for reappointment.

SPECIAL BUSINESS

3. **To authorize to accept a loan from the director of the company with an option to convert the same into fully paid up equity shares**

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

“**RESOLVED THAT** pursuant to the provisions of Section 62 (3), Section 179(3)(d) read with the provisions of Rule 2(1)(c)(viii) of Companies (Acceptance of Deposits) Rules, 2014, and any other applicable provisions of Companies Act, 2013 read with Rules made there under (including any statutory modifications or re-enactment thereof, for the time being in force), and the provisions of SEBI (Issue of Capital & Disclosure Requirements) Regulations, 2009 as amended from time to time (hereinafter referred to as “the Regulations”) and any other applicable guidelines/regulations issued by the Securities and Exchange Board of India (SEBI) and subject to all necessary approvals, consents, permissions and any other statutory or regulatory authorities, other applicable laws, (including any statutory modification or enactment thereof, for the time being in force), and the enabling provisions of the Memorandum and Articles of Association of the Company and the provisions of the Listing Regulations and such terms and conditions as may be determined by the Board of Directors of the Company and subject to such conditions and modifications as may be prescribed or

imposed by any of them while granting such approvals, consents, permissions or sanctions and agreed to by the Board, the consent and approval of the members of the company be and is hereby accorded to borrow from time to time, from the Directors in the form of unsecured loan any such amount up to the sum of Rs.10,00,00,000/- (Rupees Ten Crores Only), as the Board in its absolute discretion may deem necessary for achieving the objects of the company, which may upon receipt of notice from the lender to that effect, be converted into fully paid up equity shares of the company on such terms and conditions as may be agreed upon by the Directors of the company.

RESOLVED FURTHER THAT the equity shares to be allotted in terms of this resolution shall rank pari-passu with the existing equity shares of the Company in all respects and the same shall be subject to lock-in for such period that may be prescribed under the SEBI (ICDR) Regulations.”

RESOLVED FURTHER THAT in accordance with the provisions of Section 62 (3) and other applicable provisions, if any, of the Companies Act, 2013, consent of the members be and is hereby accorded to the Board of Directors for conversion of such loans availed from the Directors into fully paid-up equity shares of the Company at a price as may be decided by the Board.

RESOLVED FURTHER THAT on receipt of the notice of conversion, the Board be and is hereby authorized to do all such acts, deeds and things as the Board may deem necessary and shall issue and allot the requisite number of fully paid-up ordinary Equity Shares of the Company.

RESOLVED FURTHER THAT Board of Directors of the Company be and are hereby authorized to do all such acts, deeds and things as may be necessary, expedient and incidental thereto to give effect to this resolution.”

4. **To approve the related party transaction with the Promoters of the Company**

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

“**RESOLVED THAT** pursuant to the provisions of Section 188 and Section 180 (1) (a) of the Companies Act, 2013 and Rules made thereunder and as per the Regulation 23 of SEBI (Listing Obligations and Disclosures Requirement) Regulations, 2015 and

other applicable provisions, if any, (including any statutory modification(s) or re-enactment thereof for the time being in force), as per the recommendations and prior approval of Audit Committee in the meeting held on 14th August, 2021 the consent of the members be and is hereby accorded for entering into the related party transaction with the promoters of the company at arm's length basis, for effecting the sale of the land having Survey no. 531, 532, 533, 561, 563, 564, 565, 568 situated at Aliabad Village, Shameerpet Mandal, Rangareddy District, Telangana total value of which is Rs.6.56 crores:

RESOLVED FURTHER THAT the Board be and is hereby authorized to enter into related party transaction with the promoters, on behalf of the Company and to finalize the terms and conditions and take such steps as may be necessary for obtaining

approvals, and to complete all the formalities in connection to such sale or transfer and to settle all the matters arising out of and incidental thereto, and to sign and execute all deeds, applications, documents and writings that may be required, on behalf of the Company, and file the required e-forms with the Registrar of Companies, Telangana and generally to do all such acts, deeds and things that may be necessary, proper and expedient or incidental for the purpose of giving effect to the above resolution.”

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

Place: Secunderabad
Date: 14.08.2021

Rajender Kumar Agarwal
Managing Director
DIN: 00041892

NOTES:

1. **Keeping in view the outbreak of COVID-19 (Corona Virus) pandemic, the AGM of the Company will be held at the venue in accordance with the Guidelines as prescribed by the World Health Organization maintaining social distancing norms and the venue being thoroughly sanitized.**
2. **The members are requested to wear mask all the time and carry their own stationery including pen, notepad, etc. to avoid any kind of physical contact among the members present at the meeting.**
3. The register of members and share transfer books of the Company will be closed from **23rd September, 2021 to 30th September, 2021 (both days inclusive)** for the purpose of Annual General Meeting.
4. The Company's Registrar & Share Transfer Agent is KFIN Technologies Private Limited, Selenium Tower B, Plot No 31 & 32, Gachibowli, Financial District, Nanakramguda, Serilingampally, Hyderabad – 500032, Tel No. 040-67162222, Fax No. 040-23420814 e-mail: einward.ris@kfintech.com Website: <https://www.kfintech.com>
5. A Member entitled to attend and vote at the Annual General Meeting (AGM) is entitled to appoint a proxy to attend and vote on poll instead of himself and such proxy need not be a member of the Company.
A person can act as proxy on behalf of members not exceeding fifty and holding in the aggregate not more than 10% of the total share capital of the Company carrying voting rights. The holder of the proxy shall prove his/her identity at the time of attending the meeting.
6. A member holding more than 10% of the total share capital may appoint a single person as Proxy and such person shall not act as Proxy for any other person or member. The Instrument appointing the proxy should be deposited at the registered office of the company not less than forty-eight hours before the commencement of the meeting.
7. The shareholder desiring any further information as regards the accounts are requested to write to the Company so as to reach it at least one week prior to the date of the meeting for consideration of the management to deal at the meeting.
8. The Register of Directors and Key Managerial Personnel and their shareholding maintained under section 170 of Companies Act, 2013 and relevant documents referred to in this Notice of AGM and explanatory statement will be available for inspection by the members during the AGM. All documents referred to in the Notice will also be available for electronic inspection without any fee by the members on the date of AGM, i.e. 30th September, 2021. Members seeking to inspect such documents can send an email to secdept@suryavanshi.com
9. Corporate members intending to send their authorized representatives to attend the meeting pursuant to section 113 of the Companies Act, 2013 are requested to send to the Company, a certified copy of the relevant board resolution authorizing such representative to attend the AGM together with their respective specimen signatures authorizing their representative(s) to attend and cast their votes on their behalf. Such documents can be sent to the company at secdept@suryavanshi.com.
10. Members may note that the Notice of the 42nd AGM and the Annual Report for FY 2020-21, copies of audited financial statements, directors' report etc., will also be available on the website of the company, www.suryavanshi.com for download. Members holding shares in electronic mode are therefore requested to keep their email address updated with the Depository Participants. Members holding shares in physical mode are also requested to update their email addresses by writing to the Registrar and Transfer Agent of the Company at the address M/s KFin Technologies Private Limited, Selenium Building, Tower B, Plot No 31 & 32, Financial District, Nanakramguda, Serilingampally, Hyderabad – 500 032, Telangana.
11. SEBI has vide its Notifications dated 8th June, 2018 and 30th November, 2018 mandated that securities of listed companies can be transferred only in dematerialized form from 1st April, 2019. In view of the above and to avail various benefits of dematerialization, members are advised to dematerialize the shares held by them in physical form.
12. In compliance with the MCA Circulars and SEBI Circular dated 12th May 2020, Notice of the AGM along with the Annual Report 2020-21 including inter alia the Report of the Board of Directors, Auditors' Report, Financial Statement, Notice of this AGM, Attendance Slip, Proxy Form, etc. is being sent only through electronic mode to those Members whose email addresses are registered with the Company/ Depositories. Members may note that the Notice and Annual Report 2020-21 will also be available on the Company's website <https://www.suryavanshi.com>
13. M/s K.S. Rao & Co., Chartered Accountants, Hyderabad (ICAI Firm Registration No. 003109S) were appointed as Statutory Auditors in the AGM held on 29th September 2017 for a period of 5

years until the conclusion of 43rd AGM. Pursuant to the Notification issued by the Ministry of Corporate Affairs on 7th May, 2018 amending section 139 of the Act and the Rules framed thereunder, the mandatory requirement for ratification of appointment of Auditors by the Members at every Annual General Meeting has been omitted, and hence the Company is not proposing an item on ratification of appointment of Auditors at this AGM.

14. An explanatory statement pursuant to Section 102 of the Companies Act, 2013 and Secretarial Standards on General Meeting (SS-2) which sets out details relating to Special Business at the meeting is annexed hereto in respect of business set out under Item no.3&4.

15. As per Regulation 40 of SEBI 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. Members can contact the Company or Company's Registrars and Transfer Agents, KFin Technologies Private Limited for assistance in this regard.

16. The Securities and Exchange Board of India (SEBI) vide its Circular No. SEBI/HO/MIRSD/DOP1/CIR/P/2018/73 dated 20th April, 2018 has mandated registration of PAN and Bank Account Details for all security holders. Members holding shares in physical form are therefore, requested to submit their PAN and Bank Account details to KFin Technologies Private Limited along with a self-attested copy of PAN Card and original cancelled cheque. The original cancelled cheque should bear the name of the Member. In the alternative Members are requested to submit a copy of bank passbook/statement attested by the bank. Members holding shares in Demat form are requested to submit the aforesaid information to their respective Depository Participant.

17. E-VOTING:

(i) Pursuant to the provisions of Section 108 and other applicable provisions, if any, of the Companies Act, 2013 and Rule 20 of the Companies (Management and Administration) Amendment Rules, 2015 and SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, the Company is pleased to provide to its Members, the facility to cast their vote electronically, through the e-voting services provided by National Security Depository Limited on all resolutions set forth in this Notice. The members

may cast their votes using an electronic voting system from a place other than the venue of the Meeting ('remote e-voting').

(ii) The facility for voting through Ballot form shall be made available at the Meeting and the members attending the Meeting who have not cast their vote by remote e-voting shall be able to vote at the Meeting through Ballot form.

(iii) A Member can opt for only single mode of voting i.e. either through e-voting or by Ballot Form. If a Member casts votes by both modes then voting done through e-voting shall prevail and vote by Ballot shall be treated as invalid. The members who have cast their vote by remote e-voting may also attend the Meeting but shall not be entitled to cast their vote again.

(iv) The Board of Directors of the Company has appointed Smt Rashida Adenwala, Practising Company Secretary, Partner, R & A Associates, Hyderabad as Scrutinizer to voting process (e-voting and ballot) in a fair and transparent manner and she has communicated her willingness to be appointed and will be available for same purpose.

(v) Voting rights shall be reckoned on the paid-up value of shares registered in the name of the member / beneficial owner (in case of electronic shareholding) as on the **cut-off date i.e. 22nd September, 2021**.

(vi) A person, whose name is recorded in the register of members or in the register of beneficial owners maintained by the depositories as on the cut-off date, i.e. 22nd September, 2021 only shall be entitled to avail the facility of remote e-voting as well as voting at AGM through ballot form.

(vii) Any person who becomes a member of the Company after dispatch of the Notice of the Meeting and holding shares as on the cut-off date i.e. 22nd September, 2021, may obtain the User ID and password by writing to National Securities Depository Limited at evoting@nsdl.co.in or call at Toll Free No. 1800 1020 990 and 1800 22 44 30. However, if the person is already registered with National Securities Depository Limited for remote e-voting then the existing user ID and password can be used for casting vote.

(viii) The scrutinizer, after scrutinizing the votes cast at the meeting and through remote e-voting, will, after the conclusion of the Meeting, make a consolidated scrutinizer's report and submit the same to the Chairman. The results declared along with the consolidated scrutinizer's report shall be placed on the website of the Company <https://www.suryavanshi.com> and on the website of national Securities Depository Limited evoting@nsdl.co.in. The results shall simultaneously be communicated to

BSE Limited.

(ix) Subject to receipt of requisite number of votes, the Resolutions shall be deemed to be passed on the date of the Meeting, i.e., 30th September, 2021.

(x). **THE INSTRUCTIONS FOR MEMBERS FOR REMOTE E-VOTING ARE AS UNDER:-**

The remote e-voting period begins on 26th September, 2021 at 9:00 A.M. and ends on 29th September, 2021 at 5:00 P.M. The remote e-voting module shall be disabled by NSDL for voting thereafter. The Members, whose names appear in the Register of Members / Beneficial Owners as on the record date (cut-off date) i.e. 22nd September, 2021, may cast their vote electronically. The voting right of shareholders shall be in proportion to their share in the paid-up equity share capital of the Company as on

the cut-off date, being . 22nd September, 2021.

How do I vote electronically using NSDL e-Voting system?





The way to vote electronically on NSDL e-Voting system are mentioned below:

Step I: Access to NSDL e-Voting system

A) Login method for e-Voting for Individual shareholders holding securities in demat mode

In terms of SEBI circular dated December 9, 2020 on e-Voting facility provided by Listed Companies, Individual shareholders holding securities in demat mode are allowed to vote through their demat account maintained with Depositories and Depository Participants. Shareholders are advised to update their mobile number and email Id in their demat accounts in order to access e-Voting facility.

Login method for Individual shareholders holding securities in demat mode is given below:

Type of shareholders	Login Method
Individual Shareholders holding securities in demat mode with NSDL.	<ol style="list-style-type: none"> Existing IDeAS user can visit the e-Services website of NSDL Viz. https://eservices.nsdl.com either on a Personal Computer or on a mobile. On the e-Services home page click on the “Beneficial Owner” icon under “Login” which is available under ‘IDeAS’ section , this will prompt you to enter your existing User ID and Password. After successful authentication, you will be able to see e-Voting services under Value added services. Click on “Access to e-Voting” under e-Voting services and you will be able to see e-Voting page. Click on company name or e-Voting service provider i.e. NSDL and you will be re-directed to e-Voting website of NSDL for casting your vote during the remote e-Voting period or joining virtual meeting & voting during the meeting. If you are not registered for IDeAS e-Services, option to register is available at https://eservices.nsdl.com. Select “Register Online for IDeAS Portal” or click at https://eservices.nsdl.com/SecureWeb/IdeasDirectReg.jsp Visit the e-Voting website of NSDL. Open web browser by typing the following URL: https://www.evoting.nsdl.com/ either on a Personal Computer or on a mobile. Once the home page of e-Voting system is launched, click on the icon “Login” which is available under ‘Shareholder/Member’ section. A new screen will open. You will have to enter your User ID (i.e. your sixteen digit demat account number hold with NSDL), Password/ OTP and a Verification Code as shown on the screen. After successful authentication, you will be redirected to NSDL Depository site wherein you can see e-Voting page. Click on company name or e-Voting service provider i.e. NSDL and you will be redirected to e-Voting website of NSDL for casting your vote during the remote e-Voting period or joining virtual meeting & voting during the meeting. Shareholders/Members can also download NSDL Mobile App “NSDL Speede” facility by scanning the QR code mentioned below for seamless voting experience. <p style="text-align: center;">NSDL Mobile App is available on</p> <div style="display: flex; justify-content: center; gap: 20px;"> <div style="text-align: center;">  App Store </div> <div style="text-align: center;">  Google Play </div> </div> <div style="display: flex; justify-content: center; gap: 20px; margin-top: 10px;">   </div>

Type of shareholders	Login Method
Individual Shareholders holding securities in demat mode with CDSL	<ol style="list-style-type: none"> Existing users who have opted for Easi / Easiest, they can login through their user id and password. Option will be made available to reach e-Voting page without any further authentication. The URL for users to login to Easi / Easiest are https://web.cdslindia.com/myeasi/home/login or www.cdslindia.com and click on New System Myeasi. After successful login of Easi/Easiest the user will be also able to see the E Voting Menu. The Menu will have links of e-Voting service provider i.e. NSDL. Click on NSDL to cast your vote. If the user is not registered for Easi/Easiest, option to register is available at https://web.cdslindia.com/myeasi/Registration/EasiRegistration Alternatively, the user can directly access e-Voting page by providing demat Account Number and PAN No. from a link in www.cdslindia.com home page. The system will authenticate the user by sending OTP on registered Mobile & Email as recorded in the demat Account. After successful authentication, user will be provided links for the respective ESP i.e. NSDL where the e-Voting is in progress.
Individual Shareholders (holding securities in demat mode) login through their depository participants	You can also login using the login credentials of your demat account through your Depository Participant registered with NSDL/CDSL for e-Voting facility. upon logging in, you will be able to see e-Voting option. Click on e-Voting option, you will be redirected to NSDL/CDSL Depository site after successful authentication, wherein you can see e-Voting feature. Click on company name or e-Voting service provider i.e. NSDL and you will be redirected to e-Voting website of NSDL for casting your vote during the remote e-Voting period or joining virtual meeting & voting during the meeting.

Important note: Members who are unable to retrieve User ID/ Password are advised to use Forget User ID and Forget Password option available at abovementioned website.

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

Login type	Helpdesk details
Individual Shareholders holding securities in demat mode with NSDL	Members facing any technical issue in login can contact NSDL helpdesk by sending a request at evoting@nsdl.co.in or call at toll free no.: 1800 1020 990 and 1800 22 44 30
Individual Shareholders holding securities in demat mode with CDSL	Members facing any technical issue in login can contact CDSL helpdesk by sending a request at helpdesk.evoting@cdslindia.com or contact at 022- 23058738 or 022-23058542-43

B) Login Method for e-Voting for shareholders other than Individual shareholders holding securities in demat mode and shareholders holding securities in physical mode.

How to Log-in to NSDL e-Voting website?

- Visit the e-Voting website of NSDL. Open web browser by typing the following URL: <https://www.evoting.nsdl.com/> either on a Personal Computer or on a mobile.
- Once the home page of e-Voting system is launched, click on the icon “Login” which is available under ‘Shareholder/ Member’ section.
- A new screen will open. You will have to enter your User ID, your Password/OTP and a Verification Code as shown on the screen.

Alternatively, if you are registered for NSDL eservices i.e. IDEAS, you can log-in at <https://eservices.nsdl.com/> with your existing IDEAS login. Once you log-in to NSDL eservices after using your log-in credentials, click on e-Voting and you can proceed to Step 2 i.e. Cast your vote electronically.

4. Your User ID details are given below :

Manner of holding shares i.e. Demat (NSDL or CDSL) or Physical	Your User ID is:
a) For Members who hold shares in demat account with NSDL.	8 Character DP ID followed by 8 Digit Client ID For example if your DP ID is IN300*** and Client ID is I2***** then your user ID is IN300***I2*****.
b) For Members who hold shares in demat account with CDSL.	16 Digit Beneficiary ID For example if your Beneficiary ID is I2***** then your user ID is I2*****.
c) For Members holding shares in Physical Form.	EVEN Number followed by Folio Number registered with the company For example if folio number is 001*** and EVEN is 101456 then user ID is 101456001***

5. Password details for shareholders other than Individual shareholders are given below:

- a) If you are already registered for e-Voting, then you can use your existing password to login and cast your vote.
- b) If you are using NSDL e-Voting system for the first time, you will need to retrieve the 'initial password' which was communicated to you. Once you retrieve your 'initial password', you need to enter the 'initial password' and the system will force you to change your password.
- c) How to retrieve your 'initial password'?
 - (i) If your email ID is registered in your demat account or with the company, your 'initial password' is communicated to you on your email ID. Trace the email sent to you from NSDL from your mailbox. Open the email and open the attachment i.e. a .pdf file. Open the .pdf file. The password to open the .pdf file is your 8 digit client ID for NSDL account, last 8 digits of client ID for CDSL account or folio number for shares held in physical form. The .pdf file contains your 'User ID' and your 'initial password'.
 - (ii) If your email ID is not registered, please follow steps mentioned below in **process for those shareholders whose email ids are not registered.**

6. If you are unable to retrieve or have not received the "Initial password" or have forgotten your password:

- a) Click on "**Forgot User Details/Password?**" (If you are holding shares in your demat account with NSDL or CDSL) option available on www.evoting.nsdl.com.
- b) **Physical User Reset Password?** (If you are holding shares in physical mode) option available on www.evoting.nsdl.com.
- c) If you are still unable to get the password by aforesaid two options, you can send a request at evoting@nsdl.co.in mentioning your demat account number/folio number, your PAN, your name and your registered address etc.
- d) Members can also use the OTP (One Time Password) based login for casting the votes on the e-Voting system of NSDL.

7. After entering your password, tick on Agree to "Terms and Conditions" by selecting on the check box.

8. Now, you will have to click on "Login" button.

9. After you click on the "Login" button, Home page of e-Voting will open.

General Guidelines for shareholders.

1. Institutional shareholders (i.e. other than individuals, HUF, NRI etc.) are required to send scanned copy (PDF/ JPG Format) of the relevant Board Resolution/ Authority letter etc. with attested specimen signature of the duly authorized signatory(ies) who are authorized to vote, to the Scrutinizer by e-mail to rashida@rna-cs.com with a copy marked to evoting@nsdl.co.in.
2. It is strongly recommended not to share your password with any other person and take utmost care to keep your password confidential. Login to the e-voting website will be disabled upon five unsuccessful attempts to key in the correct password. In such an event, you will need to go through the “Forgot User Details/ Password?” or “Physical User Reset Password?” option available on www.evoting.nsdl.com to reset the password.
3. In case of any queries, you may refer the Frequently Asked Questions (FAQs) for Shareholders and e-voting user manual for Shareholders available at the download section of www.evoting.nsdl.com or call on toll free no.: 1800 1020 990 and 1800 22 44 30 or send a request to evoting@nsdl.co.in.

Process for those shareholders whose email ids are not registered with the depositories for procuring user id and password and registration of e mail ids for e-voting for the resolutions set out in this notice:

1. In case shares are held in physical mode please provide Folio No., Name of shareholder, scanned copy of the share certificate (front and back), PAN (self attested scanned copy of PAN card), AADHAR (self attested scanned copy of Aadhar Card) by email to secdept@suryavanshi.com
2. In case shares are held in demat mode, please provide DPID-CLID (16 digit DPID + CLID or 16 digit beneficiary ID), Name, client master or copy of Consolidated Account statement, PAN (self attested scanned copy of PAN card), AADHAR (self attested scanned copy of Aadhar Card) to secdept@suryavanshi.com. If you are an Individual shareholders holding securities in demat mode, you are requested to refer to the login method explained at **step I (A)** i.e. **Login method for e-Voting for Individual shareholders holding securities in demat mode.**
3. Alternatively shareholder/members may send a request to evoting@nsdl.co.in for procuring user id and password for e-voting by providing above mentioned documents.
4. In terms of SEBI circular 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 required to update their mobile number and email ID correctly in their demat account in order to access e-Voting facility..

Instructions and other information relating to Ballot Form:

- (i) A member desiring to exercise voting by using Ballot Form shall complete the enclosed Ballot Form with assent (FOR) or dissent (AGAINST) and send it to the Scrutinizer, Ms. Rashida Adenwala, Practising Company Secretary, Partner at R&A Associates, Hyderabad, duly appointed by the Board of Directors of the Company, to the given address Office No. T 202, Technopolis, I-10-74/B, above Ratnadeep Super Market, Chikoti Gardens, Begumpet, Hyderabad, Telangana 500016. Ballot Forms deposited in person or sent by post or courier at the expense of the member will also be accepted at the Registered Office of the Company.
- (ii) Please convey your assent in Column “FOR” or dissent in the column “AGAINST” by placing a tick (“”) mark in the appropriate column in the Ballot Form only. The assent / dissent received in any other form / manner will not be considered.
- (iii) Duly completed and signed Ballot Forms shall reach the Scrutinizer on or before 29th September, 2021 (5.00 P.M. IST). The Ballot Forms received after the said date /time shall be strictly treated as if the reply from the Member has not been received.
- (iv) Unsigned/ incomplete Ballot Forms will be rejected. Scrutinizer’s decision on validity of the Ballot Form shall be final.

- (v) A member may request duplicate Ballot Form, if so required, by writing to the Company at its Registered Office or by sending an email on secdept@suryavanshi.com by mentioning their Folio No. / DP ID and Client ID. However, the duly filled in duplicate Ballot Form should reach the scrutinizer not later than 29th September, 2021 (5.00PM. IST).
10. In case of joint holders, the vote of such joint holder who is higher in the order of names shall be accepted to the exclusion of the votes of other joint holders.
11. In terms of Section 72 of the Act read with the applicable Rules made under the Act, every holder of shares in the Company may at any time nominate, in the prescribed manner (Form No. SH-13), a person to whom his/her shares in the Company shall vest, in the event of his/her death. Nomination Form can be obtained from the R & TA. The duly filled in Nomination Form shall be sent to R & TA at the above mentioned address by the Members holding shares in physical mode. Members holding shares in electronic form may contact their respective Depository Participants for availing this facility.
12. Members/Proxies/Authorized Representatives should bring their soft/hard copy of the Annual Report and Attendance Slip sent herein for attending the Meeting. Proxy/Authorized Representatives of Members should state on the Attendance Slip as 'Proxy' or 'Authorized Representative', as the case may be. Further, those who hold shares in demat form are requested to write their Client Id and DP Id and those who hold shares in physical forms are requested to write their folio number on the Attendance Slip for easy identification at the meeting.
13. A route map showing directions to reach the venue of the 42nd AGM is given at the end of the Notice.

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

Rajender Kumar Agarwal
Managing Director
DIN: 00041892

Place: Secunderabad
Date: 14.08.2021

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

ITEM NO.2

Details of Directors seeking appointment and re-appointment at the forthcoming Annual General Meeting (in pursuance of Regulation 36 (3) of SEBI (Listing Obligations Disclosure Requirements), 2015)

Name of the Director	Mr. Rajender Kumar Agarwal
DIN	00041892
Date of Birth	28.07.1962
Nationality	Indian
Date of Appointment on the Board	12.10.1990
Qualifications	B.E (Mechanical)
Expertise in specific functional area	Experience of more than 25 years in Textiles business.
Number of shares held in the Company as on 31.03. 2021	12,19,359
List of the directorships held in other companies	1. Telangana Spinning & Textile Mills Association 2. Sheshadri Power and Infrastructure Private Limited
Chairman/ Member in the Committees of the Boards of companies in which he is Director*	Nil
*Committee memberships/chairmanships includes only Audit Committee and Stake holders' Relationship Committee of other Public Limited Company (whether Listed or not).	
There is no inter-se relationship between Board Members.	

ITEM NO. 3

Your Company is engaged into Textile business and there is regular need of working capital to ensure smooth running of its operations. To strengthen its financial position and to ensure that the company have a sufficient funds for the payment of One-time settlement to the bank ,the Board, in its meeting held on 14th August, 2021, decided to borrow any such amount from time to time, upto the sum of Rs. 10 crores, as unsecured loans from the Directors of the company, on such terms and conditions, as may be determined by the Board of directors, which may be converted into the fully paid equity shares of the company.

The price at which the shares are to be offered shall be determined in terms of provisions of the SEBI (ICDR) Regulations, 2009 and the shares shall rank pari-passu with the existing equity shares of the company.

In terms of Section 62 of the Companies Act, 2013 and Rules made there under (the "Act"), and the provisions of SEBI (ICDR) Regulations, 2009, the company, needs to obtain prior approval of the shareholders of to accept loans that may be converted into share capital of the company.

The Board therefore, recommends that the above resolution be passed by way of Special resolution.

None of the Directors and/or KMP or their relatives is interested or concerned in the proposed resolution, except in the ordinary course of business and to the extent of their shareholding.

ITEM NO. 4

Pursuant to the provisions of Section 188 of the CompaniesAct,2013, the Companies (Meeting of Board and its Powers) Rules, 2014, the Related Party Transactions as mentioned in clause (a) to (g) of the said section require a Company to obtain approval of the Board of Directors and subsequently the Shareholders of the Company by way of Special Resolution in case the value of the Related Party Transactions exceeds the stipulated thresholds prescribed in Rule' 15 of the said Rules and transactions other than in ordinary course of business and on arm's length basis.

As per regulation 23 of Securities and Exchange Board of India (Listing Obligations and Disclosure Requirement) Regulations, 2015, (“SEBI LODR”) also requires that all material related party transactions shall require approval of the shareholders through special resolution.

Accordingly, on recommendation of Audit Committee and Meeting of the Board of Directors held on 14th August, 2021 approved related party transactions and now seek approval of the shareholders by way of Special Resolution under Section 188 of the Companies Act, 2013 the Companies (Meeting of Board and its Powers) Rules, 2014 and SEBI (LODR) Regulations, 2015 to enable the Company to enter into following related Party Transactions in one or more tranches. The transactions under consideration, is proposed to be entered into by the Company with the promoters of the Company in the ordinary course of business and at arm length basis.

Following disclosure is provided with respect to the transactions:-

S. No	PARTICULARS	DETAILS
1	Name of the Related Party & Nature of Relationship	Rishikesh Agarwal, Yamunadevi Agarwal, Vidhi Agarwal & their relatives (Promoters & their relative)
2	Nature, Duration of the contract and particulars of the contract or arrangement	36 months & Sale of land
3	Material terms of the contract or arrangement including the value, if any	Value of Contract or arrangement determined by registered valuer
4	Any advance paid or received for the contract or arrangement, if any	Nil
5	The manner of determining the pricing and other commercial terms, both included as part of contract and not considered as part of the contract	Pricing is determined by registered valuer
6	Whether all factors relevant to the contract have been considered, if not, the details of factors not considered with the rationale for not considering those factors	Yes, all the relevant factors are considered
7	Any other information relevant or important for the Board to take a decision on the proposed transaction	For the payment of One-time Settlement with Bank, the Board proposed this transaction

Except Mr. Rajender Kumar Agarwal, None of the Directors and/or KMP or their relatives is interested or concerned, financially or otherwise in the resolution set out in item no.4.

The Board therefore, recommends that the above resolution be passed by way of Special resolution.

DIRECTORS REPORT

To,
The Members,
SURYAVANSHI SPINNING MILLS LIMITED

We have pleasure in presenting the 42nd Directors Report on the business and operations of Company and Financial Results for the year ended 31st March, 2021.

I. STATE OF AFFAIRS & FINANCIAL PERFORMANCE

The financial highlights of the company are as follows

Rs. In lakhs

	2020-2021	2019-2020
Turnover Revenue	4330.30	2586.89
Gross Profit before financial charges & depreciation & exceptional items	390.15	(432.96)
Less: Depreciation	173.30	172.12
Financial charges	179.61	242.66
Exceptional items	2.98	760.28
Profit / (Loss) before taxation	40.21	(87.46)
Tax expenses	117.32	-
Profit / (Loss) after taxation	(77.11)	(87.46)

2. OPERATIONS

During the year under review, the company recorded total turnover of Rs.4330.30 lakhs as against turnover of Rs.2586.89 lakhs of the previous year. The operations during the year have resulted in a loss of Rs.77.11 lakhs as against the loss of Rs.87.46 lakhs in previous year. The Company's maximum revenue generate through sale of yarn so as higher turnover is recorded in the current year then compared to last year and the same is expected to improve in future.

3. CHANGE IN SHARE CAPITAL

There is no change in Share Capital of the company during the year under review.

4. IMPACT OF COVID-19 ON BUSINESS

The COVID-19 pandemic developed rapidly into a global crisis, forcing governments to enforce lock-downs of all economic activity. For the Company, the focus immediately shifted to ensuring the health and wellbeing of all employees and ensuring business continuity. Implementation of adequate policies and procedures to enable 'work from home' for employees to work remotely and securely and ensure Business Continuity Plan. Given that employee safety and government directives, operations at all the plants of the company. Your Company has taken measures to maintain adequate financial liquidity and to ensure availability of raw materials and needed resources for sustained operations.

5. CHANGE IN THE NATURE OF BUSINESS, IF ANY:

There was no change in nature of business activity during the year.

6. REVISION OF ANNUAL FINANCIAL STATEMENTS

There was no case of revision in financial statement during the year.

7. RESERVES

Your Directors does not propose to carry any amount to General Reserve Account as the Company has incurred losses during the financial year.

8. DIVIDEND

In view of losses incurred by the Company during the year under review, the Board is unable to recommend dividend.

9. EXPANSION & MODERNISATION

Modernization and expansion shall take place in line with technological developments that take place in the industry.

10. MATERIAL CHANGES AND COMMITMENTS AFTER THE END OF FINANCIAL YEAR

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

11. FUTURE OUTLOOK

The Company future outlook is expected to be bright in future in view of change in operations.

12. CORPORATE GOVERNANCE

The report on Corporate Governance is not being enclosed to this report in view of the relaxation under regulation 15(2) of SEBI (Listing Obligations and Disclosure Requirements) Regulations 2015.

13. MANAGEMENT DISCUSSION AND ANALYSIS REPORT

Management's Discussion and Analysis Report for the year under review, as stipulated under Regulation 34 read with Schedule V of SEBI (Listing Obligations and Disclosure Requirements), 2015 is presented in a separate section forming part of the Annual Report as **Annexure – III**.

14. LISTING AT STOCK EXCHANGE

The Equity shares of the Company are listed on Bombay Stock Exchange Limited, Mumbai and the Listing Fee for the year 2020-21 has been duly paid.

15. ENVIRONMENT AND POLLUTION CONTROL

The manufacturing facility has obtained environmental clearance from the Pollution Control Board concerned and is in compliance with all current environmental legislation. As an integral part of its environment protection drive, the Company ensures the very minimum quantity of generation of waste, low emission levels and low noise pollution levels during operations of its manufacturing facility.

16. DEPOSITORY SYSTEM

Your Company's shares are tradable compulsorily in electronic form and your Company has connectivity with both the Depositories i.e. National Securities Depository Limited (NSDL) and Central Depository Service (India) Limited (CDSL). As per the SEBI (Listing Obligations & Disclosure Requirements) (Fourth Amendment) Regulations, 2018, vide Gazette notification dated June 8, 2018 & 30th November, 2018 mandated that Share transfer shall be mandatorily carried out in dematerialized form only w.e.f. from April 1, 2020. In view of the numerous advantages offered by the Depository System, members are requested to avail the facility of Dematerialization of the Company's shares on either of the Depositories mentioned as aforesaid.

17. DIRECTORS AND KEY MANAGERIAL PERSONNEL

Pursuant provision of Section 152 of the Companies Act, 2013, Sri Rajender Kumar Agarwal (DIN 00041892), Director will retire at the ensuing Annual General Meeting and being eligible, offers himself for re-appointment. The Board recommends his re-appointment.

A. EVALUATION OF THE BOARD'S PERFORMANCE

In compliance with the Companies Act, 2013 and as per the Listing Regulations, the performance evaluation of the Board and of its Committee was carried out during the year under review.

The Directors evaluation was broadly based on the parameters such as understanding of the Company's vision and 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.

B. DECLARATION BY INDEPENDENT DIRECTORS

All Independent Directors of your Company have given a declaration pursuant to Section 149(7) of the Companies Act, 2013 and Regulation 25(8) SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 affirming compliance to the criteria of Independence as laid down under Section 149(6) of the Companies Act, 2013 and Regulation 16(1)(b) of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015.

Based on the declaration(s) of Independent Directors, the Board of Directors recorded its opinion that all Independent Directors are independent of the Management and have fulfilled the conditions as specified in the Companies Act, 2013 and the Rules made there under.

Independent Directors not liable to retire by rotation, in terms of Section 149(13) of the Act.

C. FAMILIARIZATION PROGRAMME FOR INDEPENDENT DIRECTORS

The Company has formulated a familiarization program for Independent Directors to provide insights into the Company's manufacturing, marketing, finance and other important aspects to enable the Independent Directors to understand its business in depth and contribute significantly to the Company. The Company Secretary briefs the Director about their legal and regulatory responsibilities as a Director. The details of such program are available on the Company's website (www.suryavanshi.com)

D. KEY MANAGERIAL PERSONNEL:

Pursuant to the Section 203 of the Companies Act, 2013 read with the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014. The Key Managerial Personnel of the Company as on March 31, 2021 are:

- Mr. Rajender Kumar Agarwal, Managing Director & Chief Financial Officer
- Ms. Ashu, Company Secretary & Compliance Officer (resigned w.e.f. 05.08.2021)

E. DISQUALIFICATIONS OF DIRECTORS

During the year declarations received from the Directors of the Company pursuant to Section 164 of the Companies Act, 2013. The Board appraised the same and found that none of the director is disqualified for holding office as director.

Further the Certificate from Practicing Company Secretary has been obtained who certified that none of the directors of the company disqualified for holding office as director of the Company is enclosed with this Board Report.

F. RESIGNATION

Mr. Surender Kumar Agarwal was appointed as an Additional Director w.e.f 30.09.2019 under category of Independent Director who shall hold office till the date of this Annual General Meeting. But due to personal and unavoidable circumstances Mr. Surender Kumar Agarwal file his Resignation from the post of Additional Director under category of Independent Director of the Company w.e.f 26th July 2020 and Board of Directors accepts the same.

G. APPOINTMENT

Pursuant to sec 149 of the Companies Act, 2013 Shri Uttam Gupta was appointed as an Independent Director of the company to hold an office for 5 consecutive year from previous annual general meeting held on 02.12.2020

18. BOARD AND THEIR COMMITTEES

1. BOARD OF DIRECTORS

a) Composition and Number of Board Meetings:

As on 31st March, 2021, the board of Directors comprises of 4 (Four) Directors of these, 1 (One) is Executive Director and 3 (Three) are Independent Directors. The Chairman is an Executive Director.

The Board of Directors of the Company met Six (06) times during the year i.e. on 30/06/2020, 18/07/2020, 15/09/2020, 28/09/2020, 13/11/2020 and 13/02/2021 The intervening gap between any two meetings was not more than 120 days as prescribed under the Act.

b) Disclosure of relationships between directors inter-se:

There is no inter-se relationship between Board Members.

2. AUDIT COMMITTEE

The Audit Committee comprises of Sri Rajender Kumar Agarwal, Sri Uttam Gupta and Sri Manish Gupta as other members. All the recommendations made by the Audit Committee were accepted by the Board.

During the financial year ended March 31, 2021 Four(4) times Audit Committee Meetings were held 18/07/2020, 15/09/2020, 13/11/2020 and 13/02/2021

(* Mr. Surender Kumar Agarwal resigned & ceased to be member of the committee w.e.f 26.07.2020 and Mr. Uttam Gupta appointed as an Additional Independent Director and member of the Audit Committee w.e.f 28.09.2020.)

3. NOMINATION & REMUNERATION COMMITTEE

The Nomination & Remuneration Committee comprises of, Sri Manish Gupta, Sri Rajender Kumar Agarwal and Sri Uttam Gupta as other members. All the recommendations made by the Nomination & Remuneration Committee were accepted by the Board.

During the financial year ended March 31, 2021 – Two (2) times Nomination & Remuneration Committee Meetings were held on 15/09/2020 and 28/09/2020

(* Mr. Surender Kumar Agarwal resigned & ceased to be member of the committee w.e.f 26.07.2020 and Mr. Uttam Gupta appointed as an Additional Independent Director and member of the Nomination & Remuneration Committee w.e.f 28.09.2020.)

4. STAKEHOLDERS' RELATIONSHIP COMMITTEE

Your company has constituted a Stakeholders' Relationship Committee to specifically look into the mechanism of redressal of grievances of shareholders and other security holders.

The Stakeholders Relationship Committee comprises of Sri Manish Gupta, Sri Rajender Kumar Agarwal and Sri Uttam Gupta

Details of the complaint received and redressed during the year under review are as follows:

1	No. of Complaints received for the 4 th Quarter	NIL
2	No. of Complaints received for the Year ended 31 st March 2021	NIL
3	Number not solved to the satisfaction of shareholders	NIL
4	Number of pending complaints	NIL

(* Mr. Surender Kumar Agarwal resigned & ceased to be member of the committee w.e.f 26.07.2020 and Mr. Uttam Gupta appointed as an Additional Independent Director and member of the Stakeholders' Relationship Committee w.e.f 28.09.2020.)

5. SEPARATE MEETING OF INDEPENDENT DIRECTOR:

During the year under review, a separate meeting of Independent Directors was held on 13.02.2021 And all Independent Directors present at the meeting.

19. NOMINATION AND REMUNERATION POLICY

The Board on the recommendation of the Nomination & Remuneration Committee framed a policy for selection and appointment of Directors, Senior Management and their remuneration as required under Sec 178 of the Companies Act, 2013 and Regulation 19(4) read with Schedule II of the SEBI (Listing Obligations and Disclosures Requirements) Regulations, 2015

20. OTHER MANAGEMENT POLICES

The following policies are placed in company's website at <https://www.suryavanshi.com>

- Policy for determination of materiality
- Policy on code of conduct
- Policy on Code of Fair disclosure
- RPT Policy

21. AUDITORS & AUDITORS' REPORT

A. STATUTORY AUDITORS

M/s K.S.Rao & Co., Chartered Accountants, Hyderabad (ICAI Firm Regn. No.003109S) were appointed as Statutory Auditors in the AGM held on 29th September 2017 for a period of 5 years until the conclusion of 43rd AGM.

The Company has received a certificate from the auditors confirming that their appointment is in accordance with Section 139 read with Section 141 of the Act.

Ministry of Corporate Affairs vide its notification dated May 7, 2018 has done away with the requirement of seeking ratification of appointment of statutory auditors by members at each AGM. Accordingly, no such item has been considered in notice of the 42nd AGM.

Explanation to Auditor's Remark

Following are the replies / clarifications in respect of the observations made by the statutory auditor in their audit report.

1. The management would like to bring to your notice that the cotton trading activity was done by purchasing cotton from the cotton trader when the prices were lower due to pandemic by purchasing against a confirmed contract of Cotton Corporation of India with the extended delivery terms. Subsequently, when the prices of cotton increase the same was sold to the same group who has cotton spinning mills in India.
2. The management is of the considered opinion that the interest provided towards dues payable to Andhra Bank toward One time settlement scheme or compromise proposal which the company has entered with Andhra Bank, due to Covid-19 the company could not make 100% payment on or before 31.03.2020. The Company has already made a representation to the bank for extending the period of One time settlement. The company has provided interest of Rs. 118.25 Lakhs upto 31.03.2021. The Company has not provided interest of Rs. 686.92 Lakhs towards interest on outstanding loans since the account become NPA. The management is confident it will complete the compromise proposal / one time Settlement entered with Andhra Bank would be amicably completed.
3. The management would like to clarify that there is a contradiction in books of accounts with respect to outstanding amount of loan granted by the RCFL. We have made the request several times to RCFL for Statement of Reconciliation but not received yet.

Reporting of fraud by Statutory Auditors

There was no fraud in the Company, which was required to be reported by statutory auditors of the Company under sub-section (12) of section 143 of Companies Act, 2013.

B. SECRETARIAL AUDITOR

During the year, the Company has appointed M/s Yellapragada and Associates, Practicing Company Secretaries as Secretarial Auditor in compliance with the provision of Section 204 of the Companies Act, 2013 and Rule 9 of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014. The Secretarial Audit report in form MR-3 for the financial year ended 31st March 2021 is annexed herewith as **Annexure I** to this Report. The Secretarial Audit Report does not contain any qualification or adverse remark.

C. INTERNAL AUDITOR

In compliance with the provisions of Section 138 of the Act read with Rule 13(1)(a) of Companies (Accounts) Rules, 2014. The Board of Directors of the Company has appointed M/s. SLR & Associates, Chartered Accountant as Internal Auditors to conduct Internal Audit of the Company for the Financial Year ended 31st March 2021.

22. DIRECTORS' RESPONSIBILITY STATEMENT:

To the best of their knowledge and belief and according to the information and explanations obtained by them, your Directors make the following statements in terms of Section 134(3)(c) of the Companies Act, 2013:

- (a) in the preparation of the annual accounts, the applicable accounting standards had been followed along with proper explanation relating to material departures;
- (b) the directors had selected such accounting policies and applied them consistently and made judgments and estimates that are reasonable and prudent so as to give a true and fair view of the state of affairs of the company at the end of the financial year and of the profit and loss of the company for that period;
- (c) the directors had taken proper and sufficient care for the maintenance of adequate accounting records in accordance with the provisions of this Act for safeguarding the assets of the company and for preventing and detecting fraud and other irregularities;

- (d) the directors had prepared the annual accounts on a going concern basis;
- (e) the directors had laid down internal financial controls to be followed by the company and that such internal financial controls are adequate and were operating effectively; and
- (f) the directors had devised proper systems to ensure compliance with the provisions of all applicable laws and that such systems were adequate and operating effectively.

23. RELATED PARTY TRANSACTIONS

All related party transactions that were entered into during the financial year were on arm's length basis and were in the ordinary course of business. There are no materially significant related party transactions made by the Company with Promoters, Directors, Key Managerial Personnel or other designated persons which may have a potential conflict with the interest of the Company at large.

All Related Party transaction are presented to the Audit Committee and the board. Omnibus approval is obtained for the transactions which are foreseeable and repetitive in nature. A Statement of all related party transactions is presented before the Audit Committee and the Board on a quarterly basis, specifying the nature, value and terms and conditions of the transactions. The Policy on materiality of related party transactions as approved by the Board may be accessed on the Company's website at <http://www.suryavanshi.com/policy-policy.html>.

Your Directors draw attention of the members to Note 38 to the financial statement which sets out related party disclosures. . Particulars of Contracts or Arrangements with Related parties referred to in Section 188(1) in Form AOC- 2 is enclosed to this report in **Annexure IV**.

24. CONSERVATION OF ENERGY, TECHNOLOGY ABSORPTION, FOREIGN EXCHANGE EARNINGS AND OUTGO:

The particulars relating to conservation of energy, technology absorption, foreign exchange earnings and outgo required to be given pursuant to the provisions of Section 134 of the Companies Act, 2013 read with the Companies (Account) Rules, 2014 is annexed hereto and marked **Annexure II** and forms part of this Report.

25. INTERNAL FINANCIAL CONTROLS

The Company has adopted the policies and procedures for ensuring the orderly and efficient conduct of its business, including adherence to the Company's policies, the safeguarding of its assets, the prevention and detection of frauds and errors, the accuracy and completeness of the accounting records and the timely preparation of reliable financial information.

The Company has in place adequate internal financial controls with reference to financial statements. The Company's internal control systems, including internal financial controls, are commensurate with the nature of its business and the size and complexity of its operations and the same are adequate and operating effectively. These systems are periodically tested and no reportable material weakness in the design or operation was observed. The Audit Committee reviews adequacy and effectiveness of the Company's internal control system including internal financial controls.

26. PARTICULARS OF EMPLOYEES AND RELATED DISCLOSURES:

The information required pursuant to Section 197(12) of Companies Act, 2013 read with Rule 5(1) and Rule 5(2) of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014 in respect of the employees of the Company, will be provided upon request. In terms of Section 136 of the Act, the Report and Accounts are being sent to the members and others entitled thereto, excluding the information on employees' particulars which is available for inspection by the members at the Registered Office of the Company during business hours on working days of the Company up to the date of the ensuing Annual General Meeting. If any member is interested in obtaining a copy thereof, such member may write to the Company Secretary in this regard.

27. POLICY ON SEXUAL HARASSMENT:

The Company has in place a policy on Prevention of Sexual Harassment of Employees at workplace in accordance with The Sexual harassment of Women at Workplace (Prevention, Prohibition and Redressal) Act, 2013. Internal Compliant Committee has been set to redress complaints received regarding sexual harassment.

During the year under review, the Company has not received any complaints pertaining to sexual harassment.

28. PARTICULARS OF LOANS, GUARANTEES OR INVESTMENTS UNDER SECTION 186:

The Company has not made any loan, given guarantee or provided security pursuant to the provisions of Section 186 of Companies Act, 2013. The details of investments made by the Company pursuant to the provisions of Section 186 of Companies Act, 2013 is provided in Note 8 to the financial statement.

29. DISCLOSURES:

A. ANNUAL RETURN

Annual Return of the Company as on 31st March, 2021 in accordance with Section 92(3), Section 134(3)(a) of the Companies Act, 2013 read with Companies (Management and Administration) Rules, 2014 which can be accessed from <http://www.suryavanshi.com/financials>.

B. Vigil Mechanism

The Company has a 'Whistle Blower Policy'/'Vigil Mechanism' in place. The objective of the Vigil Mechanism is to provide the employees, Directors, customers, contractors and other stakeholders of the Company an impartial and fair avenue to raise concerns and seek their redressal, in line with the Company's commitment to the highest possible standards of ethical, moral and legal business conduct and fair dealings with all its stakeholders and constituents and its commitment to open communication channels. The Company is also committed to provide requisite safeguards for the protection of the persons who raise such concerns from reprisals or victimization, for whistle blowing in good faith. The Board of Directors affirms and confirms that no personnel have been denied access to the Audit Committee. The Policy contains the provision for direct access to the Chairman of the Audit Committee in appropriate or exceptional cases..

The Policy on vigil mechanism cum Whistle Blower may be accessed on the Company's website at the link: <https://www.suryavanshi.com> there were no complaints received during the year 2020-21.

C. Risk Management

The Company recognizes that risk is an integral and unavoidable component of business and is committed to managing the risk in a proactive and efficient manner. The Company as part of business strategy has in place a mechanism to identify, assess, monitor risks and mitigate various risks with timely action.

30. COMPLIANCE OF SECRETARIAL STANDARD

The Company has complied with all the applicable Secretarial Standards issued by The Institute of Company Secretaries of India and notified by the Central Government

31. GENERAL

Your Directors state that no disclosure or reporting is required in respect of the following items as there were no transactions on these items during the year under review:

- a. Details relating to deposits covered under Chapter V of the Act.
- b. The Company has no subsidiaries, joint ventures or associate companies.
- c. The Company is not required to maintain cost records under Section 148(1) of the Companies Act, 2013.
- d. During the year under review the Company has not given loan to any employee for purchase of its own shares as per section 67(3) (c) of Companies Act, 2013.

- e. The Company has not issued shares under employee's stock options scheme pursuant to provisions of Section 62 read with Rule 12 of Companies (Share Capital and Debenture) Rules, 2014.
- f. The Company has not issued sweat equity shares pursuant to provisions of Section 54 read with Rule 8 of Companies (Share Capital and Debenture) Rules, 2014 & SEBI (issue of sweat equity) Regulations, 2002 during the Financial Year.
- g. The Business Responsibility Reporting as required by Regulation 34(2) of the SEBI (Listing Obligations & Disclosure Requirements) Regulations, 2015, is not applicable to your Company for the financial year ending March 31, 2021.
- h. No significant or material orders were passed by the Regulators or Courts or Tribunals which impact the going concern status and Company's operations in future.
- i. Details in respect of frauds reported by the Auditors under section 143(12) other than those which are reportable to the Central Government, as there were no such frauds reported by the Auditors.

32. ACKNOWLEDGEMENTS:

The Board of Directors is pleased to place on record their appreciation for the co-operation and support extended by All Financial Institutions, Banks and various State and Central Government Agencies.

The Board would also like to thank the Company's shareholders, customers, suppliers for the support and the confidence which they have reposed in the management. The Board place on record its appreciation for the contribution made by the employees at all levels and for their hard work, solidarity, co-operation and support.

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

R.K.Agarwal
Managing Director
DIN: 00041892

Place: Secunderabad
Date: **14.08.2021**

Manish Gupta
Director
DIN: 00526638

ANNEXURE: I

FORM NO.MR-3

SECRETARIAL AUDIT REPORT

FOR THE FINANCIAL YEAR ENDED MARCH 31, 2021

[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,

SURYAVANSHI SPINNING MILLS LIMITED

CIN: L14220TG1978PLC002390

Registered office

Add: 105, Sardar Patel Road,

Secunderabad-500003

Telangana, India

We have conducted the secretarial audit of the compliance of applicable statutory provisions and the adherence to good corporate practices by SURYAVANSHI SPINNING MILLS LIMITED (herein after called the "Company"). Secretarial audit was conducted in a manner that provided me a reasonable basis for evaluating the corporate conducts/statutory compliances and expressing our opinion thereon

Based on our verification of the Company's, books, papers, minute books, forms and returns filed and other records maintained by the company and also the information provided by the Company, its officers and authorized 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 on 31st March, 2021 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 (records were verified in electronic form due to situation of "COVID-19") for the financial year ended on 31st March, 2021 according to the provisions of:

- (i) The Companies Act, 2013 (the Act) and the rules made there under as amended from time to time;
- (ii) The Securities Contracts (Regulation) Act, 1956 ('SCRA') and the rules madethere under;
- (iii) The Depositories Act, 1996 and the Regulations and Bye-laws framed thereunder;
- (iv) Foreign Exchange Management Act, 1999 and the rules and regulations madethere under to the extent of Foreign Direct Investment, Overseas DirectInvestment and External Commercial Borrowings;
- (v) The following Regulations and Guidelines prescribed under the Securities andExchange Board of India Act, 1992 ('SEBI Act') as amended from time to time:-
 - a. The Securities and Exchange Board of India (Substantial Acquisition ofShares and Takeovers) Regulations, 2011;
 - b. The Securities and Exchange Board of India (Prohibition of Insider Trading)Regulations, 1992;
 - c. The Securities and Exchange Board of India (Issue of Capital and DisclosureRequirements) Regulations, 2009;
 - d. The Securities and Exchange Board of India (Employee Stock Option Schemeand Employee Stock Purchase Scheme) Guidelines, 1999; -- N.A.
 - e. The Securities and Exchange Board of India (Issue and Listing of DebtSecurities) Regulations, 2008; -- N.A.
 - f. The Securities and Exchange Board of India (Registrars to an Issue andShare Transfer Agents) Regulations, 1993 regarding the Companies Act anddealing with client;

- g. The Securities and Exchange Board of India (Delisting of Equity Shares) Regulations, 2009; -- N.A.
- h. The Securities and Exchange Board of India (Buyback of Securities) Regulations, 1998; -- N.A.
- i. The Securities and Exchange Board of India (Listing Obligation & Disclosure Requirements) Regulations, 2015.

We have also examined compliance with the applicable clauses of the following:

- i. Secretarial Standards issued by The Institute of Company Secretaries of India with respect to board and general meetings.
- ii. The Listing Agreement entered into by the Company with BSE India Limited.

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

We further report that, having regard to the compliance system prevailing in the Company and on examination of the relevant documents and records in pursuance thereof, on test-check basis:

The management has identified and confirmed the following laws as being specifically applicable: and based on representation of the Management the said law are duly complied:

- a) Textiles (Development and Regulation) Order, 2001; and
- b) Hank Yarn Packing Notification issued under Essential Commodities Act, 1955.

We further report that,

- I. the Board of Directors of the Company is duly constituted with proper balance of Executive Directors, Non-Executive Directors and Independent Directors & Woman Directors. There is change in the composition of the Board of Directors during the review period and change in composition in Committee:
 1. Re-appointment of Mr. Rajender Kumar Agarwal (DIN- 00041892) as the Managing Director of Company three years commencing from 13/02/2020 to 12/02/2023.
 2. Re-appointment of Smt Sushma Gupta (DIN: 07147330) as an Independent Director second term from 29.09.2020 to 28.09.2025.
 3. Resignation of Mr. Surender Kumar Agarwal as Director (Non-Executive & Independent) of the Company w.e.f 28th July 2020.
 4. Shri Manish Gupta (DIN: 00526638), was appointed as an Additional Director w.e.f 30.09.2019 as independent director a term of five consecutive years commencing from 30.09.2019 to 29.09.2024
 5. Shri. Uttam Gupta (DIN: 08883411) as an Independent Director Shri Manish Gupta (DIN: 00526638), was appointed as an Additional Director w.e.f 28.09.2020 as independent director a term of five consecutive years commencing from 28.09.2020 to 27.09.2025.
 6. Mr. Surender Kumar Agarwal resigned & ceased to be member of the committee w.e.f 26.07.2020 and Mr. Uttam Gupta appointed as an Additional Independent Director and member of the Audit Committee w.e.f 28.09.2020
 7. Mr. Surender Kumar Agarwal resigned & ceased to be member of the committee w.e.f 26.07.2020 and Mr. Uttam Gupta appointed as an Additional Independent Director and member of the Nomination & Remuneration Committee w.e.f 28.09.2020.
 8. Mr. Surender Kumar Agarwal resigned & ceased to be member of the committee w.e.f 26.07.2020 and Mr. Uttam Gupta appointed as an Additional Independent Director and member of the Stakeholders' Relationship Committee w.e.f 28.09.2020
2. The Company has conducted its Annual General Meeting on 02nd December, 2021, due to relaxation given the Roc, Hyderabad for period 3 months vide Circular No.ROCH/STA/2020-2021 dated 08th September, 2020.

3. In Review, there are few delays in intimation of information/report/certificate to Stock Exchange, and management represented the said delay due to pandemic.
4. The auditor of the Company given qualified report under point Material Uncertainty Related to Going Concern.
5. Majority decision is carried through while the dissenting members' views are captured and recorded as part of the minutes
6. Information given by the Management that there, company has defaulted in payments undisputed statutory dues at March 31, 2021 which includes Provident Fund, Employees 'State Insurance', Income-Tax, Sales-tax, and Value added tax.
7. We further report that based on our limited review of the compliance mechanism established by the Company, there appear 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
8. There was no instance of Demerger/ Restructuring/ Scheme of Arrangement
9. The Company has not altered MoA and AoA
10. We further report that, our Audit was subjected only to verifying adequacy of systems and procedures that are in place for ensuring proper compliances on the part of the Company.

We hereby state that due to present scenario of "COVID 19", the audit was done on the basis of information provided by the Company in electronic mode. We were unable to conduct actual physical examination of documents and reports filed by the Company with respect to compliances applicable

For Yellapragada & Associates
Practicing Company Secretaries

Cs Eshwar Sharma Yellapragada
Proprietor
M.No 37135, C P No. 19122
UIDN:F011147C000787890

Date: 14.08.2021
Place: Hyderabad.

ANNEXURE-A TO SECRETARIAL AUDIT REPORT

To
The Members,
SURYAVANSHI SPINNING MILLS LIMITED
CIN: LI4220TGI978PLC002390
Registered office
Add: 105, Sardar Patel Road,
Secunderabad-500003
Telangana, India

Our report of even date is to be ready along with this supplementary testimony:

1. Maintenance of Secretarial record is the responsibility of 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 that were appropriate to obtain reasonable assurance about the correctness of the contents of the secretarial records. The verification was done on a 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 our opinion.
3. We have not verified the correctness and appropriateness of financial records and Books of Accounts of the Company.
4. Whenever required, we have obtained Management representation about the compliance of laws, rules and regulations and happenings of events etc. We have also verified the applicable provisions of IEPF which is compiled by the Company.
5. The Compliance of the provisions of Corporate and other applicable laws, rules and regulations, standards is the responsibility of management. Our examination was limited to the verification of procedures on test basis.
6. The Secretarial Audit is neither an assurance as to the future viability of the Company nor of the efficacy or effectiveness with which the management conducted the affairs of the Company. We hereby state that due to present scenario of "COVID 19", the audit was done on the basis of information provided by the Company in electronic mode. We were unable to conduct actual physical examination of documents and reports filed by the Company with respect to compliances applicable.

For Yellapragada & Associates
Practicing Company Secretaries

Cs Eshwar Sharma Yellapragada
Proprietor
M.No 37135, C P No. 19122
UIDN: F011147C000787890

Date : 14.08.2021
Place : Hyderabad.

Particulars of Energy Conservation, Technology Absorption and Foreign Exchange Earnings and Outgo required under the Companies (Accounts) Rules, 2014

A. CONSERVATION OF ENERGY

i)	The steps taken or impact on conservation of energy	An energy audit was undertaken by a firm of consultants to improve upon the energy conservation measures. The recommendations from the audit were implemented.
ii)	The steps taken by the Company for utilizing alternate sources of energy	Nil
iii)	The capital investment on energy conservation equipments	Nil

B. TECHNOLOGY ABSORPTION

i)	The efforts made towards technology absorption	The Company has adapted indigenous technology and innovated upon the same.
ii)	The benefits derived like product improvement, cost reduction, product development or import substitution	Product improvement, increase in yield, production of high value added products.
iii)	In case of imported technology (imported during the last three years reckoned from the beginning of the financial year)	No technology has been imported during the last three years.
	a. The details of technology imported	NA
	b. The year of import	NA
	c. Whether the technology been fully absorbed	NA
	d. If not fully absorbed, areas where absorption has not taken place and the reasons thereof and	NA
iv)	The expenditure incurred on Research and Development	Expenditure on in-house Research & Development was not incurred during the year under review.

C. FOREIGN EXCHANGE EARNINGS AND OUTGO

(Rs. in Lakhs)

	2020-2021	2019-2020
i) Foreign Exchange Earned:		
FOB value of exports	15.49	42.29
CIF value of exports	-	0.12
ii) Foreign Exchange used:		
Commission on Exports	-	-
Foreign Travel Expenses	-	-
Stores & Spares	-	-

ANNEXURE – III

MANAGEMENT DISCUSSION ANALYSIS FORMING PART OF THE ANNUAL REPORT

I. OVERALL REVIEW

Indian Economy

India's economy grew at a better-than-expected rate of 1.6% in the January-March quarter from a year ago, but the severe second Covid wave has created economic uncertainty and dampened sentiment. The economy, which was facing a slowdown even before the pandemic broke out last year, contracted by 7.3% during April 2020 to March 2021 fiscal (FY21), weighed down by nationwide lockdown that pummeled consumption and halted most economic activities. This is the first full-year contraction in the Indian economy in the last four decades since 1979-80, when GDP had shrunk by 5.2%. The economy has grown by 4% in the previous 2019-20 fiscal. The Government does not expect the severe second wave to have a large economic impact. However, the outlook appears uncertain. The pandemic has resulted in a huge number of job losses. According to CMIE over 97% Indians have become poorer compared with the last year and unemployment levels are at 13.73%. This will take a toll on consumption and consumption led Companies. Given the strong recovery in other countries commodity prices may remain strong and there is a worry about inflation, global as well as local, and its impact on interest rates. The Indian manufacturing sector is showing increasing signs of strain as the Covid-19 crisis intensifies. Key gauges of current sales, production and inputs being weakened noticeably in first quarter of FY22 and pointed to the slowest rates of increase in the ten months.

Industry Scenario

The overall profitability of the Company during the year under review, as compared to the previous year, has been adversely affected due to the unfavorable economic and market conditions prevailing throughout the year in all the business segments on account of disruptions caused by the COVID. Pandemic and the lockdown pursuant to Govt.'s directives to prevent spread of pandemic.

In Textiles it was affected due to weak domestic market conditions throughout the year, and in Paper realizations dropped due to subdued international market conditions. Working and operational

parameters at all the plants of the Company were satisfactory during the year

2. INDUSTRY STRUCTURE AND DEVELOPMENT

Indian Textile market contracted in the FY 2021 by around 30% and India's export decreased by around 15%. Apparel formal wear and semi-formal wear got more hit than casual wear / lounge wear or home furnishings/ made ups since Work-From-Home became a new normal. Though 2020-21 was a challenging year for the textile industry, it has been a learning year and taught us to conduct the business in a different manner.

On positive note there have been lot of developments undertaken, including different product mix, introducing several health and hygiene products and exploring new business channels. Even during these torrid times, the business has managed the working capital well

3. OPPORTUNITIES AND THREATS

COVID-19 pandemic is a global humanitarian and health crisis, which continues to impact the major part of the country and the other geographies also reporting second and third waves of infections. The actions taken by various governments to contain the pandemic, such as closing of borders and lockdown restrictions, have resulted in significant disruption to people and businesses. The uncertainty in demand with prolonged economic impacts of the COVID-19 pandemic will result in impact to production and may cause us to implement major cost control measures and other initiatives. New and changing regulatory compliance, corporate governance and disclosure requirements may increase our costs of compliance. Change in the policies of the Government of India may adversely affect economic conditions in the country generally, which could impact our business and prospects.

4. RISKS AND CONCERNS:

Covid has resulted in the loss of senior factory personnel and continues to pose a risk to health of employees just as it does to the wider public. Risks related to the market in which we operate, may affect our profitability negatively if shutdown is prolonged or

if we are unable to eliminate fixed or committed costs in line with reduced demand. Unavailability of supply of electricity is another risk factor. The Government's ability to limit the spread of the virus and materially increase the rate of vaccinations will have a direct impact on the trajectory of both health and economic outcome.

5. OUT LOOK:

Indian economy is expected to rebound in current fiscal ending March '22 and perhaps clock a growth of 9-10%, but a severe second Covid wave has increased risks to India's credit profile and rated entities. India's economy rebounded quickly from a steep contraction in 2020, but a severe second wave of the coronavirus has increased risks to the outlook with potential larger-term credit implications. Risk to India's credit profile, including a persistent slow-down in growth, weak government finances and rising financial sector risk, have been exacerbated by the shock.

There are signs of pickup in economic activity and the recovery should gather pace by the end of first quarter FY22, helped by the decline in COVID cases and faster vaccination. Going forward, capacity utilization in polyester industry is expected to sustain at better levels in FY22. Cotton yarn realization is expected to be strong, driven by the ban on Chinese cotton by the US. Revenue of all three segments - cotton yarn, readymade garments and home textiles is expected to recover to pre COVID levels in FY22 with good demand driven by knitted garments and home textiles segments, with operating profitability by 200-250 bps as cotton yarn spreads are expected to remain high (CRISIL). Polyester as a strong substitute of cotton is also expected to recover well in the 2nd half of the year, also owing to pent-up demand.

6. INTERNAL CONTROL SYSTEMS AND THEIR ADEQUACY :

The Company has an adequate internal control system commensurate with the size and complexity of the organization. The Company has undertaken a comprehensive review of all internal control systems to take care of the needs of the expanding size of

the Company and also upgraded the IT support systems. A system of internal audit to meet the statutory requirement as well as to ensure proper implementation of management and accounting controls is in place. The Audit Committee periodically reviews the adequacy of the internal audit functions.

7. MATERIAL DEVELOPMENTS IN HUMAN RESOURCES / INDUSTRIAL RELATIONS FRONT, INCLUDING NUMBER OF PEOPLE EMPLOYED:

There are no material developments in the Human Resources area. The industrial relations have been generally satisfactory. The Company constantly reviews the man power requirements and has a properly equipped Department to take care of the requirements.

8. DISCUSSION ON FINANCIAL PERFORMANCE WITH RESPECT TO OPERATIONAL PERFORMANCE

In view of change in operations the company's financial performance were to the extent of Rs. 2652.96 lacs lacs in the previous financial year 2019-20 and it is increased to Rs. 4374.34 during the financial year 2020-2021 .

9. COVID-19 AND IT'S IMPACT

Your Directors have been periodically reviewing the impact of COVID-19 on the Company. The Company has considered the possible effects that may result from COVID-19 in the preparation of these financial results. The Company believes that pandemic is unlikely to impact on the recoverability of the carrying value of its assets as at 31st March, 2021. Looking to the present situation of pandemic, the extent to which the same will impact Company's future financial results is currently uncertain and will depend on future developments. The Management anticipates slowdown for the polyester sector overall in the short term due to COVID-19 pandemic, and is also keeping a close watch on any other possible impacts of second or future waves of the pandemic. The Board and the Management will continue to closely monitor the situation as it evolves and do its best to take all necessary measures, in the interests of all stakeholders of the Company.

10. HEALTH, SAFETY AND SECURITY MEASURES:

The Company continues to accord the highest priority to health and safety of its employees and communities it operates in. The Company has been fully committed to comply with all applicable laws and regulations and maintains the highest standard of Occupational Health and Safety and ensures safer plants by conducting safety audits, risk assessments and periodic safety awareness campaigns and training to employees. We believe in good health of our employees. Modern occupational health and medical services are accessible to all employees through well-equipped occupational health centers at all manufacturing units.

Further, to prevent the spread of pandemic Covid , the Company has taken all precautionary measures required, such as use of masks and sanitizers, social distancing etc., at all its plants and construction sites

as well as at office locations. Your Company is in full compliance of all Government directives issued in this behalf. The Company has always considered safety as one of its key focus areas and strives to make continuous improvement on this front.

11. CAUTIONAERY STATEMENT:

- i. Readers are advised to kindly note that the above discussion contains statements about risks, concerns, opportunities, etc., which are valid only at the time of making the statements. A variety of factors known / unknown, expected or otherwise may influence the financial results. These statements are not expected to be updated or revised to take care of any changes in the underlying presumptions.
- ii. Readers may therefore appreciate the context in which these statements are made before making use of the same.

ANNEXURE - IV
Form No. AOC-2

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

Form for 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 including certain arms length transactions under third proviso thereto

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

Name of the related party and nature	Nature of contract/ Arrangement/ transactions	Duration of the contract/ arrangement/ transaction	Salient terms of the contract or arrangement or transaction including the value, if any	Justification for entering into such contract or arrangement or transaction	Date(s) of approval by the Board	Amount paid as advance, if any	Date on which the special resolution was passed
NIL							

2. Details of contracts or arrangements or transactions at arm's length basis: (Amount in Lakhs)

Name(s) of the related party and nature of relationship	Nature of contract/ arrangement/ transactions	Duration of the Transactions	Transaction Value (in Rs.)	Date(s) of approval by the Board, if any	Amount paid as advances, if any
Rishikesh Yarns (Transaction with enterprises over which KMP has significant influence)	Purchase of Raw Material	Ongoing	910.11 (Dr.)	--	NIL
Aananda Lakshmi Spinning Mills Limited (Transaction with enterprises over which KMP has significant influence)	Stores and Spares (Purchase of Machinery)	Ongoing	0.50 (Dr.)	--	NIL
			46.90 (Cr.)		
Ishayu Garments (Transaction with enterprises over which KMP has significant influence)	Sale of Raw Material and Finished Goods	Ongoing	59.92 (Dr.)	--	NIL
			57.85 (Cr.)		
Surya Lakshmi Cotton Mills Limited (Transaction with enterprises over which KMP has significant influence)	Sale of Raw Material and Finished Goods	Ongoing	21.97 (Dr.)	--	NIL
			21.96 (Cr.)		

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

Rajender Kumar Agarwal
Managing Director
DIN: 00041892

Place: Secunderabad
Date: 14.08.2021

INDEPENDENT AUDITOR'S REPORT

To the Members of **SURYAVANSHI SPINNING MILLS LIMITED.**

Report on the Audit of the Financial Statements

Qualified Opinion

We have audited the accompanying financial statements of **SURYAVANSHI SPINNING MILLS LIMITED.** ("the company"), which comprise the Balance Sheet as at March 31, 2021, the Statement of Profit and Loss (including other comprehensive income), the Statement of Changes in Equity and the Statement of Cash Flows for the year ended on that date, and a summary of the significant 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, except for the effects/ possible effects of our observations stated in "Qualified Opinion" section below, the accompanying 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 Indian Accounting Standards prescribed under section 133 of the Act read with the Companies (Indian Accounting Standard) Rules, 2015, as amended, ("Ind AS") and other accounting principles generally accepted in India, of the state of affairs of the Company as at March 31, 2021, its loss (total comprehensive income), changes in equity and its cash flows for the year ended on that date.

Basis for Qualified Opinion

- i) During the year the company has recorded purchase of cotton worth of Rs.769.48 Lakhs from a supplier and recorded a sale of Rs.976.30 Lakhs by selling to the same group of companies (Cotton trading activity) Which resulted in a profit of Rs.206.82 Lakhs. We are unable to comment upon this transaction and resulted profit.
- ii) During the year, the company has provided Rs.118.25 Lakhs as interest on working capital loans and term loans with Andhra Bank as per Terms of OTS proposal submitted with the Banks, which the company has failed to repay. But interest as per Bank sanction letter amounts to Rs.686.92 Lakhs. In the absence of statement of account/confirmation from the Bank the above amount has been arrived at as per calculation made by the company.
- iii) During the year, the company has not provided interest on loan from Reliance commercial finance Ltd of Rs.6.44 lakhs.

In the absence of statement of account/confirmation from the Banks and financial institutions the above amount has been arrived at as per calculation made by the Company.
- iv) Confirmation of balances was not obtained from Debtors, Creditors, loans and advances and other current assets. The management has not made any provision in the books of accounts.

Consequent to the above, loss for the year as at March 31, 2021 was understated and Shareholders funds are overstated to this extent.

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 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 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 qualified opinion.

Material Uncertainty Related to Going Concern

we draw attention to note no. 44 of Financial Results which states that during the year the company has incurred a loss of Rs.77.11 lakhs and as at March 31,2021, accumulated losses of Rs. 2,719.70 lakhs as at 31st March 2021, resulting in complete erosion of net worth and current liabilities exceed current assets by Rs. 2536.23 lakhs. Further there were lower cash inflows from existing business activities and the Company has defaulted in payment of dues to banks/ Financial Institutions and could not comply with the terms of sanction and /or repayment schedule of the banks. There were no

written communications from banks for further extension of OTS Scheme. These conditions indicate the existence of material uncertainty that may cast significant doubt about the Company's ability to continue as a Going Concern. However, the accompanying financial have been prepared on "Going Concern" basis for the reasons stated in the said note.

Our opinion is not modified in respect of this matter.

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 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.

Key Audit Matters	Auditor's Response
Evaluation of Contingent liabilities	
<p>The Company has material uncertain tax positions including matters under dispute which involves significant judgment to determine the possible outcome of these disputes</p> <p>Refer to Notes: no 41 to the Financial Statements</p>	<p>Principal audit procedures</p> <p>Our audit procedures include the following substantive procedures:</p> <ul style="list-style-type: none"> • Obtained understanding of key uncertain tax positions; and • We along with our internal tax experts – <ul style="list-style-type: none"> ➤ evaluated the Design and tested the operating effectiveness of controls around the assessment of the matter; ➤ Read and analyzed select key correspondences, external legal opinions / consultations by management for key uncertain tax positions; ➤ Discussed with appropriate senior management and evaluated management's underlying key assumptions in estimating the tax provisions; and ➤ Assessed management's estimate of the possible outcome of the disputed cases; <p>Assessed the appropriateness of disclosures made under the head 'Contingent Liabilities' in the financial Statements.</p>

Other information

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 financial statements and our auditor's report thereon.

Our opinion on the 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 financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the 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.

Management's Responsibility for the Financial Statements

The Company's Board of Directors is responsible for the matters stated in Section 134(5) of the Companies Act, 2013 ("the Act") with respect to the preparation of these 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 financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error.

In preparing the 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 Financial Statements

Our objectives are to obtain reasonable assurance about whether the 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 skepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the 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 system 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 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 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 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, 2016 ("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 except for the matters described in the Basis for qualified opinion paragraph, obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purposes of our audit,
 - b) Except for the effects of the matters described in the Basis for qualified opinion paragraph above, 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 balance sheet, the statement of profit and loss including other comprehensive income, statement of changes in equity and the cash flow statement dealt with by this Report are in agreement with the books of account,
 - d) Except for the effects of the matters described in the basis for qualified opinion paragraph, in our opinion, the aforesaid financial statements comply with the Indian Accounting Standards (Ind AS) prescribed under Section 133 of the Act.
 - e) The matters described in Basis for Qualified Opinion and Material Uncertainty Relation to Going Concern above, in our opinion may have an adverse effect on the functioning of the company.
 - f) On the basis of written representations received from the directors as on March 31, 2021 taken on record by the Board of Directors, none of the directors is disqualified as on March 31, 2021 from being appointed as a director in terms of Section 164(2) of the Act,
 - g) With respect to the adequacy of internal financial controls over financial reporting of the Company with reference to these financial statements and the operating effectiveness of such controls, refer to our separate report in "Annexure B".
 - h) No managerial remuneration was paid during the year under review. Accordingly, reporting under requirements of section 197 does not apply.
 - i) 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 no 45 of 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 were no amounts which were required to be transferred to the Investor Education and Protection Fund by the Company.

for K.S.RAO & CO.
Chartered Accountants
Firm's Regn No.003109S

(M.NAGA PRASADU)
Partner

Membership No.231388

UDIN: 21231388AAAABL9264

Place : Hyderabad

Date : 13.07.2021

Annexure - A to the Auditor's Report:

The Annexure referred to in Para I under the heading of "Report on Other Legal and Regulatory Requirements" of our report of even date, to the members **SURYAVANSHI SPINNING MILLS LIMITED**, SECUNDERABAD for the year ended March 31, 2021.

1. a. The Company has maintained proper records showing full particulars, including quantitative details and situation of fixed assets.
 - b. As explained to us, the management could not verify the fixed assets.
 - c. According to the information and explanation given to us and on the basis of our examination of the records of the Company, the immovable properties have been transferred to SURYAVANSHI SPINNING MILLS LIMITED (Resulting company) as per the scheme of demerger approved by Hon'ble High Court at Hyderabad.
2. No physical verification of inventory has been conducted during the year.
3. a. During the year, the Company has not granted any loans, secured or unsecured to Companies, firms, limited liability partnerships or other parties covered in the register maintained under Section 189 of the Companies Act, 2013.
 - b. In view of our comments in para (a) above, Clause (III) (a), (b) and (c) of paragraph 3 of the aforesaid order are not applicable to the Company.
4. In our opinion and according to the information and explanation given to us, the Company has not advanced any loan to any Director and no investments were made during the year as referred to in sections 185 and 186 of the Act. Therefore, the provisions of Paragraph 3(iv) of the Companies (Auditor's Report) Order 2016 are not applicable to the Company.
5. The Company has not accepted any deposits from the public. Hence the provisions of Sections 73 to 76 or any other relevant provisions of the Companies Act, 2013, and the rules framed there under, do not apply to this Company.
6. We have broadly reviewed the cost records maintained by the Company pursuant to sub-section (1) of section 148 of the Companies Act, 2013 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.
7. a. According to the records, the company is not regular in depositing undisputed statutory dues including provident fund, employees 'state insurance, Income-tax, Sales-tax, Service tax, Goods and Services Tax, Duty of customs, Duty of excise, Value added tax, Cess and all other statutory dues with the appropriate authorities. According to the information and explanations given to us, there are no arrears of outstanding statutory dues as at March 31, 2021 for a period more than six months from the date they became payable are as follows.

Name of Statute	Nature of the dues	Amount (In Lakhs)	Period to which the amount relates (Financial Year)	Due Since	Date of Payment
Employees provident Fund Act	Provident Fund Contribution	41.20	2017-2018, 2018-2019 2019-20 and 2020-21	June,2017	Not Yet Paid
Employees State Insurance Act	Employees State Insurance	11.13	2016-2017, 2018-2019 2019-20 and 2020-21	Sep ,2018	Not Yet Paid
Central Sales Tax Act	CST	70.15	2016-17	June,2017	Not Yet Paid

- b. According to the records of the Company and the information and explanations given to us, the dues of Sales tax, Income tax, Custom Duty, Wealth Tax, Service Tax, Excise Duty, Cess, which have not been deposited on account of dispute are as follows:

Name of Statute	Nature of the dues	Amount (In Lakhs)	Period to which the amount relates (Financial Year)	Forum where dispute is pending
Andhra Pradesh General Sales Tax(APGST) Act, 1957	Sales Tax dues	23.51	2001-02	Hon'ble High Court, Hyderabad.

8. In our opinion and according to the information and explanations given to us, the Company has defaulted in repayment of loans to financial institutions and Banks.

Name of the Bank	Amount of default as at the Balance Sheet date (Rs in Lakhs)*	Due from
Term Loans		
Andhra Bank -Corp	447.66	From Sep'2016
Working capital Loan		
Andhra Bank	1202.00	From Sep'2016

*Total Principal dues excluding interest

9. During the year under review, the company has not raised any moneys by way of initial public offer or further public offer (including debt instruments) and Term loans during the year. Accordingly, the provisions of paragraph 3(ix) of the Companies (Auditor's Report) Order 2016 is not applicable.
10. According to the information and explanations given to us, no material fraud by the Company or on the Company by its officers or employees has been noticed or reported during the course of our audit.
11. According to the information and explanations given to us and based on our examination of the records of the Company, the Company has not paid any remunerations to directors. Accordingly, paragraph 3(xi) of the Companies (Auditor's Report) Order 2016 is not applicable.
12. In our opinion and according to the information and explanations given to us, the Company is not a Nidhi Company. Accordingly, paragraph 3(xii) of the Companies (Auditor's Report) Order 2016 is not applicable.
13. According to the information and explanations given to us and based on our examination of the records of the Company, transactions with 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.
14. According to the information and explanation given to us and based on our examination of the records of the Company, the Company has not made any preferential allotment or private placement of shares or fully or partly convertible debentures during the year.
15. 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 non-cash transactions with directors or persons connected with him. Accordingly, paragraph 3(xv) of the Companies (Auditor's Report) Order 2016 is not applicable.
16. The Company is not required to be registered under section 45-IA of the Reserve Bank of India Act 1934.

for K.S.RAO & CO.
Chartered Accountants
Firm's Regn No.003109S

(M.NAGA PRASADU)
Partner

Membership No.231388

UDIN: 21231388AAAABL9264

Place : Hyderabad
Date : 13.07.2021

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 financial statements of **SURYAVANSHI SPINNING MILLS LIMITED, SECUNDERABAD** (“the Company”) as of March 31, 2021 in conjunction with our audit of the financial statements of the Company for the year ended on that date.

Management’s Responsibility for Internal Financial Controls

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

Auditor’s Responsibility

Our responsibility is to express an opinion on the Company’s internal financial controls with reference to 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, to the extent applicable to an audit of internal financial controls, both applicable to an audit of Internal Financial Controls and, both issued by the Institute of Chartered Accountants of India. Those Standards and the Guidance Note require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether adequate internal financial controls with reference to 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 system with reference to financial statements and their operating effectiveness. Our audit of internal financial controls with reference to financial statements included obtaining an understanding of internal financial controls with reference to 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 control system with reference to financial statements.

Meaning of Internal Financial Controls with reference to financial statements

A company’s internal financial control with reference to 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 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 Financial Statements

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

Qualified Opinion

According to the information and explanations given to us and based on our audit, the following weaknesses has been identified as at March 31, 2021.

- a) The Company did not obtain comparative quotes for the prices paid/ received relating to the transactions with related parties to ensures that those transactions were entered into at armlength prices.
- b) As stated in Note no 48 Pending confirmations/ reconciliation of balances of secured borrowings, balances with banks including, trade receivables, trade payables (including micro and small) and receivables/payables from/to related parties. In this regard as stated in the note, internal control is being strengthen.

The management is confident that on confirmation/reconciliation there will not be any material impact on the financial statements for the year ended March 31, 2021.

In our opinion, except for the possible effects of the material weakness described above on the achievement of the objectives of the control criteria, the Company has maintained, in all material respects, an adequate internal financial controls with reference to financial statements and such internal financial controls with reference to financial statements were operating effectively as at March 31, 2021, based on “the internal control over financial reporting criteria established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting issued by the Institute of Chartered Accountants of India”.

We have considered the weaknesses identified and reported above in determining the nature, timing and extent of audit tests applied in our audit of the financial statements of the company, and these weaknesses do not affect our opinion on the financial statements of the company.

for K.S.RAO & CO.
Chartered Accountants
Firm's Regn No.003109S

(M.NAGA PRASADU)
Partner
Membership No.231388
UDIN: 21231388AAAABL9264

Place : Hyderabad
Date : 13.07.2021

BALANCE SHEET AS AT MARCH 31, 2021

Amount in Rs. Lakhs

Particulars	Note No.	As at March 31,2021	As at March 31,2020
ASSETS			
Non-current assets			
(a) Property, Plant and Equipment	4	2,525.84	2,642.13
(b) Intangible assets	5	0.13	0.13
(c) Capital work-in-progress	6	4.35	4.35
(d) Financial Assets			
(i) Loans & Advances	7	174.88	174.36
(ii) Investments	8	13.88	5.64
TOTAL Non - Current Assets		2,719.08	2,826.61
Current assets			
(a) Inventories	9	478.53	252.89
(b) Financial Assets			
(i) Trade receivables	10	315.21	302.49
(ii) Cash and cash equivalents	11	10.47	9.53
(iii) Cash and bank balances other than (b) above		144.44	12.91
(iv) Others financial assets	12	7.97	9.01
(c) Current tax assets		66.27	191.67
(d) Other current assets	13	194.91	162.63
TOTAL Current Assets		1,217.80	941.13
Total Assets		3,936.88	3,767.74
EQUITY AND LIABILITIES			
Equity			
(a) Equity Share capital	14	491.08	491.08
(b) Other Equity	15	(1,599.97)	(1,562.12)
Total Equity		(1,108.89)	(1,071.04)
Liabilities			
Non - current liabilities			
(a) Financial Liabilities			
(i) Borrowings	16	1,198.66	1,158.55
(b) Provisions	17	72.93	94.89
(c) Other Non-Current Liabilities	18	20.15	17.97
Total Non - Current Liabilities		1,291.74	1,271.41
Current liabilities			
(a) Financial Liabilities			
(i) Borrowings	19	1,698.22	1,873.31
(b) Trade payables	20		
i) MSME		15.47	25.01
ii) Other than MSME		1,102.25	627.39
(c) Other financial liabilities	21	271.71	158.74
(d) Other current liabilities	22	435.47	612.23
(e) Provisions	23	230.91	270.69
Total Current liabilities		3,754.03	3,567.37
Contingent Liabilities and Commitments			
Total Equity and Liabilities		3,936.88	3,767.74

Notes to the financial statements

The notes referred to above, form an integral part of these financial statements.

As per our report of even date

For K.S.Rao & Co.

Chartered Accountants

Firms' Registration Number: 003109S

M.Naga Prasadu

Partner

Membership Number:231388

Place : Secunderabad

Date : 13th July, 2021

For and on behalf of Board of Directors

Suryavanshi Spinning Mills Limited

R.K. Agarwal

Managing Director

Ms. Ashu
Company Secretary

Manish Gupta

Director

STATEMENT OF PROFIT AND LOSS FOR THE PERIOD ENDED MARCH 31, 2021

Amount in Rs. Lakhs

Particulars		Note No.	For the year ended March 31, 2021	For the year ended March 31, 2020
I.	Revenue from Operations	24	4,330.30	2,586.89
II.	Other Income	25	44.03	66.07
III.	Total Income (I + II)		4,374.33	2,652.96
IV.	Expenses			
	Cost of Materials Consumed	26	2,150.46	1,438.35
	Purchases of Stock-in-Trade		769.48	227.65
	Changes in inventories of Stock-In-Trade	27	(212.25)	(117.10)
	Employee Benefits Expense	28	534.32	535.12
	Finance Cost	29	179.61	242.66
	Depreciation and amortisation expense	30	173.30	172.12
	Other expenses	31	742.18	1,001.90
	Total expenses (IV)		4,337.10	3,500.70
V.	Profit /Loss before exceptional items and tax (III - IV)		37.23	(847.74)
VI.	Exceptional items		2.98	760.28
VII.	Profit/Loss before tax (V + VI)		40.21	(87.46)
VIII.	Tax Expenses:			
	a. Current Tax			
	i. Relating to current period		-	-
	ii. Relating to Prior period		117.32	-
	b. Deferred tax liability /(Asset)			
	i. On Temporary Differences		-	-
	Total Tax Expenses (VIII)		117.32	-
IX.	Profit for the period (VII - VIII)		(77.11)	(87.46)
X.	Other Comprehensive income	32		
	i. Items that will not be reclassified subsequently to profit or loss		37.71	10.96
	ii. Income tax relating to items that will not be reclassified to profit or loss		-	
	Total Other Comprehensive Income for the period (VIII)		37.71	10.96
XI.	Total Comprehensive Income for The Period (VII + VIII)		(39.40)	(76.50)
XII.	Earnings per equity share from Continuing operations:	33		
	Basic and Diluted		(0.80)	(1.56)

The notes referred to above, form an integral part of these financial statements.

As per our report of even date

For K.S.Rao & Co.

Chartered Accountants

Firms' Registration Number: 003109S

For and on behalf of Board of Directors
Suryavanshi Spinning Mills Limited

M.Naga Prasadu

Partner

Membership Number:231388

Place : Secunderabad

Date : 13th July, 2021

R.K. Agarwal

Managing Director

Ms. Ashu
Company Secretary

Manish Gupta
Director

Statement of Changes in Equity for the year ended March 31, 2021

I Equity Share capital

Particulars	At the beginning of the year	Changes during the year	At the end of the year
For the year ended March 31, 2021	491.08	-	491.08
For the year ended March 31, 2020	491.08	-	491.08

II Other Equity

(Rs in Lakhs.)

Particulars	Reserves and Surplus			Other comprehensive Income	Equity Portion on Interest free unsecured Loan from Directors	Total Equity
	Securities Premium	Capital Redemption Reserve	Export Allowance Reserve			
Balance as on 01.04.2020	1,048.61	8.00	5.50	(2,642.58)	1.23	17.12 (1,562.12)
Profit/Loss for the year	-	-	-	(77.11)	-	(77.11)
Other comprehensive income	-	-	-	37.71	-	37.71
Total comprehensive income	-	-	-	37.71	-	(39.40)
Equity portion of loan from Directors	-	-	-	-	-	1.55
As at March 31, 2021	1,048.61	8.00	5.50	(2,719.69)	38.94	18.67 (1,599.97)
Significant accounting policies	2&3					
See accompanying notes forming part of financials statements						

As per our report of even date

For K.S.Rao & Co.

Chartered Accountants

Firms' Registration Number: 0031095

M.Naga Prasadu

Partner

Membership Number:231388

Place : Secunderabad

Date : 13th July, 2021

For and on behalf of Board of Directors
Suryavanshi Spinning Mills Limited

R.K. Agarwal
Managing Director

Ms. Ashu
Company Secretary

Manish Gupta
Director

Cash flow Statement for the year ended March 31, 2021

(Amount in Lakhs)

Particulars	For the Year ended March 31, 2021 (Audited)	For the year ended March 31, 2020 (Audited)
I Cash flow from operating activities:		
A. Profit before tax	40.21	(87.46)
B. Adjustment for:		
a. Depreciation and amortisation	173.30	172.12
b. Interest income	(7.71)	(10.00)
c. Unrealised (gain)/loss on Investments (net)	(8.24)	-
d. (Profit)/Loss on sale of fixed assets (Net)	10.45	2.22
e. Profit on sale of Assets	-	(555.20)
f. Provisions Written back	(12.92)	(205.08)
g. Unrealized foreign exchange gain	-	0.31
h. Finance cost	172.48	176.70
i. Bad Debts/Debit Balance written off	5.40	68.01
j. Other Comprehensive Income items	-	-
k. Interest expense on unsecured loan	7.13	-
l. Interest expense on Sales Tax deferment	-	-
m. Income on Government Grant	(0.29)	-
	379.80	(438.39)
C. Adjustment for movements in Working capital		
a. Trade payables,	478.24	114.44
Other liabilities and Provisions	(176.76)	225.76
b. Trade receivables	(18.12)	(107.55)
c. Inventories	(225.64)	(61.70)
d. Other Long Term Provisions	(21.95)	
e. Financial and other current assets (Net of fair value adjustment on deposits)	94.16	177.91
D. Cash generated from Operations	509.73	(89.53)
Less: Direct taxes Paid	(117.32)	-
E. Net cash flow from operating activities (I)	392.41	(89.53)
Effect of Extraordinary / Exceptional Item	2.97	
F. Net cash flow from operating activities (I)	395.38	(89.53)

Cash flow Statement for the year ended March 31, 2021

(Amount in Lakhs)

Particulars	For the Year ended March 31, 2021 (Audited)	For the year ended March 31, 2020 (Audited)
II Cash flows from investing activities		
a. Purchase of fixed assets, including CWIP	(77.65)	(0.54)
b. Proceeds from sale of fixed assets	10.01	650.20
c. Maturity of Security Deposits	(8.77)	
d. Proceeds from deposits on maturity	129.25	-
f. Interest received	9.81	10.22
Net cash flow from/ (used in) investing activities (II)	62.65	659.88
III Cash flows from financing activities		
a. Interest paid	(57.05)	-
Proceeds from Loans & borrowings	-	371.01
Repayments of Loans & borrowings	(268.51)	(929.97)
b. Dividends Income	-	-
Net cash flow from/ (used in) financing activities (III)	(325.56)	(558.96)
IV Net (decrease) in cash and cash equivalents (I + II + III)	132.47	11.39
Cash and cash equivalents at the beginning of the year	22.44	11.05
V Cash and cash equivalents at the end of the year	154.91	22.44
VI Components of cash and cash equivalents:		
a. Cash on hand	10.48	9.53
b. With banks		
i. on current account	144.43	12.91
Total cash and cash equivalents (note no.12)	154.91	22.44
Significant accounting policies 2 & 3		

The notes referred to above, form an integral part of financial Statements

As per our report of even date
For K.S.Rao & Co.
Chartered Accountants
Firms' Registration Number: 003109S

For and on behalf of Board of Directors
Suryavanshi Spinning Mills Limited

M.Naga Prasadu
Partner
Membership Number:231388
Place : Secunderabad
Date : 13th July, 2021

R.K. Agarwal
Managing Director

Ms. Ashu
Company Secretary

Manish Gupta
Director

Notes forming part of the financial statements as at 31st March, 2021

1. Corporate Information

Suryavanshi Spinning Mills Limited (The 'Company') is a Public Limited Company incorporated on 27.12.1978 and its Registered Office is at 6th Floor, Surya towers, 105, S.P.Road, Secunderabad-500003, Telangana State. The Company is engaged in manufacturing Polyester Yarn and Absorbent bleached cotton at its manufacturing unit located at Aliabad, R R District at Telangana. The Company is listed on BSE

The Financial Statements of the company for the year ended March 31, 2021 are approved by the Board of Directors of the company on July 13, 2021

2. Basis of preparation:

This IND AS financial statements of the company have been prepared in accordance with Indian Accounting Standards (Here in after referred to as the "IND AS") as notified by the Ministry of Corporate Affairs pursuant to the Section 133 of the Companies Act, 2013 ("The Act") read along with the Companies (Indian Accounting Standards) Rules, 2015 and the Companies (Indian Accounting Standard) Amendment Rules, 2016 and other relevant provisions of the Companies Act as applicable in India.

3. Significant Accounting policies:

a) Significant accounting estimates and assumptions

The preparation of financial statements requires management to make judgments, estimates and assumptions that affect the reported amounts of revenues, expenses, assets, liabilities and the disclosures of contingencies at the end of the each reporting year. Although these estimates are based on the management's best knowledge of current events and actions, uncertainty about these assumptions and estimates could result in outcomes that requiring a material adjustment to the carrying amounts of assets or liabilities affected in future periods.

Estimates and assumptions:

The key assumptions concerning the future and other key sources of estimation of uncertainty at the reporting date, that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year, are described below. The assumptions and estimates made by the company are based on parameters available when the financial statements were prepared. Existing circumstances and assumptions about future developments, however, may change due to market change or circumstances arising that are beyond the control of the Company. Such changes are reflected in the assumptions when they occur.

i. Impairment of non-current assets:

Impairment exists when the carrying value of an asset or cash generating unit exceeds its recoverable amount, which is the higher of its fair value less costs of disposals and its value in use. The fair value less costs of disposal is calculated based on available data from binding sales transactions, conducted at arm's length price, for similar assets or observable market prices less incremental costs for disposing of the asset. The value in use calculation is based on a Discounted Cash Flow ("DCF") model. The value in use is sensitive to the discount rate (generally weighted average cost of capital) used for the DCF model as well as the expected future cash-inflows and the growth rate used for exploration purposes.

ii. Defined Benefit Plans:

The present value of the gratuity obligation is determined using actuarial valuation. An actuarial valuation involves making various assumptions that may differ from actual developments in the future. These include the determination of the discount rate, rate of increment in salaries and mortality rates. Due to complexities involved in the valuation and its long-term nature, a defined benefit obligation is highly sensitive to changes in these assumptions. All the assumptions are reviewed at each reporting date.

iii. Fair Value measurement of financial instruments:

When the fair values of financial assets and financial liabilities on reporting date cannot be measured based on quoted prices in active markets, their fair value is measured using valuation techniques i.e., the DCF model. The inputs to these models are taken from observable markets.

Notes forming part of the financial statements as at 31st March, 2021

iv. Contingencies:

Management judgment is required for estimating the possible inflow/outflow of resources, if any, in respect of contingencies/claim/litigations against the company/by the company as it is not possible to predict the outcome of pending matters with accuracy.

v. Property, Plant and Equipment:

Based on evaluations done by technical assessment team, the management has adopted the useful life and residual value of its Property, Plant and Equipment. Management believes that the assigned useful lives and residual value are reasonable.

vi. Intangibles:

Internal technical or user team assesses the useful lives of Intangible assets. Management believes that assigned useful lives are reasonable.

vii. Income Taxes:

Management judgment is required for the calculation of provision for income taxes and deferred tax assets/liabilities. The Company reviews at each balance sheet date the carrying amount of deferred tax assets/liabilities. The factors used in estimates may differ from actual outcome which could lead to significant adjustment to the amounts reported in the financial statements.

b) Current V/s Non-current classifications:

The Company presents assets and liabilities in the balance sheet based on current/ non-current classification.

An asset is treated as current when it satisfies below criteria:

- i. Expected to be realized or intended to be sold or consumed in normal operating cycle;
- ii. Held primarily for the purpose of trading;
- iii. Expected to be realized within twelve months after the reporting period, or
- iv. Cash or cash equivalent unless restricted from being exchanged or used to settle a liability for at least twelve months after the reporting period.

All other assets are classified as non-current assets.

A liability is classified as current when it satisfies below criteria:

- i. Expected to settle the liability in normal operating cycle;
- ii. Held primarily for the purpose of trading;
- iii. Due to be settled within twelve months after the reporting period, or
- iv. There is no unconditional right to defer the settlement of the liability for at least twelve months after the reporting period.

All other liabilities are classified as non-current liabilities.

Deferred tax assets and liabilities are classified as non-current assets and liabilities. The operating cycle is the time between the acquisition of assets for processing and their realization in cash and cash equivalents.

c) Property, Plant and Equipment:

Property, Plant and Equipment are stated at cost net of GST input credit, less accumulated depreciation and impairment losses, if any. Cost comprises the purchase price, any attributable cost of bringing the asset to its working condition for its intended use and cost of borrowing till the date of capitalization in the case of assets involving material investment and substantial lead time.

Notes forming part of the financial statements as at 31st March, 2021

Subsequent costs are included in the carrying amount of an asset or recognised as a separate asset, as appropriate, only if it is probable that the future economic benefits associated with the item will flow to the company and the cost of the item can be measured reliably. All other repairs and maintenance are charged to the statement of profit and loss in the period in which they are incurred.

The company adopted cost model as its accounting policy, in recognition of the Property, Plant and Equipment and recognizes at the transaction value as the cost.

Direct expenditure incurred and other attributable costs on projects under construction or in the process of installation are termed as Capital work in progress and shown at cost in the Balance Sheet

Depreciation is provided on the straight line method as per the useful life prescribed in the schedule II to the Companies Act, 2013 except in respect of the following categories of assets in whose case the life of certain assets has been assessed based on technical advice taking into account the nature of the asset, the estimated usage of the asset, the operating condition of the asset, the estimated usage of the asset, the operating condition of the asset, past history of replacement, maintenance supports etc

Estimated useful life of the assets are as follows:		
Type of the Asset	Method of Depreciation	Useful life considered
Buildings	Straight line Method	3 – 60 Years
Plant and Machinery	Straight line Method	5 - 15 Years
Data processing equipment	Straight line Method	3 Years
Furniture and fixtures	Straight line Method	10 Years
Vehicles	Straight line Method	8 Years
Office Equipment	Straight line Method	5 Years

An item of Property, Plant and Equipment is derecognized upon disposal or when no future economic benefits are expected from its use or disposal. Any gain or loss arising on the recognition of the asset (calculated as the difference between the net disposal proceeds and the carrying amount of the asset) is recognized in the Statement of Profit and Loss. Property, Plant and Equipment which are found to be not usable or retired from active use or when no further benefits are expected from their use are removed from the books of account and the carrying value, if any, is charged to Statement of Profit and Loss.

Transition to Ind AS:

On transition to Ind AS, the Company has elected to continue with the carrying value of all its property, plant, and equipment recognized as at March 31, 2016 measured as per Previous GAAP as the deemed cost of property plant and equipment.

d) Intangible Assets:

Intangible assets are carried at cost, net of accumulated amortisation expenses and impairment losses, if any. Cost of an intangible asset comprise of purchase price and attributable expenditure on making the asset ready for its intended use.

Computer software:

Costs incurred towards purchase of computer software are amortised over the useful life as estimated by the Management which is about 3 years for all of the intangible computer software assets.

An intangible asset is derecognised on disposal, or when no future economic benefits are expected from use of disposal. Gains or losses arising from derecognition of an intangible asset, measured as the difference between the net disposal proceeds and the carrying amount of the asset, and are recognized in the Statement of Profit and Loss when the asset is derecognised.

Notes forming part of the financial statements as at 31st March, 2021

e) Impairment of tangible and intangible assets:

- i. The carrying amounts of assets are reviewed at each balance sheet date if there is any indication of impairment based on internal/external factors. An impairment loss is recognised wherever the carrying amount of an asset exceeds its recoverable amount. The recoverable amount is the greater of the asset's net selling price and its value in use. In assessing value in use, the estimated future cash flows are discounted to their present value using appropriate discounting factor. After impairment, depreciation is provided on the revised carrying amount of the asset over its remaining useful life.
- ii. When there is an indication that previously recognised impairment losses no longer exists or may have decreased, then such impairment losses are recognised in the Statement of profit and loss.

f) Borrowing Cost:

Borrowing costs directly attributable to the acquisition, construction or production of qualifying assets, which are assets that necessarily take substantial period of time to get ready for their intended use or sale, are added to the cost of those assets, until such time as the assets are substantially ready for their intended use or sale.

Interest income earned on the temporary investment of specific borrowings pending their expenditure on qualifying assets is deducted from the borrowing costs eligible for capitalisation.

All other borrowing costs are recognised in statement of profit and loss in the period in which they are incurred.

g) Inventories:

i. Stock-in-Trade (Finished Goods) and Stock-in-Process:

Stock-in-Trade and Stock-in-Process are stated at the lower of cost and net realizable value. Net realizable value represents the estimated selling price of inventories less estimated costs of completion and costs necessary to make the sale. Cost is determined on weighted average basis.

ii. Stores and Spares:

Spare parts, stand-by equipment and servicing equipment are recognised in accordance with Ind-AS 16 when they meet the definition of Property, Plant and Equipment. Otherwise, such items are classified as inventory. Spare parts, stand-by equipment and servicing equipment classified as inventory are stated at cost. Cost is determined on weighted average basis.

iii. Raw Materials:

Raw Materials are stated at Cost. Cost is determined on weighted average basis.

h) Fair Value Measurement:

The Company measures financial instruments at fair value at each balance sheet date. Fair value is the price that would be received on selling an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date, regardless of whether that price is directly observable or estimated using another valuation technique. In estimating the fair value of an asset or a liability, the Company takes into account the characteristics of the asset or a liability if market participants would take those characteristics into account when pricing the asset or liability at the measurement date. Fair value for measurement and / or disclosure purpose in these financial statements is determined on such basis, except for share-based payment transactions that are within the scope of Ind AS 102, leasing transactions that are within the scope of Ind AS 17, and measurements that have some similarities to fair value, such as net realisable value in Ind AS 2, or value in use in Ind AS 36.

In addition, for financial reporting purpose, fair value measurements are categorized into Level 1, 2 or 3 based on the degree to which the inputs to the fair value measurement are observable and the significance of the inputs to the fair value measurement in its entirety.

Notes forming part of the financial statements as at 31st March, 2021

All assets and liabilities for which fair value is measured or disclosed in the financial statements are categorized within the fair value hierarchy, described as follows, based on the lowest level input that is significant to the fair value measurement as a whole:

- i. Level 1 – Quoted (unadjusted market prices) in active markets for identical assets or liabilities.
- ii. Level 2 – Valuation techniques for which the lowest level input that is significant to the fair value measurements is directly or indirectly observable.
- iii. Level 3 – Valuation techniques for which the lowest level input that is significant to the fair value measurement is unobservable.

i) Revenue recognition:

i. Revenue from operations:

Revenue is recognized when all the significant risks and rewards of ownership in the goods are transferred to the buyer as per the terms of the contract, the amount of revenue can be reliably measured and it is probable that future economic benefits will flow to the entity. Revenue from operations includes sale of goods, net of Goods and Service Tax (GST) and trade discounts, cash discounts and other discounts.

ii. Interest/dividend:

Interest income is recognized on a time proportion basis taking into account the amount outstanding and the rate applicable.

Dividend income is recognised when the right to receive payment is established by the balance sheet date.

iii. Incentives on Export Sales:

Income from Incentives on Export Sales is recognised as income on accrual basis.

j) Foreign currency transactions:

In preparing the financial statements of the Company, transactions in currencies other than the entity's functional currency (foreign currencies) are recognised at the rates of exchange prevailing at the dates of the transactions. At the end of each reporting period, monetary items denominated in foreign currencies are retranslated at the rates prevailing at that date. Non-monetary items carried at fair value that are denominated in foreign currencies are retranslated at the rates prevailing at the date when fair value is determined. Non-monetary items are measured in terms of historical cost in a foreign currency are not retranslated.

Exchange differences on monetary items are recognised in the statement of profit and loss in which they arise except for exchange differences on transactions entered into in order to hedge certain foreign currency risks.

k) Retirement and other employee benefits:

- i. Employer's contribution to Provident Fund, Employee State Insurance and Labor Welfare Fund which is in the nature of defined contribution scheme is expensed off when the contributions to the respective funds are due. There are no other obligations other than the contribution payable to the fund.
- ii. Gratuity liability is in the nature of defined benefit obligation. The company's Plan Assets comprise of Gratuity non funded and liability is provided based on independent actuarial valuation on projected unit credit method made at the end of each reporting period as per the requirements of Ind AS 19 on "Employee Benefits".

Actuarial gain/(loss) in the valuation are recognised as other comprehensive income for the period.

- iii. Compensated absences which are in the nature of defined benefit obligation are provided for based on estimates and provided for on the basis of independent actuarial valuation on projected unit credit

Notes forming part of the financial statements as at 31st March, 2021

method made at the end of each financial year as per the requirements of Ind AS 19 on “Employee Benefits”.

l) Earnings Per Share:

Basic earnings per share is calculated by dividing the profit for the period attributable to equity shareholders by the weighted average number of equity shares outstanding during the period.

For the purpose of calculating diluted earnings per share, the profit for the period attributable to equity shareholders and the weighted average number of shares outstanding during the period are adjusted for the effects of all dilutive potential equity shares.

m) Provisions:

Provisions are recognised when there is a present legal or constructive obligation that can be estimated reliably, as a result of a past event, when it is probable that an outflow of resources embodying economic benefits will be required to settle the obligation and a reliable estimate can be made of the amount of the obligation. Provisions are not recognised for future operating losses.

Any reimbursement that the Company can be virtually certain to collect from a third party with respect to the obligation is recognised as a separate asset. However, this asset may not exceed the amount of the related provisions.

Provisions are reviewed at each reporting date and adjusted to reflect the current best estimate. If it is no longer probable that an outflow of economic resources will be required to settle the obligation, the provisions are reversed. Where the effect of the time of money is material, provisions are discounted using a current pre-tax rate that reflects, where appropriate, the risks specific to the liability. When discounting is used, the increase in the provisions due to the passage of time is recognised as a finance cost.

n) Contingencies:

Where it is not probable that an inflow or an outflow of economic resources will be required, or the amount cannot be estimated reliably, the asset or the obligation is not recognised in the balance sheet and is disclosed as a contingent asset or contingent liability, unless the probability of inflow or outflow of economic benefits is remote. Possible outcomes on obligations/rights, whose existence will only be confirmed by the occurrence or non-occurrence of one or more future events, are also disclosed as contingent assets or contingent liabilities unless the probability of inflow or outflow of economic benefits is remote.

o) Taxes on Income:

Tax expense comprises of current and deferred tax. Current income tax is measured at the amount expected to be paid to the tax authorities in accordance with the Income Tax Act, 1961. Current tax includes taxes to be paid on the profit earned during the year and for the prior periods.

Deferred income taxes are provided based on the balance sheet approach considering the temporary differences between the tax bases of assets and liabilities and their carrying amounts for financial reporting purposes at the reporting date.

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 there is reasonable certainty that sufficient future taxable income will be available against which such deferred tax assets can be realised. In situations where the company has unabsorbed depreciation or carry forward tax losses, all deferred tax assets are recognised only if it is probable that they can be utilised against future taxable profits.

The carrying amount of deferred tax assets are reviewed at each balance sheet date. The company writes-off the carrying amount of a deferred tax asset to the extent that it is no longer probable that sufficient future taxable income will be available against which deferred tax asset can be realised. Any such write-off is reversed to the extent that it becomes reasonably certain that sufficient future taxable income will be available.

Notes forming part of the financial statements as at 31st March, 2021

p) Prior period items:

In case prior period adjustments are material in nature the company prepares the restated financial statement as required under Ind AS 8 - "Accounting Policies, Changes in Accounting Estimates and Errors". In case of immaterial items pertaining to prior periods are shown under respective items in the Statement of Profit and Loss.

q) Cash and cash equivalents:

Cash and cash equivalents includes cash on hand and at bank, deposits held at call with banks, other short-term highly liquid investment with original maturities of three months or less that are readily convertible to a known amount of cash as are subject to an insignificant risk of changes in value and are held for meeting short-term cash commitments.

For the Statement of Cash Flows, cash and cash equivalents consists of short term deposits, as defined above, net of outstanding bank overdraft (if any) as they being considered as integral part of the company's cash management.

r) Financial instruments:

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

Financial Assets:

A. Initial recognition and measurement:

Financial assets are recognised when the Company becomes a party to the contractual provisions of the instrument. Financial assets are recognised 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. Transaction costs of financial assets carried at fair value through profit or loss are expensed in statement of profit or loss. Purchases or sales of financial assets that require delivery of assets within a time frame established by regulation or convention in the market place (regular way trades) are recognised on the trade date, i.e., the date that the company commits to purchase or sell the asset.

B. Subsequent measurement:

For subsequent measurement, financial assets are classified into following categories:

- a. Debt instruments at amortised cost
- b. Debt instruments at fair value through profit and loss
- c. Equity instruments at fair value through profit and loss

a. Debt Instruments at amortized cost:

A 'debt instrument' is measured at the amortised cost if both the following conditions are met:

- i. The asset is held within a business model whose objective is to hold assets for collecting contractual cash flows, and
- ii. Contractual terms of the asset give rise on specified dates to cash flows that are solely payments of principal and interest (SPPI) on the principal amount outstanding.

After initial measurement, such financial assets are subsequently measured at amortised cost using the effective interest rate (EIR) method. Amortised cost is calculated by taking into account any discount or premium on acquisition and fees or costs that are an integral part of the EIR. The EIR amortisation is included in finance income in the profit or loss. The losses arising from impairment are recognised in the Statement of Profit and Loss.

Notes forming part of the financial statements as at 31st March, 2021

b. Debt instrument at fair value through profit and loss (FVTPL):

AS per the Ind AS 101 and Ind AS 109 company is permitted to designate the previously recognised financial asset at initial recognition irrecoverably at fair value through profit or loss on the basis of facts and circumstances that exists on the date of transition to Ind AS. Debt instruments included within the FVTPL category are measured at fair value with all changes recognized in the Statement of Profit and Loss.

c. Equity Instruments at fair value through profit and loss (FVTPL):

Equity instruments in the scope of Ind AS 109 are measured at fair value. The classification is made on initial recognition and is irrevocable. Subsequent changes in the fair values at each reporting date are recognised in the statement of profit and loss.

C. Derecognition:

A financial asset or where applicable, a part of a financial asset is primarily derecognised when:

- a. The rights to receive cash flows from the asset have expired, or
- b. The company has transferred its rights to receive cash flows from the asset or has assumed an obligation to pay the received cash flows in full without material delay to a third party under a 'pass-through' arrangement and either (a) the Company has transferred substantially all the risks and rewards of the asset, or (b) the company has neither transferred nor retained substantially all the risks and rewards of the asset, but has transferred control of the asset.

When the company has transferred its rights to receive cash flows from an asset or has entered into a pass-through arrangement, it evaluates if and to what extent it has retained the risks and rewards of ownership. When it has neither transferred nor retained substantially all of the risks and rewards of the asset, nor transferred control of the asset, the company continues to recognise the transferred asset to the extent of the company's continuing involvement.

D. 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 amortised 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 recognised during the period is recognised 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.

Financial liabilities:

A. Initial recognition and measurement:

At initial recognition, all financial liabilities are recognised at fair value and in the case of loans, borrowings and payables, net of directly attributable transaction costs.

Notes forming part of the financial statements as at 31st March, 2021

B. Subsequent measurement:

a. Financial liabilities at fair value through profit or loss:

Financial liabilities at fair value through profit or loss include financial liabilities held for trading and financial liabilities designated upon initial recognition as at fair value through profit or loss. Gain or losses on liabilities held for trading are recognised in the statement of profit and loss.

The company doesn't designate any financial liability at fair value through profit or loss.

b. Financial liabilities at amortised cost:

Amortised cost, in case of financial liabilities with maturity more than one year, is calculated by discounting the future cash flows with effective interest rate. The effective interest rate amortisation is included as finance costs in the statement of profit and loss.

Financial liability with maturity of less than one year is shown at transaction value.

C. Derecognition:

A financial liability is de-recognised when the obligation under the liability is discharged or cancelled or expires. The difference between the carrying amount of a financial liability that has been extinguished or transferred to another party and the consideration paid, including any non-cash assets transferred or liabilities assumed, is recognised in statement of profit and loss as other income or finance costs.

r) Segment reporting:

The Company has only one reportable business segment, which is textile products and operates in a single business segment. Accordingly, the amounts appearing in the financial statements relate to the company's single business segment.

s) Exceptional Items

Significant gains/losses or expenses incurred arising from external events that is not expected to recur are disclosed as 'Exceptional Item'.

Notes forming part of the financial statements as at 31st March, 2021

Particulars		Gross Block				Accumulated Depreciation/Amortisation				Net Block	
		Balance as at 1 April 2020	Additions	Disposals	Balance as at 31 March 2021	Balance as at 1 April 2020	Depreciation for the year	Disposals	Balance as at 31 March 2021	Balance as at 31 March 2021	Balance as at 31 March 2020
a	Tangible Assets										
	Land	5.08	-	-	5.08	-	-	-	-	5.08	5.08
	Buildings :										
	Factory Buildings	821.24	-	-	821.24	472.72	22.25	-	494.98	326.26	348.52
	Non Factory Buildings-Non Resident	73.80	-	-	73.80	19.60	1.16	-	20.76	53.03	54.19
	- Resident	114.44	-	-	114.44	26.13	1.80	-	27.93	86.52	88.31
	Plant and Equipment :										
	Plant & Machinery	5,140.54	77.65	212.23	5,005.96	3,091.83	129.00	198.60	3,022.46	1,983.50	2,048.71
	Generators	28.66	-	28.66	-	27.24	-	27.24	-	-	1.42
	Testing Equipment	18.04	-	4.10	13.95	17.03	0.03	3.89	13.16	0.78	1.02
	Electrical Installations	205.85	-	52.06	153.78	158.40	8.80	49.41	117.79	35.99	47.44
	Workshop Equipments	0.90	-	0.90	-	0.89	-	0.89	-	-	0.01
	Weighing Machines	7.33	-	5.47	1.86	6.17	0.34	5.00	1.50	0.35	1.16
	Water Works	16.67	-	15.99	0.68	15.59	0.07	15.19	0.47	0.21	1.08
	Furniture & Fixtures	33.32	-	4.35	28.96	20.49	2.01	4.12	18.39	10.57	12.82
	Office Equipment	13.46	-	5.10	8.35	12.19	0.47	4.85	7.81	0.54	1.27
	Air Conditioners	26.95	-	2.74	24.21	15.77	1.91	2.60	15.08	9.13	11.18
	Vehicles	176.37	-	-	176.37	158.46	5.30	-	163.76	12.61	17.91
	Data Processing Equipment	37.84	-	11.73	26.11	35.82	0.17	11.15	24.84	1.26	2.02
	Total	6,720.49	77.65	343.34	6,454.80	4,078.34	173.30	322.93	3,928.94	2,525.84	2,642.13
5	Intangible Assets										
	Computer software	0.13	-	-	0.13	-	-	-	-	0.13	0.13
	Total	0.13	-	-	0.13	-	-	-	-	0.13	0.13
6	Capital Work in Progress										
	Capital Work in Progress	4.35	-	-	4.35	-	-	-	-	4.35	4.35
	Total	4.35	-	-	4.35	-	-	-	-	4.35	4.35
	Total (a+b+c)	6,724.97	77.65	343.34	6,459.28	4,078.34	173.30	322.93	3,928.94	2,530.32	2,646.61

Notes forming part of the financial statements as at 31st March, 2021 (Figures in Rs. Lakhs)

Note No.	PARTICULARS	As at March 31,2021	As at March 31,2020
7	Loans - Non Current:		
	a. Security Deposits - Recoverable (Telephone, APSEB, Electricity ,Coal deposits and others)	174.88	174.36
	Total	174.88	174.36
8	Other Financial Assets - Non Current:		
	Investments in other companies-Quoted		
	(i) Jindal Polyfilms Limited	7.80	2.40
	(ii) Artefact Projects Limited	0.47	0.34
	(iii) Andhra Bank	2.58	1.17
	(iv) Icici Bank Ltd	2.21	0.92
	(v) Coal India Limited	0.69	0.73
	(vi) Jindal Poly investment & Finance Company Limited	0.13	0.08
	Total	13.88	5.64
9	Inventories:		
	a. Rawmaterials	31.07	33.80
	b. Finished Goods	302.39	127.99
	c. Stores and Spares	53.32	37.22
	d. Work in Progress	90.08	52.94
	e. Others -Cotton & PV waste(at realizable value)	1.67	0.94
	Total	478.53	252.89
10	Trade Receivables:		
	Unsecured, Considered Good		
	a. Related Parties	-	-
	b. Others	315.21	302.49
	Total	315.21	302.49
11	Cash and cash equivalents:		
	A. Balances in bank a/c's		
	a. Current Accounts	142.16	12.89
	B. Cash on Hand	10.47	9.53
	C. Fixed Deposits with Banks	2.26	-
	D. Post office Savings Bank	0.02	0.02
	Total	154.91	22.44

Notes forming part of the financial statements as at 31st March, 2021

(Figures in Rs. Lakhs)

Note No.	PARTICULARS	As at March 31,2021	As at March 31,2020
12	Other financial assets - Current:		
	a. Staff Advances	1.43	0.37
	b. Interest receivable	6.54	8.64
	Total	7.97	9.01
13	Other Current Assets:		
	a. Advance for purchase of raw material and stores	162.62	137.09
	b. Balance with Government departments	19.84	13.16
	c. Prepaid Expenses	5.34	4.05
	d. Export License Receivable	7.10	7.10
	e. Claims / Other receivables	0.01	1.23
	Total	194.91	162.63
14	Share capital:		
	A. Authorised Share Capital:		
	3,52,50,000 Equity Shares of Rs. 10/- each	352,500.00	352,500.00
		352,500.00	352,500.00
	B. Issue Share Capital:		
	49,13,076 Equity shares of Rs 10/- each	491.31	491.31
		491.31	491.31
	C. Subscribed and paid up capital:		
	49,08,576 Equity Shares of Rs. 10 each	490.86	490.86
	Add: Forfeited Shares	0.23	0.23
		491.08	491.08
	D. Reconciliation of the shares outstanding at the beginning and at the end of year:		
	(A) Equity Share Capital		
	In no. of Shares		
	At the Beginning and at the end of the period	4,913,076	4,913,076
	In value of Shares		
	At the Beginning and at the end of the period	49,130,760	49,130,760
	E. Rights attached to the Equity Shares:		
	(i) The Company has only one class of shares referred to as equity shares having a par value of Rs.10/- each. Each holder of equity shares is entitled to one vote per share.		
	F. Details of Shareholders holding more than 5% shares in the company:		

Notes forming part of the financial statements as at 31st March, 2021

(A) Equity Shares:

(Figures in Rs. Lakhs)

a.	Sri. Rajender Kumar Agarwal	In no.s	1,219,359	1,219,359
		In %	24.84%	24.84%
b.	Smt. Yamunadevi Agarwal	In no.s	1,011,767	1,011,767
		In %	20.61%	20.61%
c.	Badrinarayan Agarwal Family Trust	In no.s	268,203	268,203
		In %	5.46%	5.46%
d.	Westend Developers Ltd	In no.s	481,000	481,000
		In %	9.80%	9.80%

Note No.	PARTICULARS	As at March 31,2021	As at March 31,2020
15	Other Equity:		
A.	Securities Premium		
	At the beginning and at the end of the period	1,048.61	1,048.61
	Closing Balance	1,048.61	1,048.61
B.	Capital Redemption Reserve		
	At the commencement of the year	8.00	8.00
	Closing Balance	8.00	8.00
C.	Export Allowance Reserve		
	At the commencement of the year	5.50	5.50
	Closing Balance	5.50	5.50
D.	Surplus in Statement of Profit and Loss		
a.	At the beginning of the period	(2,642.58)	(2,555.12)
	(+) For the current period	(77.11)	(87.46)
b.	Adjustment due to adoption of New IndAS	.	.
c.	At the end of the period	(2,719.69)	(2,642.58)
E.	Other Comprehensive Income		
	On Actuarial Gain/(loss) on post employment benefits		
a.	At the beginning of the period	1.23	(9.73)
b.	Profit Transferred from the statement of Profit and loss	37.71	10.96
c.	At the end of the period	38.94	1.23
F.	Equity portion on Interest free unsecured loan from Directors	18.67	17.12
	Total	(1,599.97)	(1,562.12)

Notes forming part of the financial statements as at 31st March, 2021 (Figures in Rs. Lakhs)

Note No.	PARTICULARS	As at March 31,2021	As at March 31,2020
16	Borrowings - Non Current:		
	A. Term loans-Secured		
	a. Andhra Bank -II	213.59	213.59
	Less: Current maturities	213.59	213.59
	Sub total	-	-
	b. Andhra Bank - I	36.26	36.27
	Less: Current maturities	36.26	36.27
	Sub total	-	-
	c. Andhra Bank Corporate Loan	1,041.87	1040.65
	Less: Current maturities	1,041.87	1043.00
	Sub total	-	(2.35)
	d. State Bank of Hyderabad - Additional Term Loan	-	(1.12)
	Less: Current maturities	-	-
	Sub total	-	(1.12)
	e. Reliance Capital Limited	50.52	50.51
	Less: Current maturities	49.71	45.58
	Sub total	0.81	4.93
	TOTAL	0.81	1.46

NOTES:

- I Term Loans referred at (a) to (d) above are secured by mortgage of fixed assets present and future of the company on first charge pari passu basis and guaranteed by two Directors and relatives of directors the Company.

Terms of Repayment :

Particulars	Rate of Interest	Quarterly Instalments
a) Andhra Bank -II	15.00%	4
b) Andhra Bank - Corporate Loan	14.75%	20
c) State Bank of Hyderabad - Additional Term loan	14.75%	20
d) Reliance Capital Limited	16.25%	27 (monthly)

Notes forming part of the financial statements as at 31st March, 2021 (Figures in Rs. Lakhs)

Note No.	PARTICULARS	As at March 31, 2021	As at March 31, 2020
B.	Unsecured loans		
	- Loans from related parties		
(i)	Liability component of Unsecured Loan from Directors	501.34	497.11
(ii)	Inter-corporate Deposits	658.21	619.53
	Sub total	1,159.55	1,116.64
C.	Deferred Sales Tax Liability	38.30	40.45
	Sub total	38.30	40.45
	Total (A+B+C)	1,198.66	1,158.55
17	Provisions - Non Current:		
	Provision for employee benefits		
a.	Leave Encashment (unfunded)	1.23	3.05
b.	Provision for Gratuity	71.70	91.84
	Total	72.93	94.89
18	Other Non Current Liabilities		
a.	Deferred Government Grant	20.15	17.97
	Total	20.15	17.97
19	Short term borrowings repayable on demand:		
a.	Secured		
(I)	Andhra Bank		
	Cash Credit	771.42	771.66
	Packing Credit	230.56	230.56
	Adhoc	200.00	200.00
	Sub-Total	1,201.98	1,202.22
B.	Current maturities of long term borrowings		
i).	Andhra Bank-I	36.26	36.26
ii).	Andhra Bank -II	213.60	213.60
iii).	Andhra Bank - Corporate Loan	1,041.87	1,043.00
iv).	State Bank of Hyderabad - Additional Term Loan		
	Less: Loan Repayment Under OTS	845.20	665.21
	Sub-Total	446.53	627.65

NOTE:

- I. All Working Capital loans are secured by hypothecation of stocks of raw materials, yarn, fabric, stock-in-process, stores and spares and book debts and by a second mortgage over the (present and future) movable & immovable properties of the Company on pari-passu basis and further guaranteed by three Directors of the Company in their personal capacities.

Notes forming part of the financial statements as at 31st March, 2021 (Figures in Rs. Lakhs)

Note No.	PARTICULARS	As at March 31, 2021	As at March 31, 2020
	b. Unsecured		
	a. Sales tax deferment payable	-	(2.14)
	b. Reliance Capital Limited	49.71	45.58
	Total	1,698.22	1,873.31
20	Trade Payables - Current:		
	a. Small and Micro enterprises	15.47	25.01
	b. Others	1,102.25	627.39
	Total	1,117.72	652.40
21	Other financial liabilities - Current:		
	A. Interest accrued		
	a. Andhra Bank Term Loan	271.71	153.45
	b. Andhra Bank Working Capital Loan	-	-
	Sub Total	271.71	153.45
	B. Security Deposits payables	-	5.29
	Total (A+B)	271.71	158.74
22	Other current liabilities:		
	a. Advance from Customers	155.26	287.11
	b. Statutory Dues	72.93	82.04
	c. Other payables	207.28	241.19
	d. Deferred Govt Grant	-	1.89
		435.47	612.23
23	Provisions - Current:		
	A. Provision for employee benefits		
	a. Provision for Gratuity	4.63	21.56
	b. Salary & Reimbursements	153.01	146.27
	c. Contribution to PF & ESI	52.35	75.25
	d. Bonus Payable	20.82	27.05
	e. Provision for Leave Encashment	0.10	0.56
	Total	230.91	270.69

Notes forming part of the financial statements as at 31st March, 2020 (Figures in Rs. Lakhs)

Note No.	PARTICULARS	For the year ended March 31,2021 IndAS	For the year ended March 31,2020 IndAS
24	Revenue from Operations:		
	A. Domestic Sales		
	a. Yarn	2,773.33	1706.85
	b. Medical Textiles	572.37	270.85
	c. Cotton Waste	8.30	19.34
	d. Job Work Charges Collected	-	290.27
	e. Traded Cotton	976.30	257.16
	B. Export Sales		
	a. Medical Textiles	-	42.42
	Total	4,330.30	2,586.89
25	Other Income:		
	A. Interest Income on		
	a. Security Deposits	7.27	9.60
	b. Bank Deposits	0.44	0.40
	B. Other Non-operating Income (Net of Expenses)		
	a. Fair value gain on Investments	8.96	-
	b. Commission Received	-	50.00
	c. Gain on foreign currency transactions & translation	-	-
	d. Profit on sale of Assets	-	-
	e. Excess Provision /Credit Balance written Back	27.65	-
	f. Miscellaneous Receipts	-	4.04
	g. Government Grant Income	(0.29)	-
	h. Scrap Sales	-	2.03
	Total	44.03	66.07

Notes forming part of the financial statements as at 31st March, 2020 (Figures in Rs. Lakhs)

Note No.	PARTICULARS	For the year ended March 31,2021 IndAS	For the year ended March 31,2020 IndAS
26	Cost of Materials Consumed		
	Opening Stock	33.80	38.67
	Add : Purchases	2,147.73	1433.48
		2,181.53	1,472.15
	Less : Value of Raw materials sold	-	-
	Less : Closing Stock	31.07	33.80
	Total	2,150.46	1,438.35
27	Changes in inventories of Stock-In-Trade:		
a.	Inventory at the beginning of the period		
	Yarn	98.87	7.48
	Medical Textiles	29.12	56.22
	Stock-in-Process	52.94	-
	Cotton waste	0.94	1.07
	Total	181.87	64.77
b.	Inventory at the end of the period		
	Yarn	286.40	98.87
	Medical Textiles	15.97	29.12
	Stock-in-Process	90.08	52.94
	Cotton waste	1.67	0.94
	Total	394.12	181.87
	(Increase)/Decrease in Stock	(212.25)	(117.10)
28	Employee Benefits Expense:		
a.	Salaries, Wages and Bonus	470.57	473.62
b.	Contribution to Provident Fund	8.83	12.96
c.	Staff Welfare Expenses	13.05	12.07
d.	Gratuity	37.71	30.26
e.	Contribution to Employee State Insurance	4.16	6.21
	Total	534.32	535.12
29	Finance Costs		
a.	Interest on Borrowings	172.48	176.70
b.	Other Borrowing costs	2.84	2.87
c.	Interest on Unsecured loans	4.29	63.09
d.	Interest on Sales Tax Deferement	-	-
	Total	179.61	242.66

Notes forming part of the financial statements as at 31st March, 2021 (Figures in Rs. Lakhs)

Note No.	PARTICULARS	For the year ended March 31,2021 IndAS	For the year ended March 31,2020 IndAS
30	Depreciation and amortisation expense:		
a.	Depreciation on Property ,Plant and Equipment	173.30	172.12
	Total	173.30	172.12
31	Other expenses:		
A.	Power & Fuel		
(i)	Electricity Charges	435.28	575.84
B.	Stores & spare parts consumption :		
(i)	Consumable Stores	10.77	12.86
(ii)	Packing Material Consumed	44.67	48.60
(iii)	Consumption Of Fire Wood	33.86	11.68
C.	Payments to the auditor as		
(i)	auditor	1.57	0.80
(ii)	for taxation matters	0.13	0.40
D.	Rent	22.05	22.05
E.	Repairs to : Buildings	5.49	0.96
	: Machinery	61.12	67.47
	: Others	4.40	4.07
F.	Insurance	8.64	10.94
G.	Rates and taxes, excluding, taxes on income	11.52	27.71
H.	Printing and Stationery	2.31	1.68
I.	Postage, Telegrams and Telephones	0.88	2.16
J.	Travelling and Conveyance	8.01	3.90
K.	Directors' Sitting Fees	0.89	1.37
L.	Advertisement	0.55	0.99
M.	Expenses on Sales	4.82	4.75
N.	Legal & Professional Charges	6.36	7.14
O.	Vehicle Maintenance	15.38	13.51
P.	Bad debts and Debit balance written off	5.40	68.01
Q.	Loss on Inventory W/off	0.02	17.14
R.	Loss on Sale of Fixed Assets	13.42	21.79
S.	Miscellaneous expenses	41.29	55.58
T.	Donations	2.50	0.60
U.	Loss on foreign currency transactions & translation		0.31
V.	Prior period items	0.12	17.39
w.	Fair value Loss on Investments	0.72	2.22
	Total	742.18	1,001.90

Notes forming part of the financial statements as at 31st March, 2021 (Figures in Rs. Lakhs)

Note No.	PARTICULARS	For the year ended March 31,2021 IndAS	For the year ended March 31,2020 IndAS
32	Other comprehensive income:		
a.	Actuarial Gain/(Losses) on Gratuity Expense for the period	37.71	10.96
b.	Deferred Taxes on above	-	-
	Total	37.71	10.96
33	Earnings Per Equity Share:		
a.	Total Comprehensive Income for the period	(39.40)	(76.50)
b.	Weighted average number of equity shares of Rs. 10/-each	4,908,576	4,908,576
	Earnings per equity share (Basic and Diluted) - (a) / (b)	(0.80)	(1.56)

34. Retirement Benefit Obligations:

Particulars	For the year ended March 31, 2021	For the year ended March 31, 2020
A. Defined Contribution Plan (Expenses):		
Contribution to Provident Fund	8.83	12.96
Contribution to Employee State Insurance	4.16	6.21
Contribution to Labour Welfare Fund	-	-
B. Defined Benefit Plans (Gratuity):		
1. Movement in Obligation – Gratuity:		
Present Value of Obligation at the beginning of year	113.40	99.37
Current Service Cost	15.26	22.68
Interest Cost	7.72	7.57
Benefits Paid	(22.34)	(5.27)
Actuarial (Gain)/Loss on Obligation	(37.71)	(10.96)
Present Value of Obligation at the end of year	76.32	113.40
2. Movement in Plan Assets – Gratuity:		
Fair Value of Planned assets at the beginning of the year	-	-
Contributions during the year	22.34	5.27
Benefits Paid during the year	(22.34)	(5.27)

Notes forming part of the financial statements as at 31st March, 2021 (Figures in Rs. Lakhs)

Particulars	For the year ended March 31, 2021	For the year ended March 31, 2020
Fair Value of Planned assets at the end of the year	-	-
3. Expenses recognised in Profit and Loss Statement:		
<u>Gratuity: -</u>		
Current Service Cost	15.26	22.68
Net Interest Cost	7.72	7.58
Expense for the year	22.98	30.26

4. Recognised in Other Comprehensive Income:

Actuarial (Gain) /loss for the year	(37.71)	(10.96)
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5. Actuarial Assumptions for estimating Company's Defined Benefit Obligation:

a. Attrition Rate

Age at valuation date		
18-30 years	4.00%	4.00%
31-40 years	2.00%	2.00%
41 and above years	1.00%	1.00%

b. Discount Rate	6.33%	6.81%
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c. Expected Rate of Increase in Salary	5.00%	5.00%
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d. Mortality Rate	Indian Assured Lives Mortality 2012-14 Ult.	Indian Assured Lives Mortality 2006-08 Ult.
e. Average Remaining Working Life	10.00 years	12.00 years
f. Decrement Adjusted Future Service	9.36 years	11.10 years

6. Sensitivity Analysis:

Defined Benefit Obligation (Base) 113.40

Sensitivity	Change	Effect on obligations
Discount Rate	+1%	70.85
	-1%	(82.44)
Salary Growth Rate	+1%	82.48
	-1%	(70.72)
Attrition Rates	+50%	76.54
	-50%	(77.03)
Mortality Rate	+10%	76.34
	-10%	(76.31)

Notes forming part of the financial statements as at 31st March, 2021 (Figures in Rs. Lakhs)

Please note that the sensitivity analysis presented above may not be representative of the actual change in the defined benefit obligation as it is unlikely that the change in assumptions would occur in isolation of one another as some of the assumptions may be correlated.

There is no change in the method of valuation for the prior period.

7.	Expected Payouts – Undiscounted:	Amount
	Expected payments – 1 st year	3.76
	Expected payments – 2 nd to 5 th years	19.60
	Expected payments – 6 th to 10 th years	52.52
	Expected payments – More than 10 th year	59.66

8. Other Information:

Present value of defined benefit obligation:

Present value of the defined benefit obligation is calculated by using Projected Unit Credit method (PUC Method). Under the PUC method a “projected accrued benefit” is calculated at the beginning of the year and again at the end of the year for each benefit that will accrue for all active members of the Plan. The “projected accrued benefit” is based on the Plan’s accrual formula and upon service as of the beginning or end of the year, but using a member’s final compensation, projected to the age at which the employee is assumed to leave active service. The Plan Liability is the actuarial present value of the “projected accrued benefits” as of the beginning of the year for active members.

35. Income tax expense and Deferred Taxes:

Particulars	For the year ended March 31, 2021	For the year Ended March 31, 2020
<u>Income Tax Expense: -</u>		
a. Current Tax		
- Relating to current year	-	-
- Relating to earlier years	117.32	-
b. Deferred Tax (arising on temporary differences)	-	-
Total Tax Expense for the year	117.32	-

Note: The Company has not recognized Deferred Tax Assets due to lack to reasonable certainty that deferred taxes will be reversed in near future.

Effective Tax Reconciliation: -

a. Net Profit/(Loss) before taxes	40.21	(87.46)
b. Tax rate applicable to the company as per normal provisions	26%	26%
c. Tax expense on net profit (c = a*b)	10.45	(22.74)
d. Increase/(decrease) in tax expenses on account of:		
i. Effect of Accelerated Depreciation	24.06	12.53
ii. Effect of Income exempt from Tax	-	-
iii. Effect of expenses not deductible in determining taxable profits	134.91	17.39
iv. Effect for deduction for expenses earlier disallowed	(11.45)	(10.46)
v. Other adjustments		
Net Increase/(decrease) in tax expenses	147.52	19.46

Notes forming part of the financial statements as at 31st March, 2021 (Figures in Rs. Lakhs)

36. Fair Value of Financial Instruments:

The management assessed that cash and cash equivalents, trade receivables, trade payables, and other current assets and liabilities approximate to their carrying amount largely due to the short-term maturities of these instruments.

The fair value of the financial assets and liabilities is reported at the amount at which the instrument could be exchanged in a current transaction between willing parties, other than in a forced or liquidation sale. The following methods and assumptions were used to estimate the fair values:

- a. The fair values of the quoted instruments are based on price quotations at the reporting date. The fair value of unquoted instruments is based on the Net Asset Value provided by the Management as on the date of reporting.
- b. Fair value of Deferred Sales Tax Liability and Unsecured Loans is calculated by discounting future cash flows using rates currently available for debt on similar terms, credit risk and remaining maturities.

Description of significant observable inputs to valuation:

- Deferred Sales Tax Liability and Unsecured Loans:
Interest Rate factor has been considered at a rate currently available for debt on similar terms, by the company for discounting the amount receivable at the time of maturity.

The carrying amount of all financial assets and liabilities (except for those instruments carried at fair value) appearing in the financial statements is reasonable approximation of fair values.

Particulars	Carrying Value		Fair value	
	March 31, 2021	March 31, 2020	March 31, 2021	March 31, 2020
Financial Assets				
At Fair value through profit & Loss				
Investments in Equity Instruments	13.89	5.64	13.89	5.64
At Amortised cost				
Loans	174.88	174.36	174.88	174.36
Trade receivables	315.21	302.49	315.21	302.49
Cash and Bank Balances	154.91	22.44	154.91	22.44
Other Financial assets	7.97	9.00	7.97	9.00
Total Financial Assets	652.97	508.29	652.97	508.29
Financial Liabilities				
At Amortised cost				
Borrowings	2896.88	3031.86	2896.88	3031.86
Trade Payables	1117.72	652.40	1117.72	652.40
Other Financial liabilities	271.71	158.74	271.71	158.74
Total Financial liabilities	4286.31	3843.00	4286.31	3843.00

Notes forming part of the financial statements as at 31st March, 2021

(Figures in Rs. Lakhs)

37. Fair Value hierarchy:

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

Quantitative disclosures of fair value measurement hierarchy for financial instruments as at March 31, 2021:

Particulars	Total Value	Fair Value measurement using		
		Quoted prices in active markets (Level – 1)	Significant observable inputs (Level – 2)	Significant unobservable inputs (Level- 3)

Financial Assets:

Designated at Fair Value through profit or loss:

Investments in quoted Equity instruments	13.88	13.88	-	-
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Designated at Amortised Cost:

Loans	174.88	-	-	174.88
Trade Receivables	315.21	-	-	315.21
Cash and Bank Balances	154.91	-	-	154.91
Other Financial Assets	7.97	-	-	7.97

Financial Liabilities:

Designated at Amortised Cost:

Borrowings	2896.88	-	-	2896.88
Trade Payables	1117.72	-	-	1117.72
Other Financial liabilities	271.71	-	-	271.71

Quantitative disclosures of fair value measurement hierarchy for financial instruments as at March 31, 2020:

Particulars	Total Value	Fair Value measurement using		
		Quoted prices in active markets (Level – 1)	Significant observable inputs (Level – 2)	Significant unobservable inputs (Level- 3)

Financial Assets:

Designated at Fair Value through profit or loss:

Investments in quoted Equity instruments	5.64	5.64	-	-
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Designated at Amortised Cost:

Loans	174.36	-	-	174.36
Trade Receivables	302.49	-	-	302.49
Cash and Bank Balances	22.44	-	-	22.44
Other Financial Assets	9.00	-	-	9.00

Financial Liabilities:

Designated at Amortised Cost:

Borrowings	3031.86	-	-	3031.86
Trade Payables	652.40	-	-	652.40
Other Financial liabilities	158.74	-	-	158.74

Notes forming part of the financial statements as at 31st March, 2021 (Figures in Rs. Lakhs)

38. Related Party Transactions:

During the year under reference the Company has entered following transactions with Related Parties:

Names of the Related parties and description of relationship:

i) Key Management Personnel

Name of the Key Management Personnel	Description of Relationship
Sri R.K.Agarwal	Managing Director

ii) Relatives of Key Management Personnel

Name of the relative of Key Management Personnel	Description of Relationship
Smt Narmada Agarwal	Mother of Sri R.K. Agarwal
Smt. Yamuna Agarwal	Wife of Sri R.K. Agarwal
Smt. Rishikesh Agarwal	Son of Sri R.K.Agarwal

iii) Enterprises over which the Shareholders of the Company, KMP/relatives of KMP exercise Control or significant influence:

1. M/S. Aananda Lakshmi Spinning Mills Limited
2. M/S. Sheshadri Industries Limited
3. M/S. Suryalakshmi Cotton Mills Limited
4. M/S. Suryavanshi Integrated Apparel Park Limited
5. M/s. Innovative Interiors
6. M/s. Rishikesh Yarns
7. M/s. Sheshadri Power and Infrastructure Pvt.Ltd
8. M/s. Ishayu Garments

Note: The details of related parties with whom the company has entered into transactions during the reporting periods have been disclosed

a) Transactions with Enterprises over which the Shareholders of the Company, KMP/relatives of KMP exercise Control or significant influence:

Particulars	For the year ended March 31, 2021	For the year ended March 31, 2020
i) Purchase of Raw materials and spares		
M/s. Rishikesh Yarns	910.11	637.07
M/s. Sheshadri Industries Ltd	-	0.31
M/S. Surya Lakshmi Cotton Mills Ltd	21.95	-
M/s. Aananda Lakshmi spinning Mills Ltd	-	1.96
ii) Sale of Raw Material & Finishedgoods		
M/S. Aananda Lakshmi Spinning Mills Limited	-	1.96
M/s. Ishayu Garments	59.52	26.83
M/s. Surya Lakshmi Cotton Mills Ltd	21.96	-
iii) Job work Sales		
M/s. Rishikesh Yarns	-	304.79
iii) Interest on Unsecured Loan		
M/S. Suryalakshmi Cotton Mills Limited	2.29	2.29
M/s. Sheshadri Power & Infrastructure Pvt.Ltd	7.99	3.37
iv) Purchase of Machinery		
M/s. Aananda Lakshmi Spinning MillsLtd	46.90	-

Notes forming part of the financial statements as at 31st March, 2021 (Figures in Rs. Lakhs)

b) Transactions with Key Managerial Personnel

(i) Remuneration to Key Managerial Personnel

Particulars	For the year ended March 31, 2021		For the year ended March 31, 2020	
	Short-term Benefits	Post-employment benefits	Short-term Benefits	Post-employment benefits
Sri R.K.Agarwal	-	-	-	-

(ii) Unsecured loan Received (Net of Repayments)

Particulars	For the year ended March 31, 2021	For the year ended March 31, 2020
Sri R.K.Agarwal	1.49	2.50

(iii) Equity portion of Unsecured loan

Particulars	For the year ended March 31, 2021	For the year ended March 31, 2020
Sri R.K.Agarwal	-	-

(iv) Interest on Unsecured loans

Particulars	For the year ended March 31, 2021	For the year ended March 31, 2020
Sri R.K.Agarwal	4.29	59.29

c) Transactions with relatives of Key Managerial Personnel

(i) Unsecured loan (Net of Repayments)

Particulars	For the year ended March 31, 2021	For the year ended March 31, 2020
Mr. Lata Agarwal	-	52.68

(ii) Unsecured loan Received (Net of Repayments)

Particulars	For the year ended March 31, 2021	For the year ended March 31, 2020
Mr. Prateek Agarwal	22.04	21.40

Notes forming part of the financial statements as at 31st March, 2021 (Figures in Rs. Lakhs)

Outstanding balances at the year end

Particulars	As at March 31, 2021	As at March 31, 2020
a. Amounts due from related parties		
(i) Sale of raw materials		
M/S. Aananda Lakshmi Spinning Mills Limited	105.84	249.10
M/S. Sheshadri Industries Limited	65.35	55.22
(ii) Investments		
M/S. Suryavanshi Integrated Apparel Park Limited – Investment	0.90	0.90
b. Amounts due to related parties		
(i) Unsecured Loan		
M/s. Suryalakshmi Cotton Mills Limited	29.83	27.72
Smt.Narmada Agarwal	13.15	12.00
Sri R.K.Agarwal	362.38	360.90
Sri Rishikesh Agarwal	-	-
Smt Yamuna Agarwal	-	-
(ii) Equity portion of Unsecured Loan		
Sri B.N.Agarwal-	-	-
Sri R.K.Agarwal-	-	-
Sri Rishikesh Agarwal	-	-
Smt Yamuna Agarwal	-	-
(ii) Purchase of Raw Material, Stores and Spares		
M/s. Rishikesh Yarn	(359.21)	179.61

39.	Financial Risk Management objectives and policies:
	The company is exposed to financial risks arising from its operations and the use of financial instruments. The key financial risks include interest rate risk, foreign currency risk, market risk, credit risk and liquidity risk. The company's risk management policies focus on the unpredictability of financial markets and seek to, where appropriate, minimize potential and guidelines and there has been no change to the company's exposure to these financial risks or the manner in which it manages and measures the risks or the manner in which it manages and measures the risks.
	The following sections provide the details regarding the Company's exposure to the financial risks associated with financial instruments held in the ordinary course of business and the objectives, policies and processes for the management of these risks.
i.	Market Risk:
	Market risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market prices. Market prices comprise three types of risk: currency rate risk, interest rate risk and other price risks, such as equity risk. Financial instruments affected by market risk include Borrowings, loans and advances, deposits and other equity funds.

Notes forming part of the financial statements as at 31st March, 2021

(Figures in Rs. Lakhs)

	a.	Interest rate risk:
		<p>Interest rate risk is the risk that the fair value or future cash flows of the Company and the Company's financial instruments will fluctuate because of changes in market interest rates. The Company's exposure to interest rate risk arises primarily from the Company's long-term debt obligations, advances, security deposits and cash and cash equivalents.</p> <p>The company's policy is to manage its interest rate risk by having a balanced portfolio of fixed and variable rate loans and borrowings</p>
	ii.	Credit risk:
		<p>Credit risk is the risk of loss that may arise on outstanding financial instruments when counterparty default on its obligations. The Company's exposure to credit risk arises primarily from trade and other receivables. For other financial assets (including investment securities, cash and short-term deposit), the Company minimizes the credit risk by dealing exclusively with high credit rating counterparties. The Company's objective is to seek continual revenue growth while minimising losses incurred due to increased credit risk exposure. The Company trades only with recognised and creditworthy third parties. It is the Company's policy that all customers who wish to trade on credit terms are subject to credit verification procedures. In addition, Outstanding customer receivables are regularly monitored and any credits to new customers are generally covered by appropriate security in the form of deposits.</p>
	a.	Exposure to credit risk:
		<p>At the end of the reporting period, the Company's maximum exposure to credit risk is represented by the carrying amount of each class of financial assets recognised in the statement of financial position. No other financial assets carry a significant exposure to credit risk.</p>
	b.	Credit risk concentration profile:
		<p>At the end of the reporting period, there were no significant concentrations of credit risk. The maximum exposures to credit risk in relation to each class of recognised financial assets is represented by the carrying amount of each financial assets as indicated in the balance sheet.</p>
	c.	Financial assets that are neither past due nor impaired:
		<p>Trade and other receivables that are neither past due nor impaired are creditworthy debtors with good payment record with the Company. Cash and short-term deposits, investment securities that are neither past due nor impaired are placed with or entered with reputable banks, financial institutions or companies with high credit ratings and no history of default.</p>
	d.	Financial assets that are either past due or impaired:
		<p>Trade receivables that are past due or impaired at the end of the reporting period, for which life time expected credit loss has been provided by the company according to its policy. These are shown in the balance sheet at carrying value less impairment/expected credit loss.</p>
	iii.	Liquidity risk:
		<p>The risk that an entity will encounter difficulty in meeting obligations associated with financial liabilities that are settled by delivering cash or another financial asset.</p> <p>The company ensures that it has sufficient cash on demand to meet expected operational demands, including the servicing of financial obligations; this excludes the potential impact of extreme circumstances that cannot reasonably be predicted.</p> <p>The table below summarises the maturity profile of the Company's financial liabilities based on contractual undiscounted payments which are payable within 12 months.</p>

Notes forming part of the financial statements as at 31st March, 2021 (Figures in Rs. Lakhs)

	Less than 12 months	1 to 3 years	More than 3 years	Total
As at March 31, 2021				
Borrowings	103.26	2793.62		2896.88
Trade Payables	87.23	412.54	617.95	1117.72
Other Financial Liabilities	118.25	153.45		271.71
As at March 31, 2020				
Borrowings	1873.31	1158.55	-	3031.86
Trade Payables	21.91	512.54	117.95	652.40
Other Financial Liabilities	153.45		5.28	158.74

40. Capital Management:

Particulars	As at March 31, 2021	As at March 31, 2020
Total Borrowings #	2896.88	3031.86
Net Debt		
Equity	491.31	491.31
Other Equity*	(1599.98)	(1562.12)
Total Equity	(1108.89)	(1071.04)
Debt/Equity ratio	(2.61)	(2.83)

Total Borrowings includes Long-term and short-term borrowings, Loans from related parties, Deferred Sales Tax Liability and Cash and packing credits.

*Other Equity includes securities premium, capital redemption reserve, export allowance, equity portion of unsecured loans.

41. Contingencies and Commitments:

Particulars	As at March 31, 2021	As at March 31, 2020
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Contingent Liabilities

- Against Foreign Bills Discounted
- Demand from Sales Tax Department, Andhra Pradesh in connection with levy of purchase tax on polyester staple fiber from Reliance Industries Limited, levy of tax on work contract receipts and withdrawal of deferment availed by the company for the year 2001-02. AP. Sales Tax Appellate Tribunal set aside the order passed by the Sales Tax Authorities. The Department has challenged the said order before the Hon'ble High Court of AP. and the same is pending.

	23.51	23.51
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Notes forming part of the financial statements as at 31st March, 2021 (Figures in Rs. Lakhs)

- c. M/s. Suryavanshi Textiles Ltd was amalgamated with our company vide scheme of merger sanctioned by Board for Industrial and Financial Reconstruction (BIFR) under the provisions of Sick Industrial Companies (Special Provisions) Act, 1985 with effect from 01-04-2007. The scheme incorporates certain reliefs and concessions for consideration by income tax department including exemption from applicability of MAT u/s 115JB of the Income Tax Act, 1961 for a period of five years from 01-04-2007. The company is pursuing the matter with the authorities concerned for the said reliefs as per the scheme of merger and liability under MAT u/s 115JB of Income Tax Act 1961 including interest as per assessment orders is ` 41 lacs and ` 443 lacs for the assessment years 2010- 11 and 2011-12 respectively. In the event of the liability being crystallized, the liability shall be shared by Suryavanshi Spinning Mills Limited (Demerged Company) , Aananda Lakshmi Spinning Mills Limited (Resulting Company 1) and Sheshadri Industries Limited (Resulting Company 2) equally, since the Company is demerged on 01-04-2013 (Appointed Date) as per the Scheme of Arrangement approved by Hon'ble High Court at Hyderabad. However, the company decided to opt the scheme of the central govt. under VIVAD SE VISHWAS Scheme announced and settled the dispute liability by providing Rs. 117.32 in FY 2020-2021 . The same amount would proceed to be paid by due dated.

Commitments

- a. Estimated amount of contracts remaining to be executed on capital accounts and not provided for (net of advances) -

42. Micro, Small and Medium Enterprises Development Act, 2006 (MSMED Act):

Particulars	As at March 31, 2021		As at March 31, 2020	
	Principal	Interest	Principal	Interest
Amount due to vendor*	15.46	3.13	21.91	3.10
Principal amount paid (includes unpaid) beyond appointed date	-	-	-	-
Interest due and payable for the year	-	-	-	-
Interest accrued and remaining unpaid	-	-	-	-

*The information with regard to Micro, Small and Medium Enterprises has been determined to the extent such parties could be identified on the basis of the information available with the company. The above-mentioned amount is due to them for a period exceeding 45 days and the company has not provided any interest for the delay in payments as the company is in the process of settling the dues with the parties amicably.

43. The Company's business activity falls within a single business segment i.e. Textile products, in terms of IND AS 108 on operating segments.
44. The Company has recorded a net loss of Rs. 77.11 lakhs for the year ended 31st March, 2021 and has accumulated losses of Rs.2719.69 lakhs as at 31st march, 2021 . Resulting in complete erosion of net worth and current liabilities exceed current assets by Rs.2536.23 Lakhs. Further, there were lower cash inflows from the existing business activities. The Company has defaulted in payment of dues to banks/financial institutions and could not comply with the terms of sanction and/or repayment schedules of the lending institutions and Banks. As the management of the Company is of the view that financial institutions would settle the liabilities and company's operations would be revived, the accompanying financial statement have been prepared on a "going concern" basis.
45. OTS sanctioned by Andhra Bank is valid upto 27.12.2019. The Company Paid 39% of OTS amount to Andhra Bank. The Company requested further extension to the bank to pay the balance dues of OTS. The Company has provided interest on OTS to Andhra Bank upto the FY 2020-21 of Rs. 271.71 Lakhs. The Management was confident of

Notes forming part of the financial statements as at 31st March, 2021 (Figures in Rs. Lakhs)

clearing dues to Andhra Bank as on 31st March 2021. Due to unforeseen COVID Lockdown The Company Couldn't clear the dues and hence provided Interest for the outstanding on reducing balance method.

- 46.** The Company has shown Rs. 2.98 Lakhs as exceptional income towards Sale of Fixed Machinery.
- 47.** In view of the nation wide lock down due to COVID-19 in the last quarter of the year, the company's operations at all its units were shut down partially which marginally impacted the performance for the quarter. The company has considered internal and external sources of information, economic forecasts and industry reports, upto the date of approval of financial statements in determining the impact of COVID-19 pandemic on various elements of its business operations and financial statements. The company has since resumed its operations in a phased manner from 13/05/2020 conforming with the Guidelines of the Government. The company will continue to closely monitor any material changes to future economic conditions.
- 48.** The company could not obtain confirmation of balances as at 31st March, 2021 in respect of trade receivables and trade payables and the Company hopes that they would be collected and paid.
- 49.** Previous year figures have been regrouped where ever necessary to conform current year classification.

As per our report of even date
For K.S.Rao & Co.
Chartered Accountants
Firms' Registration Number: 003109S

For and on behalf of Board of Directors
Suryavanshi Spinning Mills Limited

M.Naga Prasadu
Partner
Membership Number:231388
Place : Hyderabad
Date : 18th July, 2021

R.K. Agarwal
Managing Director

Ms. Ashu
Company Secretary

Manish Gupta
Director

SURYAVANSHI SPINNING MILLS LIMITED

CIN: L14220TG1978PLC002390

Registered Office: 6th Floor, Surya Towers, 105, S.P.Road, Secunderabad – 500003

Phone: 91-40-27843333

Website: www.suryavanshi.com, Email: info@suryavanshi.com

FORM No. MGT-12: POLLING PAPER

(Pursuant to Section 109(5) of the Companies Act, 2013 and Rule 21(1)(c) of the Companies (Management and Administration) Rules, 2014)

BALLOT PAPER

Name of the first named shareholder (in Block letters)	
Postal Address	
Registered Folio No. / *Client ID No. (*Applicable to investors holding shares in dematerialized form)	
Class of shares	Equity

I hereby exercise my vote in respect of the ordinary / special resolutions for the business enumerated below and as stated in the Notice of 42nd Annual General Meeting of the Company to be held on **Thursday, 30th day of September, 2021 at 09.30 AM** by recording my/ assent or dissent to the said resolution by placing tick (✓) at the appropriate box below:

Sl. No.	Particulars	No. of shares held by me	I/we assent to the resolution (FOR)	I/we dissent to the resolution (AGAINST)
	Ordinary Business			
1	To receive, consider and adopt the Audited Financial Statements for the financial year ended 31st March, 2021 and the Reports of the Directors and Auditors thereon.			
2	To appoint a director in place of Sri Rajender Kumar Agarwal, who retires by rotation and, being eligible, offers himself for reappointment			
	Special Business			
3	To authorize to accept a loan from the director of the company with an option to convert the same into fully paid up equity shares			
4	To approve the related party transaction with the Promoters of the Company			

Place: Secunderabad

Date: 14.08.2021

Signature of the member

**42nd Annual General Meeting
SURYAVANSHI SPINNING MILLS LIMITED**

Registered Office: 6th Floor, Surya Towers, 105,
S.P.Road, Secunderabad – 500003
Phone: 91-40-30512700, Fax: 91-40-30512725
Website: www.suryavanshi.com, Email: info@suryavanshi.com

CIN: LI4220TG1978PLC002390

PLEASE COMPLETE THE ATTENDANCE SLIP AND HAND OVER AT THE ENTRANCE OF THE MEETING HALL.

ATTENDANCE SLIP

I / We hereby record my / our presence at the 42nd Annual General Meeting of the Suryavanshi Spinning Mills Limited held on **Thursday, 30th day of September, 2021 at 09.30 AM at Incredible One Hotel, 1-2-40, 41 & 43, Park Lane, Sandhu Apartment, Kalasiguda, Secunderabad, Telangana 500003**

For Physical Holding	For Electronic Form (Demat) NSDL / CDSL		No. of shares
Folio No.	DP ID	CLIENT ID	
NAME OF THE MEMBER / JOINT MEMBER(S) (IN BLOCK CAPITALS):			

Signature of the member/ Joint member(s) / proxy

42nd Annual General Meeting
SURYAVANSHI SPINNING MILLS LIMITED
Registered Office: 6th Floor, Surya Towers, 105, S.P.Road, Secunderabad – 500003
Phone: 91-40-30512700, Fax: 91-40-30512725
Website: www.suryavanshi.com, Email: info@suryavanshi.com

CIN: L14220TG1978PLC002390

PROXY FORM

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

Name of the member(s)	
Registered Address	
Email ID	
Folio No./ Client ID	
DP ID	

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

1. Name :
Address :
Email ID :
Signature : or failing him
2. Name :
Address :
Email ID :
Signature : or failing him
3. Name :
Address :
Email ID :
Signature :

as my/ our proxy to attend and vote (on a poll) for me/ us and on my/ our behalf at the Annual General Meeting of the company, to be held on **Thursday, 30th day of September, 2021 at 09.30 AM at Incredible One Hotel, 1-2-40, 41 & 43, Park Lane, Sandhu Apartment, Kalasiguda, Secunderabad, Telangana 500003** or at any adjournment thereof in respect of such resolutions as are indicated below:

Sl. No.	Particulars	FOR	AGAINST
	Ordinary Business		
1	To receive, consider and adopt the Audited Financial Statements for the financial year ended 31 st March, 2021 and the Reports of the Directors and Auditors thereon.		
2	To appoint a director in place of Sri Rajender Kumar Agarwal, who retires by rotation and, being eligible, offers himself for reappointment		
	Special Business		
3	To authorize to accept a loan from the director of the company with an option to convert the same into fully paid up equity shares		
4	To approve the related party transaction with the Promoters of the Company		

Signed this _____ day of _____ 2021

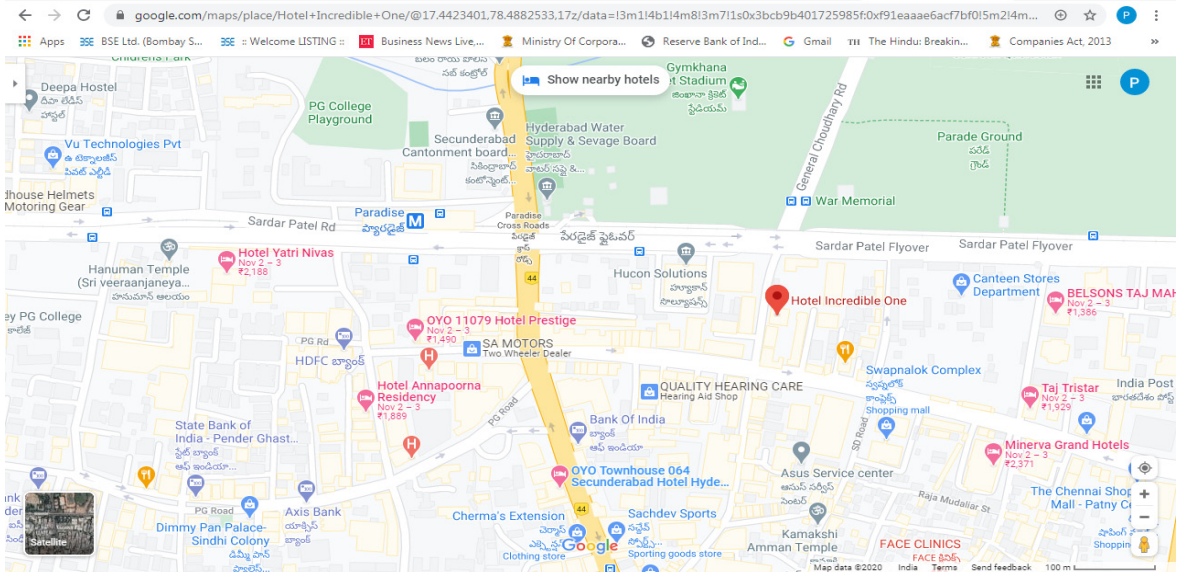
Affix
Revenue
stamp

Signature of Shareholder

Signature of Proxyholder(s)

Note: This form of proxy in order to be effective should be duly completed and deposited at the Registered Office of the Company, not less than 48 hours before the commencement of the Meeting.

ROUTE MAP FOR THE VENUE OF 42nd ANNUAL GENERAL MEETING:
 1-2-40, 41 & 43, Park Lane, Sandhu Apartment,
 Kalasiguda, Secunderabad, Telangana 500003, India



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If undelivered, please return to:



Surya Towers, 6th Floor, 105, S.P. Road,
Secunderabad - 500 003, Telangana, India.
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Email: info@suryavanshi.com, Website: www.suryavanshi.com
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