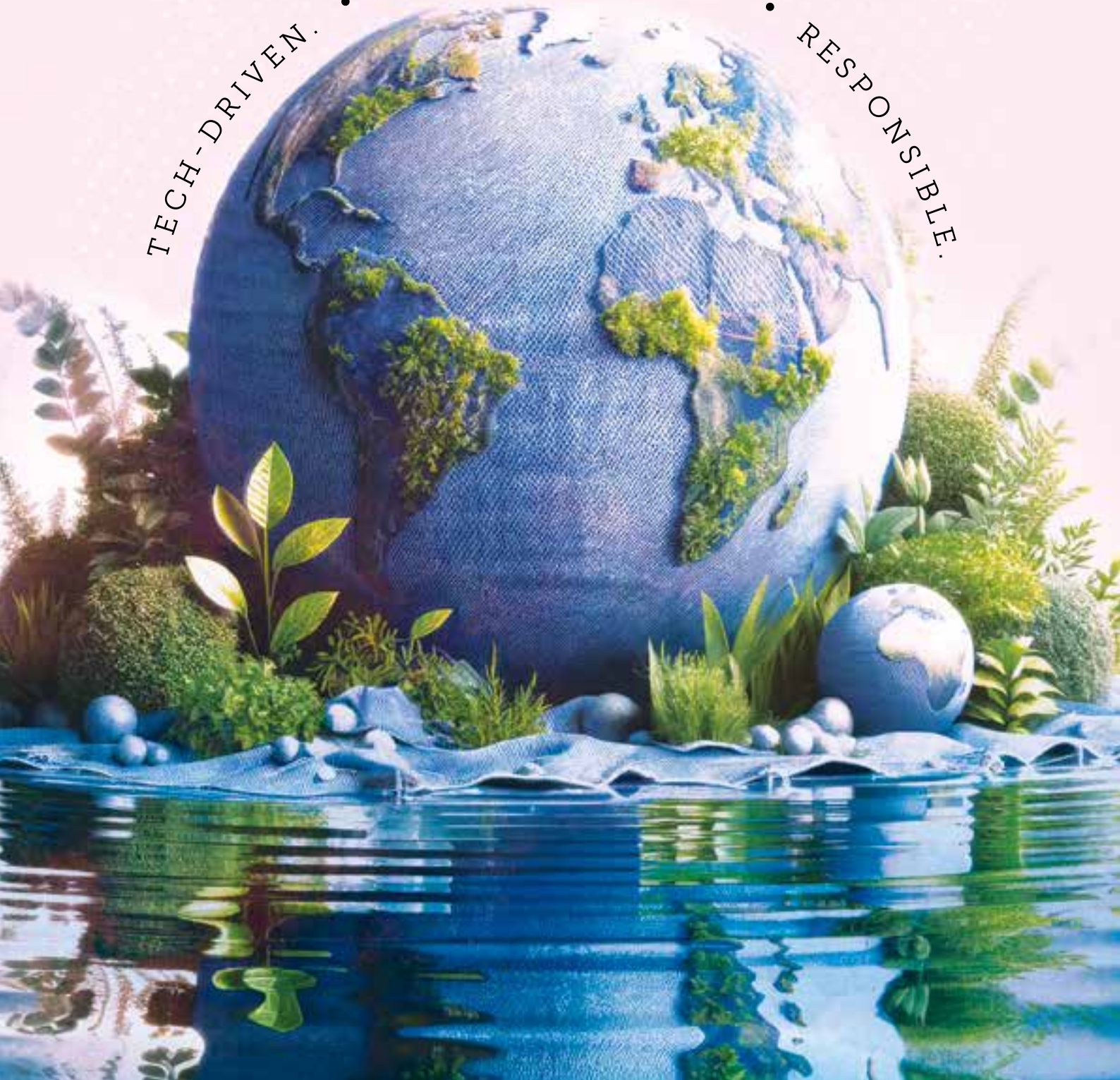


TECH-DRIVEN. • FUTURE-FOCUSED. • RESPONSIBLE.



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#### Forward-looking statement

In this Annual Report, we have disclosed forward-looking information to enable investors to comprehend our business prospects and take informed investment decisions. This report and other statements - written and oral - that we periodically make or publish, contain forward-looking statements that set out anticipated results based on the management's plans and assumptions. We have tried wherever possible to identify such statements by using words such as 'anticipates', 'estimates', 'expects', 'projects', 'intends', 'plans', 'believes', and words of similar substance in connection with any discussion of future performance. We cannot guarantee that these forward-looking statements will be realised, although we believe we have been prudent in our assumptions. The achievement of results is subject to risks, uncertainties, and even inaccurate assumptions. Should known or unknown risks or uncertainties materialise, or should underlying assumptions prove inaccurate, actual results could vary materially from those anticipated, estimated, or projected. Readers should bear this in mind. We undertake no obligation to publicly update any forward-looking statements, whether as a result of new information, future events, or otherwise.

## CORPORATE INFORMATION

### Board of Directors

**Sri. L.N.Agarwal**

Chairman and Managing Director

**Sri. Paritosh Agarwal**

Managing Director

**Sri. R.Surender Reddy**

Director

**Sri. Navrang Lal Tibrewal\***

Director

**Sri. R.S.Agarwal<sup>1</sup>**

Director

**Sri. Dhruv Vijai Singh**

Director

**Smt. Aruna Prasad**

Director

**Sri. Arvind Sadashiv  
Mokashi<sup>2</sup>**

Director

**Sri. Rajan Ravindra Shukla<sup>#</sup>**

Nominee Director- IDBI

\*Deceased on 08/01/2024

<sup>1</sup>Up to 23/07/2023

<sup>2</sup>From 10/08/2023

<sup>#</sup>Up to 08/05/2023

### Company Secretary

**Sri. E. V. S. V. Sarma**

### Chief Financial Officer

**Sri. P. Siva Subramanyam \*****Sri. B. M. Vijaya Kumar #**

\*Up to 08/07/2023

#From 05/07/2023

### Statutory Auditors

**M/s. Brahmayya & Co.**

Flat No. 601A, Golden Green  
Apartments, Irrum Manzil Colony,  
Hyderabad - 500082.  
Tel. (040) 23373399

### Cost Auditors

**M/s. S. Hariharan &  
Associates**

### Bankers

**State Bank of India**

Industrial Finance Branch  
Hyderabad

**Union Bank of India**

(erstwhile - Andhra Bank), Somajiguda,  
Hyderabad.

**DBS Bank India Limited**

(erstwhile - Lakshmi Vilas Bank Limited)  
Aditya Trade Centre, Ameerpet, Hyderabad.

**Punjab National Bank**

Oxford Plaza, S. D. Road Secunderabad.

### Registered Office

6<sup>th</sup> Floor, Surya Towers 105, S.P. Road  
Secunderabad - 500 003  
Tel Nos. (040) 27885200  
Website : www.suryalakshmi.com

### Factories

**Yarn Divisions**

Amanagallu Ranga Reddy Dist.  
Telangana - 509 321

**Amravati,**

Addl Amravati Indl Area, Textile  
Zone, Nandgaon Peth, Tuljapur  
Village, Talkhana, Dist. Amravati.  
Maharashtra - 440 010.

**Denim Division**

Ramtek Mauda Road  
Village Nagardhan, Tehsil Ramtek  
Nagpur, Maharashtra - 440 010.

### Registrar and Transfer Agent

KFin Technologies Limited,  
Selenium Building, Tower - B,  
Plot NO.31&32, Financial District,  
Nanakramguda, Gachibowli,  
Hyderabad - 500 032.  
Tel: 040-6716 2222 / 1754

**SINCE THE  
OUTSET, WE HAVE  
BEEN FOCUSED  
ON DRIVING  
RESPONSIBLE  
GROWTH.**



**While remaining profitable in growth has been a core concern, we have also been guided by a belief to drive a responsible organisation that upholds ethical values, transparent practices and ensures adherence to eco-conscious practices.**

**Our tech-driven approach has largely backed our ambitious endeavours. The adoption of state-of-the-art machinery, modern finishing and dyeing processes have added efficiency to our processes.**

It has also reduced water usage, enhanced energy efficiency and minimised overall maintenance costs, thereby limiting our environmental footprint significantly.

Our reliance on advanced technology has also empowered us to foster innovation and deliver new-age fabrics. It has also laid the foundation for a future-focused organisation that is keen to ensure sustained value creation. With the introduction of automated processes across our manufacturing lines, dependence on manpower has significantly reduced and increased operational efficiency. Besides, the incorporation of synthetic blends and cellulosic fibre to our product portfolio has improved our profitability and enabled us to consistently formulate innovative solutions for our marquee clientele.

As a responsible organisation, our strategic priority lies in minimising our impact on the planet. Towards this end, we have adopted solar power, energy-efficient machines, reduced our reliance on virgin polyester and reimagined our supply chain operations to foster sustainability across the organisation. We are also embracing the use of innovative material to nurture eco-friendly product lines.

Moving forward, we are poised to achieve net zero carbon emissions and build a strong foundation for becoming a tech-driven, future-focused and responsible organisation.



## ALL YOU NEED TO KNOW

From integrated  
to sustainable



We are one of the leading textile manufacturers in India, catering to renowned domestic and international brands. In over six decades of existence, we have established our position as a sustainable textile producer.

Suryalakshmi Cotton Mills Limited (SCML) is an end-to-end yarn and denim fabric manufacturing company, seamlessly integrating robust backend spinning to premium yarn production, and fabric manufacturing. Committed to sustainability, we ensure every step of our process aligns with environmentally conscious practices, safeguarding our legacy while embracing innovation for a sustainable future.

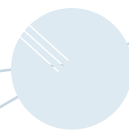
**60+** years

Of existence

Capacity at a glance

**40** Mn metres

of fabric



## Market presence



## Our approach to sustainability

### Our Business

At the heart of our business lies the values that drive us for sustained business growth. With a vision to emerge as a global leader in manufacturing of premium yarns and denim fabric.

#### Values

- ▶ Innovation-led design thinking
- ▶ Customer-first
- ▶ Integrity
- ▶ Responsibility
- ▶ People Welfare

### Our Industry

The rising raw material costs, environmental concerns, and increasing competition have challenged the denim industry. At Suryalakhsmi, we are addressing these challenges by redefining standards and leading by example through our commitment to sustainability.

#### Values

- ▶ Adopting sustainable & best practices of manufacturing
- ▶ Shift towards conscious consumerism
- ▶ Expand market presence (in domestic and international geographies)
- ▶ Introduce innovative products

### Our eco-system

The big picture at Suryalakhsmi is how we intend to create long-term sustainable value for our stakeholders. A shift towards sustainable manufacturing, new products, and responsible sourcing will lead us to a better tomorrow.

#### Values

- ▶ Responsible sourcing
- ▶ Reduce carbon footprint
- ▶ Build an inclusive workplace
- ▶ Amplify value for our customers

## CHAIRMAN'S MESSAGE



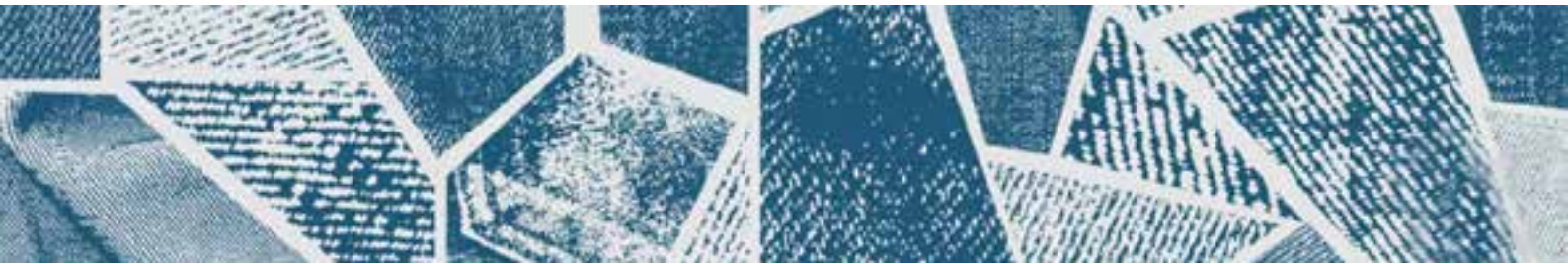
L.N. Agarwal  
Chairman

“ In this operating environment, Company continues to create value encouraged by the integrated business model. With a complete value chain presence, we stay ahead by understanding industry trends. ”

### Dear Shareholders,

The last few years have been historic in the history of your Company. We have navigated the challenges and transformed to capitalize on the opportunities that have come along. As I write this, the world continues to face economic and geopolitical uncertainties.





The global economy is showing signs of recovery, despite inflationary pressures due to supply chain bottlenecks, higher interest rates and rising energy costs.

In this operating environment, Company continues to create value encouraged by the integrated business model. With a complete value chain presence, we stay ahead by understanding industry trends. Through cutting-edge design and advanced spinning technology, our end-to-end manufacturing delivers premium yarn and denim to leading labels and retail chains across the globe.

### Financial Performance

During the year the Company's turnover was ₹ 786 crores and EBIDTA was ₹ 54 crores. The decline in the turnover and the EBIDTA are a result of the drop in sales realization following a softening of the global commodity prices and the raw material rates.

The capacity utilization at both the spinning and denim divisions were at optimum levels. Your Company was able to maintain level of exports at par with the previous year despite challenges posed by economic and geopolitical uncertainties.

You will be happy to note that as a strategic initiative to strengthen its balance sheet the company

has reduced its term loan burden and reduced the number of banks to four thus enhancing the operational convenience and cost effectiveness. Your Company is focusing on cheaper export financing options. The facilities availed outside the consortium have also resulted in lower interest burden.

### Sustainability at the core

As we look back at the fiscal year, we continue to march ahead from where we left. Our commitment to ethical manufacturing practices remains at the heart of everything we do. Our steadfast focus on sustainability and environmental stewardship is now an important pillar to our business model. Our denim production philosophy has now transformed beyond traditional methods to a modern and sustainable methodology, as we strive to redefine the industry through eco-friendly practices. Addressing the pressing need for resource conservation, we have strategically identified key areas within our manufacturing process. Our waste reduction practices and optimum use of natural resources are now aligned with the increasing need to preserve and conserve resources even as the textile industry continues to grow.

In line with our sustainability goals, our green energy resources,

the solar power plant continues to reduce our carbon footprint. Embracing innovation, we have introduced the ground-breaking Regenagri initiative, revolutionizing cotton cultivation by restoring soil health and natural ecosystems. Additionally, our adoption of CleanKore technology for indigo dyeing marks a significant shift towards sustainability, eliminating environmentally harmful chemicals and enhancing the eco-friendliness of our denim products.

### Outlook

Looking at the encouraging economic scenario in the country and the Company's commitment to the sustainability and governance practices and the recognition it has received in the global markets I am confident of the Company's future.

I extend my sincere gratitude to all colleagues across the Company for their commitment throughout the fiscal year. Together, we have navigated challenges, and while more may lie ahead, our passion to outperform with our prudent strategic priorities will guide us towards building a stronger and more sustainable business—one that we can all take pride in.

Regards,

**L.N. Agarwal**  
Chairman

## TECH-DRIVEN

**In the ever-evolving landscape of the textile industry, Suryalakshmi has stood tall as a bedrock of innovation. With a steadfast commitment to technological advancement, we have upgraded our operations to meet the changing needs of our customers.**



At Suryalakshmi, innovation isn't just a buzzword—it's ingrained in our DNA since six decades. Our recent investments have strengthened our backend supply chain, particularly in yarn and fabric integration, propelling us into a new era of efficiency and sustainability. By focusing on core yarn production in polyester and poly-viscose blends, we have streamlined our operational processes, enabling us to enrich our product offerings with production of wider width fabrics and expanding our portfolio too.

Our modernized finishing and dyeing range for denim is backed by the state-of-the-art technology equipment that is resulting in savings across resources, including chemicals, energy, overall maintenance, and water consumption. A standout achievement in this regard is our implementation of CleanKore, a cutting-edge dyeing technology introduced in the previous year. Not only has CleanKore helped reduce our environmental footprint, but it has also catalyzed the adoption of new product lines among our

customer base, driving growth and sustainability hand in hand.

With the installation of 26 looms and new finishing machinery, we are poised to further modernize our production facility, enhancing efficiencies and improving product quality. Our long-term vision is clear: to continue leading the textile industry with innovative solutions that prioritize both technological advancement and environmental stewardship, ensuring a brighter, more sustainable future for generations to come.

## FUTURE-FOCUSED

Suryalakshmi is embarking on a transformative journey, poised to evolve from its rich legacy, and build a future-ready enterprise. With a keen focus on operational efficiency, we are laying the foundation for sustained value-creation.

We have strategically invested in enhancing our operational and manufacturing efficiencies, setting the stage for a new era of productivity and operational excellence. Our commitment to optimizing power costs remains a strategic priority, wherein we have made significant investments in solar energy and new-age machineries that work with optimum power consumption.

Introduction of automation in key manufacturing processes has further helped reduce manpower costs and increase overall efficiencies. One of the

cornerstones of our future-focused approach is the adoption of performance fibers. By incorporating synthetic blends and new cellulosic fibers in our product portfolio, we have expanded our customer portfolio and improved our profitability too.

Innovation is at the heart of everything we do at Suryalakshmi. Through advanced techniques and processes in dyeing, we are setting new standards in textile coloration, offering our customers greater quality than ever before. Our long-term outlook is focused on continued growth, market leadership, and innovation.

## RESPONSIBLE

**We are committed to minimizing our environmental impact while maximizing our positive contributions to society. Adopting best-practices, we are forging a path towards a more sustainable future.**



Suryalakshmi is leading the way in its journey of sustainability. Our efforts are aligned to meticulous assessment of our carbon footprint, utilizing scientific methodologies and platforms like Higg to ensure accuracy and accountability. We have achieved a remarkable reduction in water consumption in the current fiscal, backed by process optimizations.

Over the past two years, our Higg score has shown significant improvement, reflecting our dedication to environmental stewardship. Moving forward, we are committed to achieving net-zero carbon emissions by reimagining our entire supply chain, incorporating circular materials, and reducing our reliance on virgin polyester in favor of recycled alternatives sourced from PET bottles. Additionally, we are embracing innovative materials like Tencel, EcoVero, and hemp, anticipating substantial growth in these eco-friendly product lines.

Going ahead, we are in the process of installing an additional 1.5 MW solar power plant to our existing renewable energy portfolio. Our long-term vision is one of continued progress, innovation, and leadership in sustainability in our operations.

## PEOPLE-FIRST

**Our commitment to nurturing a skilled, empowered workforce is reflected in our multiple initiatives that help build a culture of well-being and inclusivity.**

Through periodic training programs, we provide our employees with the tools and knowledge they need to excel in their roles and adapt to the evolving demands of the industry. These programs cover a wide range of skills, from technical competencies to leadership development and beyond. Our personality development workshops empower employees with the soft skills necessary for being at par in today's dynamic workplace.

We understand the importance of holistic health, which is why we organize yoga camps to promote physical and mental well-being among our workforce. These camps provide employees with a rejuvenating space to relax, recharge, and connect with their inner selves. Encouragement for employee participation at district and state-level sports events is now a norm, that helps provides opportunities for excellence on a bigger platform.

We are proud to champion gender equality through our integrated woman-focused program. These programs are designed to empower unskilled women by providing them with the training and support they need to undertake roles our operations. By breaking down barriers and creating pathways for women to excel in traditionally male-dominated industry, we are not only promoting diversity and inclusion but also unlocking the full potential of our workforce.



# DIRECTORS' REPORT

To  
The Members

Your Directors are pleased to present their Sixty-First Annual Report on the business and operations of the Company and the financial results for the year ended 31<sup>st</sup> March, 2024.

## Financial Results

Particulars	2023-2024		2022-2023	
Gross Profit before Interest & Depreciation		5792.47		6795.19
<b>Less:</b> Interest	2995.79		2449.35	
: Depreciation & Amortisation expense	1806.52	4802.31	1756.18	4205.53
Profit/(Loss) before prior year Adjustment		990.16		2589.66
Exceptional Items		(367.74)		(719.36)
Profit / (Loss) before tax for the year		622.42		1870.30
<b>LESS:</b> Current Tax		98.00		319.73
<b>LESS:</b> Earlier Year Tax		54.54		-
<b>LESS:</b> Deferred tax liability		109.13		278.44
Profit / (Loss) after tax from continuing operations		360.75		1272.13
Profit / (loss) from discontinued operations		-		(272.97)
Tax expense on discontinued operations		-		(40.95)
Profit / (Loss) after tax from discontinued operations.		-		(232.02)
Profit / (Loss) for the period		360.75		1040.11
Other Comprehensive Income		(58.56)		(23.59)
<b>Total Comprehensive Income for the period</b>		<b>302.19</b>		<b>1016.52</b>
<b>Add:</b> Opening other Equity		24245.18		23164.67
<b>Add:</b> Equity component on preferential shares		-		63.99
<b>Add:</b> Share premium on allotment of Preferential Equity shares		-		-
<b>Sub Total</b>		<b>24547.37</b>		<b>24245.18</b>
<b>LESS:</b> Dividend on Equity share capital		-		-
<b>LESS:</b> Corporate Dividend Tax		-		-
<b>LESS:</b> Transferred to General Reserve		-		-
Profit transferred to balance sheet		24547.37		24245.18

## OPERATIONS

The Operations for the current financial year 2023-24 on a turnover of ₹ 786 crores resulted in a profit before tax of ₹ 6.2 crores and a net profit of ₹ 3 crores. The production of both yarn and fabric were maintained at the last year's level. However, the sales realization in both the yarn and denim divisions saw a significant drop. The volumes have also remained stagnant with the turnover registering a 9% drop. The softening of the global commodity prices and raw material prices led to a lower sales realization.

## DIVIDEND

Your Company proposes to further modernize its machinery and production processes to keep pace with the evolving global trends in the industry. The Board, with a view to conserve resources has not recommended any dividend for the year under review..

## CAPITAL EXPENDITURE

During the year under review the Company incurred capital expenditure of ₹ 3577.68 lakhs.

## EXPORTS

International markets posed very tough challenges during the year impacted by economic and geopolitical uncertainties. The Company could maintain its current level of exports at ₹ 171 crores in the face of declining performance by the industry as a whole. The Company registered a small increase in the volume of exports by taking many proactive initiatives on sustainable practices leading to several strategic tie-ups with, CleanKore (for laser friendly dyeing), Regenagri Cotton (for traceability & soil health), and Indigo good (for reducing fresh water intake). These were key to building a strong and positive image with major international brands like Lee, Wrangler, Wal-Mart, Amazon, Levis, etc. The Company fosters a

strong relationship with its customers. The Company offers a fairly diversified range of denim fabrics including high quality ring yarns, different fibres, special and functional finishes, different weaves, etc., with recycled cotton and poly, organic cotton & BCI cotton.

## **FUTURE OUTLOOK**

The present positive environment in the country through the Government initiatives like PM Mitra Parks Scheme aims to develop world-class infrastructure and integrated textile value chains. The Company's commitment to the sustainability and Government initiatives has received its due recognition in the market place both in domestic and international markets and in this scenario the company is confident of registering significant growth in the future.

## **DIRECTORS**

We deeply regret to inform Sri. Navrang Lal Tibrewal Ji's demise on 08/01/2024. He was on the Board of the Company from July 2001 and guided the Company with his rich experience and advice during his tenure.

Sri. R. S. Agarwal resigned on 23/07/2023 and the Board wishes to place on record its appreciation of his wise counsel and valuable guidance.

Sri. Rajan Ravindra Shukla was withdrawn as IDBI - Nominee Director on 08/05/2023. The Board wishes to place on record its appreciation of the valuable guidance received from Mr. Shukla.

Sri. R. Surender Reddy's Second-Term of appointment as an Independent Director ended on 31/03/2024 and the Board appointed him as a Non-Executive Non-Independent Director on 24/05/2024 and proposes to secure the members approval in the ensuing Annual General Meeting for appointment as Non-Executive Non-Independent Director liable to retire by rotation.

Sri. Arvind Sadashiv Mokashi, a retired banker was appointed as a Non-Executive Independent Director on 10/08/2023 for a period of five years.

Smt. Aruna Prasad, presently a Non-Executive Non-Independent Director is proposed to be appointed as a Non-Executive Independent Director for a period of five years at the ensuing Annual General Meeting.

Sri. L. N. Agarwal's term of appointment as a Chairman & Managing Director ends in June 2024 and the Board has reappointed him on the existing terms subject to approval of the members of the company in the ensuing Annual General Meeting.

Further details about the above directors are given in the Corporate Governance Report as well as in the Notice of

the ensuing Annual General Meeting being sent to the shareholders along with the Annual Report.

## **EVALUATION OF THE BOARD'S PERFORMANCE**

In compliance with the Companies Act, 2013, and as per the latest Listing Regulations, the annual performance evaluation of the Board its Committees and of Individual Directors was carried out during the year under review. More details on the same are given in the Corporate Governance Report.

## **FAMILIARISATION PROGRAM FOR INDEPENDENT DIRECTORS**

The Company has formulated a familiarisation program for the Independent Directors to provide insights into the Company to enable the Independent Directors to understand its business in depth and contribute significantly to the Company. The details of such program are available in the Company's website [www.suryalakshmi.com](http://www.suryalakshmi.com)

## **DECLARATION BY INDEPENDENT DIRECTORS**

The Company has obtained the declaration from the Independent Directors confirming that they meet the criteria of Independence laid down in Section 149(6) of the Companies Act, 2013.

## **MEETING OF INDEPENDENT DIRECTORS**

A separate meeting of the Independent Directors was held under the Chairmanship of Sri. Dhruv Vijai Singh, Independent Director on February 13, 2024, inter-alia to discuss evaluation of the performance of Non-Independent Directors, the Board as a whole, evaluation of the performance of the Chairman, taking into account the views of the Executive and Non-Executive Directors and the evaluation of the quality, content and timeliness of flow of information between the management and the Board that is necessary for the Board to effectively and reasonably perform its duties.

The Independent Directors expressed satisfaction with the overall performance of the Directors and the Board as a whole.

## **POLICY ON APPOINTMENT & REMUNERATION OF DIRECTORS**

The Board of Directors has framed a policy which lays down a framework in relation to remuneration of Directors, Key Managerial Personnel and Senior Management of the Company. The Policy broadly lays down the guiding principles, philosophy and the basis for payment of remuneration to Executive and Non-executive Directors

(by way of sitting fees and commission), Key Managerial Personnel, Senior Management and other employees.

The policy also provides the criteria for determining qualifications, positive attributes and Independence of Directors and criteria for appointment of Key Managerial Personnel/Senior Management and performance evaluation which are considered by the Nomination and Remuneration Committee and the Board of Directors while making selection of the candidates. The above policy has been posted on the website of the Company at [www.suryalakshmi.com](http://www.suryalakshmi.com).

## DIRECTORS' RESPONSIBILITY STATEMENT

Your Directors state that:

- (a) in the preparation of the annual accounts, the applicable accounting standards have been followed along with proper explanation relating to material departures;
- (b) the Directors had selected such accounting policies and applied them consistently and made judgements 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 the Companies Act, 2013 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; and
- (e) the Directors had laid down internal financial controls to be followed by the Company and that such internal financial controls are adequate and are operating effectively.
- (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.

## DISCLOSURES UNDER THE COMPANIES ACT, 2013

### i) Annual Return:

The Company's Annual Return has been hosted on Company's website and can be accessed at the web link [www.suryalakshmi.com](http://www.suryalakshmi.com). Therefore, the extract of Annual Return as per the provisions of Section 92 of the Companies Act, 2013 and Rule 12 of Companies

(Management and Administration) Rules, 2014 has not been annexed to this Board's Report.

### ii) Number of Board Meetings:

The Board of Directors met four times during the year 2023-2024. The details of the board meetings and the attendance of the Directors are provided in the Corporate Governance Report.

### iii) Audit Committee:

Consequent to the changes in the Board of Directors during the year the Audit Committee presently consists of Sri. Dhruv Vijai Singh, Sri. Arvind Sadashiv Mokashi, Smt. Aruna Prasad, and Sri. R. Surender Reddy with Sri. Dhruv Vijai Singh as Chairman.

More details on the committee are given in the Corporate Governance Report.

### iv) Related Party Transactions:

All the related party transactions are entered into on arm's length basis and are in compliance with the applicable provisions of the Companies Act 2013 and the Listing Regulations. There are no materially significant related party transactions made by the company with Promoters, Directors or Key Managerial Personnel etc. which may have potential conflict with the interest of the company at large. Thus disclosure in Form AOC-2 is not required to be made. All Related Party Transactions are disclosed 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 for its review. The Related Party Transactions Policy as approved by the Board is uploaded on the company's website at the web link: [http://www.suryalakshmi.com/investor\\_corporate.governance.aspx](http://www.suryalakshmi.com/investor_corporate.governance.aspx)

### v) REPORTING OF FRAUDS

There was no instance of fraud during the year under review, which required the Statutory Auditors to report to the Audit Committee and / or Board under Section 143(12) of Act and Rules framed thereunder.

vi) **No Loans / Guarantees / Investments** under Section 186 of the Companies Act, 2013 have been made during the year.

vii) There were no significant and material orders passed by the Regulators/ Courts that would impact



the going concern status of the Company and its future operations

## CORPORATE GOVERNANCE

As per the Listing Regulations on Corporate Governance, Management Discussion and Analysis Report forms part of the Annual Report (**ANNEXURE - 5**). The Company has complied with the corporate governance requirements under the Companies Act, 2013 as stipulated under the Listing Regulations. A separate section on corporate governance under the Listing Regulations, along with a certificate from a Practising Company Secretary confirming the compliance, is annexed and forms part of the Annual Report (**ANNEXURE - 1**).

## CORPORATE SOCIAL RESPONSIBILITY POLICY

At Suryalakshmi a major concern has been, the sincere effort by the Company to recognize the role played by the Society at large, the environment and its human resources in its sustainability and growth and to strive to discharge its social responsibility as a corporate citizen. To this end, the Company has always tried to strike a fine balance of economic, environmental and social commitments. The sustainable stewardship mantra is not limited to philanthropy, but encompasses holistic community development and other initiatives to strengthen business sustainability. The core areas for Suryalakshmi's Corporate Social Responsibility (CSR) Programmes for this year have been health care, environment and education. Details of the projects / activities implemented by the Company are furnished in a separate **ANNEXURE-2** to this report. The Company constituted a Committee of CSR consisting of Sri. L. N. Agarwal, Sri. Paritosh Agarwal and Sri. R. Surender Reddy, with Sri. L. N. Agarwal as Chairman.

## STAKEHOLDERS RELATIONSHIP COMMITTEE

The reconstituted Stakeholder's Relationship Committee consists of the following Directors - Sri. L. N. Agarwal, Sri. Paritosh Agarwal, and Sri. Arvind Sadashiv Mokashi with Sri. Arvind Sadashiv Mokashi as the Chairman.

## RISK MANAGEMENT

The Company has instituted a proper mechanism for identifying and establishing controls to effectively manage different kinds of risks viz., Trend Related Risks, Raw Material Risks, Brand / Technology Risks, Operational Quality Risks, Human Resources Risks, Regulatory Risks and Financial Risks. A Committee headed by Sri. Paritosh Agarwal, Managing Director periodically reviews the risks and takes steps to mitigate identified risks.

## WHISTLE BLOWER POLICY

The Company has in place a Whistle Blower policy for vigil mechanism for Directors and employees to report to the management about unethical behaviour, fraud, violation of Company's Code of Conduct, which also ensures safeguards against victimization of those employees who seek to make use of the free access to the Audit Committee for this purpose. None of the Personnel has been denied access to the audit committee. The Whistle Blower Policy has been posted on the website of the Company at [www.suryalakshmi.com/investor-corporate-governance.aspx](http://www.suryalakshmi.com/investor-corporate-governance.aspx)

## DECLARATION ABOUT COMPLIANCE WITH THE CODE OF CONDUCT BY MEMBERS OF THE BOARD AND SR. MANAGEMENT PERSONNEL.

The Company has complied with the requirements of Code of Conduct for Board members and Sr. Management Personnel.

## DISCLOSURE UNDER THE SEXUAL HARASSMENT OF WOMEN AT WORKPLACE (PREVENTION, PROHIBITION AND REDRESSAL) ACT, 2013

The Company has in place an Anti-Sexual Harassment Policy in line with the requirements of the Sexual Harassment of Women at Workplace (Prevention, Prohibition and Redressal) Act, 2013. Internal Complaints Committee has been set up to redress complaints received regarding sexual harassment. All employees (permanent, contractual, temporary and trained) are covered under the Policy. The following is a summary of sexual harassment complaints received and disposed of during each Calendar year:

- a) No. of Complaints received - NIL
- b) No. of Complaints disposed off during the year - NIL
- c) No. of cases pending as at end of the Financial Year - NIL

## AUDITORS

### I. Statutory Auditors and their Report:-

M/s. Brahmayya & Co, Chartered Accountants, Hyderabad (ICAI Firm Regn No.000513S) were appointed as auditors for a period of 5 years in the 59<sup>th</sup> AGM on a remuneration mutually agreed upon by the Board of Directors and the Statutory Auditors.

The Company has received the prescribed certificate from the Auditors regarding the appointment and the necessary consent for his appointment as Auditors. The Auditors' Report to the shareholders for the year under review does not contain any qualification, reservation or adverse remark.

**II. Cost Auditor and Cost Audit Report**

As per the requirement of Central Government and pursuant to Section 148 of the Act, 2013 read with the Companies (Cost Records and Audit) Rules, 2014 as amended from time to time, your Company was required to maintain cost records and accordingly, such accounts are made and records have been maintained relating to Textile Divisions every year.

Pursuant to Section 148 of the Companies Act, 2013 the Board of Directors on the recommendation of the Audit Committee, has appointed M/s. S. Hariharan & Associates, Cost Accountants (Firm Registration No.100486) as the Cost Auditors for the Financial Year 2024-2025 and has recommended their remuneration to the shareholders for their ratification at the ensuing Annual General Meeting. M/s. S. Hariharan & Associates, Cost Accountants have confirmed their appointment is within the prescribed limits and also certified that they are free from any disqualification.

**III. Secretarial Auditor and Secretarial Audit Report**

The Board had appointed K.V.C Reddy & Associates to carry out Secretarial Audit under the provisions of Section 204 of the Companies Act, 2013 for the financial year 2024-2025. The report of the Secretarial Auditor for the financial year 2023-2024 does not contain any qualifications, reservation or adverse remarks and is annexed to this report as **ANNEXURE -3**.

**INTERNAL CONTROL SYSTEMS & THEIR ADEQUACY**

Your Company has effective and adequate internal control systems in place commensurate with the size and complexity of the organisation. Internal and operational audit is carried by M/s. K. Vijaya Raghavan & Associates LLP, a reputed firm of Chartered Accountants. The Internal Audit system is designed to meet the statutory requirements as well as ensure proper implementation of management and accounting controls. The internal auditors submit their report to the Managing Director and also to the Audit Committee, which reviews the report and ensures that the Audit observations are attended to by the Management.

**CONSERVATION OF ENERGY, TECHNOLOGY ABSORPTION, FOREIGN EXCHANGE EARNINGS AND OUTGO**

The Company already has a solar power capacity of 5 MW. The Company is installing another Solar Power Plant for 1.5 MW at its Amanagallu division to promote alternative source of energy. Information on conservation

of energy, technology absorption, foreign exchange earnings and out go, as required to be given pursuant to provision of Section 134 of the Companies Act, 2013 read with the Companies (Accounts) Rules, 2014 is annexed here to marked **ANNEXURE-4** and forms part of this report.

**DEPOSITS**

The Company has not accepted any deposits from the public during the year under review.

**COMPLIANCE WITH SECRETARIAL STANDARDS**

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

**EMPLOYEES**

Periodic Training programmes for developing a skilled workforce, personality development programmes, yoga camps, etc., encouragement of employee participation in district / state level sports events are regularly undertaken. An integrated woman focused program trains unskilled women to undertake skilled jobs at its units.

Disclosure pertaining to the remuneration and other details as required under Section 134 & 197(12) of the Act, and the Rules framed thereunder is enclosed as **ANNEXURE-6** to the Board's Report.

**ACKNOWLEDGEMENTS**

The Board of Directors are pleased to place on record their appreciation of the cooperation and support extended by Banks and various State and Central Government Agencies. The Board also wishes to place on record its appreciation of the valuable services rendered by the employees of the Company.

For and on behalf of the Board

**L. N. AGARWAL**

Date: 24<sup>th</sup> May, 2024.  
Place: Secunderabad.

Chairman & Managing Director  
(DIN : 00008721)

## ANNEXURE – I

## CORPORATE GOVERNANCE REPORT

## 1. Brief statement on Company's philosophy on code of governance.

Suryalakshmi's corporate culture has meant working always proactively to meet the expectations of its customers, shareholders, employees, business associates, and the society at large and in complying with the dictates of the regulatory frame work both in letter and spirit. The Company believes Corporate Governance is an effective instrument for realisation of this corporate aim and accordingly endeavors to function with integrity in a transparent environment.

## 2. Board of Directors:

a) Composition and category of Directors / Number of other Board of Directors or Committees of which Member /Chairman.

Name of the Director	Category	No. of other Directorships and names of Listed Companies of which he is a Director	No. of other Board Committees of which Member	No. of other Board Committees of which Chairman
Sri. L. N. Agarwal DIN : 00008721	Chairman & Managing Director- Promoter/ Executive	Nil	nil	nil
Sri. Paritosh Agarwal DIN : 00008738	Managing Director - Promoter/ Executive	Nil	nil	nil
* Sri. R. Surender Reddy DIN : 00083972	Non-Executive - Independent	SIX a) Suryalata Spinning Mills Ltd b) Lakshmi Finance & Industrial Corporation Ltd c) Surana Solar Limited d) Bhagyanagar India Ltd	4	6
** Sri. Navrang Lal Tibrewal DIN: 00030151	Non-Executive - Independent	Nil	nil	nil
§ Sri. R. S. Agarwal DIN : 00012594	Non-Executive - Independent	THREE a) The Ramco Cements Ltd. b) Ramco Industries Ltd. c) Ramco Systems Ltd	2	3
Sri. Dhruv Vijai Singh DIN No. 07180749	Non-Executive - Independent	Nil	1	1
Smt. Aruna Prasad DIN: 07164087	Non-Executive - Non-Independent	Nil	nil	nil

Name of the Director	Category	No. of other Directorships and names of Listed Companies of which he is a Director	No. of other Board Committees of which Member	No. of other Board Committees of which Chairman
# Sri. Rajan Ravindra Shukla DIN: 09611927	IDBI Nominee Non-Executive	Nil	Nil	Nil
\$\$ Sri. Arvind Sadashiv Mokashi DIN: 09305967	Non-Executive Independent	Nil	Nil	Nil

**Note:**

- \* Sri. R. Surender Reddy - Second Term of Appointment ended on 31-03-2024  
 \*\* Sri. Navrang Lal Tibrewal - Passed away on 08-01-2024  
 \$ Sri. R. S. Agarwal - Resigned w.e.f. 23-07-2023  
 # Sri. Rajan Ravindra Shukla - Withdrawn on 8-05-2023  
 \$\$ Sri. Arvind Sadashiv Mokashi - Appointed on 10-08-2023

- b) Attendance of each Director at the Board of Directors Meeting and the last Annual General Meeting.

Names of Directors	No. of Board Meetings attended during the period 1 <sup>st</sup> April, 2023 to 31 <sup>st</sup> March, 2024	Attendance at the last Annual General Meeting held on 30/09/2023
Sri. L. N. Agarwal	4	Present
Sri. Paritosh Agarwal	4	Present
Sri. R. Surender Reddy	2	Present
Sri. Navrang Lal Tibrewal	3	Present
Sri. R. S. Agarwal \$	1	Absent
Sri. Dhruv Vijai Singh	4	Present
Sri. Rajan Ravindra Shukla	0	Absent
Smt. Aruna Prasad	3	Present
Sri. Arvind Sadashiv Mokashi	2	Present

\$ Sri. R. S. Agarwal - Resigned on 23/07/2023.

- c) During the financial year ended 31<sup>st</sup> March, 2024 - Four Board Meetings were held on 29/05/2023, 10/08/2023, 14/11/2023, and 13/02/2024.
- d) Disclosure of relationships between Directors inter-se:

Names of Directors	Inter-se relationship
Sri. L. N. Agarwal	Father of Paritosh Agarwal
Sri. Paritosh Agarwal	Son of L. N. Agarwal

- e) The details of shares held by the Non-Executive Directors of the Company in their individual names as on 31<sup>st</sup> March, 2024 are furnished below:

Name of the Director	Designation	No. of Equity shares
Sri. R. Surender Reddy	Director	28000
Sri. Navrang Lal Tibrewal	Director	NIL
Sri. R. S. Agarwal	Director	NIL
Sri. Rajan Ravindra Shukla	Director	NIL
Sri. Dhruv Vijai Singh	Director	NIL
Smt. Aruna Prasad	Director	NIL
Sri. Arvind Sadashiv Mokashi	Director	NIL

- f) Web link where details of familiarization programmes imparted to Independent Directors is disclosed.

<http://www.suryalakshmi.com/investor-corporate-governance.aspx>

- g) A chart or a matrix setting out the skills / expertise / competence of the Board of Directors specifying the following  
The list of the core skills / expertise, etc., identified by the Board of Directors as required in the context of the business (es) and sector(s) for it to function effectively and those actually available with the Board is given below

Businesses of the Company	Core Skills / Expertise / Competencies	Name of the Director having the expertise
a) Yarn	a) Textile Technology - Developments / trends	Sri. L. N. Agarwal / Sri. Paritosh Agarwal
b) Fabric	b) Cotton Markets - price trends / quality / procurement	Sri. L. N. Agarwal / Sri. Paritosh Agarwal
	c) Knowledge of Indian / Foreign Markets	Sri. Paritosh Agarwal / Sri. Dhruv Vijai Singh / Sri. Arvind Sadashiv Mokashi
	d) Fashion trends / designs	Sri. Paritosh Agarwal
	e) Textile machinery - developments	Sri. Paritosh Agarwal
	f) General management / Economy / Administration / strategic thinking / Government policies	Sri. Paritosh Agarwal / Sri. R. Surender Reddy / Sri. R. S. Agarwal / Sri. Dhruv Vijai Singh / Smt. Aruna Prasad / Sri. Arvind Sadashiv Mokashi
	g) Financial Markets / Institutions	Sri. Paritosh Agarwal / Sri. R. Surender Reddy / Sri. R. S. Agarwal / Sri. Dhruv Vijai Singh / Smt. Aruna Prasad / Sri. Arvind Sadashiv Mokashi
	h) Company's legal environment & implications for the Company.	Sri. Dhruv Vijai Singh / Sri. Paritosh Agarwal

- h) Confirmation from the Board

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

### REAPPOINTMENT OF DIRECTORS

The details relating to appointment/ re-appointment of other Directors as required under regulation 36(3) of SEBI (LODR) Regulations, 2015 are provided in the Notice to the Annual General Meeting.

The changes in the Composition of Board of Directors is mentioned in item no. 2 of this report.

## 3. AUDIT COMMITTEE

### a. Brief description of terms of reference

- Oversight of Company's financial reporting process and disclosure of financial information.
- Review of financial statements before submission to Board.
- Review of adequacy of internal control systems and internal audit functions.
- Review of Company's financial and risk management policies.
- Adequacy of internal financial control system in place and operating effectiveness of such controls

### b. Composition, names of members and Chairperson

- Sri. R. Surender Reddy \* - Chairman, Non-Executive & Independent
- Sri. Navrang Lal Tibrewal \*\* - Member, Non-Executive & Independent
- Sri. R. S. Agarwal \$ - Member, Non-Executive & Independent
- Sri. Rajan Ravindra Shukla # - Member, Non-Executive - IDBI Nominee
- Sri. Dhruv Vijai Singh - Member, Non-Executive & Independent
- Sri. Arvind Sadashiv Mokashi - Member, Non-Executive & Independent

**Note:**

- \* Sri. R. Surender Reddy - Second Term of Appointment ended on 31-03-2024
- \*\* Sri. Navrang Lal Tibrewal - Passed away on 08-01-2024
- § Sri. R. S. Agarwal - Resigned w.e.f. 23-07-2023
- # Sri. Rajan Ravindra Shukla - Withdrawn on 8-05-2023

Sri. Dhruv Vijai Singh from 10/08/2023 and Sri. Arvind Sadashiv Mokashi from 13/02/2024 were inducted as members.

**c. Meetings and attendance during the year**

During the financial year ended 31<sup>st</sup> March, 2024 - Four Audit Committee Meetings were held on 29/05/2023, 10/08/2023, 14/11/2023, and 13/02/2024.

Name	No. of the Meetings attended
Sri. R. S. Agarwal	1
Sri. R. Surender Reddy	2
Sri. Navrang Lal Tibrewal	3
Sri. Rajan Ravindra Shukla	0
Sri. Dhruv Vijai Singh	3
Sri. Arvind Sadashiv Mokashi	2

**4. NOMINATION & REMUNERATION COMMITTEE****a) Brief description of terms of reference.**

- i. Formulation of the criteria for determining qualifications, positive attributes and independence of a Director and recommend to the Board a policy, relating to the remuneration of the directors, key managerial personnel and other employees;
- ii. Formulation of criteria for evaluation of Independent Directors and the Board;
- iii. Devising a policy on Board diversity;

- iv. Identifying persons who are qualified to become Directors and persons suitable to be appointed in senior management in accordance with the criteria laid down, and recommend to the Board their appointment and removal.
- vii. To ensure that the level and composition of remuneration involves a balance reflecting short- and long-term performance objectives appropriate to the working of the Company and its goals is reasonable and sufficient to attract, retain and motivate Directors of the quality required to run the Company successfully.

**b) Composition, Name of members and Chairperson**

1. Sri. R. S. Agarwal § - Chairman - Non-Executive - Independent
2. Sri. R. Surender Reddy \* - Member - Non-Executive - Independent
3. Sri. Navrang Lal Tibrewal \*\* - Member - Non-Executive - Independent
4. Sri. Rajan Ravindra Shukla # - Member - Non-Executive - IDBI Nominee
5. Sri. Dhruv Vijai Singh - Member - Non-Executive - Independent
6. Sri. Arvind Sadashiv Mokashi - Member - Non-Executive - Independent

- \* Sri. R. Surender Reddy - Second Term of Appointment ended on 31-03-2024
- \*\* Sri. Navrang Lal Tibrewal - Passed away on 08-01-2024
- § Sri. R. S. Agarwal - Resigned w.e.f. 23-07-2023
- # Sri. Rajan Ravindra Shukla - Withdrawn on 8-05-2023

Sri. Dhruv Vijai Singh was appointed as Chairman of the Nomination & Remuneration Committee on 10/08/2023 and Sri. Arvind Sadashiv Mokashi as a member on 13/02/2024.

**c) Meetings and attendance during the year**

During the financial year ended 31<sup>st</sup> March, 2024, Nomination and Remuneration Committee Meetings was held on 10-08-2023, 13-02-2024 all the members of the Committee attended the same.

**d) Performance evaluation criteria for Independent Directors**

The Criteria followed by the Board to evaluate performance of Committees / Independent Directors:

- (i) The concerned Director should be a person of the highest integrity possessing the necessary expertise expected of the Director in his area of the specialization or general business.
- (ii) Where the Director is an Independent Director, the Director should also satisfy the requirements of independence both in letter and spirit under the Act / Regulations and does not suffer from any of the disqualifications under Act / Regulations.
- (iii) The Director should add value to the diversity of the Board and be honest and free to express his frank opinion in the ultimate interest of the Company.
- (iv) The Director should take all reasonable efforts to devote his time to contribute to the deliberations of the Board.

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 after circulating the draft forms, 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 the performance of Non-Independent Directors, Chairman and the quality of the information and follow up action is being taken on the suggestions made therein.

## 5. REMUNERATION OF DIRECTORS

**a) All pecuniary relationship or transactions of the Non-executive Directors.**

The non-executive Directors did not have any pecuniary relationship or transactions with the Company in the year under review except a payment of ₹ 12 lakhs to Sri. Arvind Sadashiv Mokashi towards professional fees for finance consultancy services (being less than 10% of his total income).

**b) Criteria of making payment to Non-executive Directors.**

No payments are made to Non-Executive Directors, other than sitting fees for attending Board/Committee meetings.

Sitting Fees@ (for year ended 31/03/2024)

Name	Designation	Amount (₹)
Sri. R. Surender Reddy	Independent Director	30000/-
Sri. Navrang Lal Tibrewal	Independent Director	40000/-
Sri. R. S. Agarwal	Independent Director	10000/-
Sri. Dhruv Vijai Singh	Independent Director	47500/-
Sri. Rajan Ravindra Shukla	Nominee - IDBI	-
Smt. Aruna Prasad	Director	15000/-
Sri. Arvind Sadashiv Mokashi	Independent Director	22500/-

@ Exclusive of incidental expenses

**c) Disclosures with respect to remuneration in addition to disclosures required under the Companies Act, 2013.**

- (i) All elements of remuneration package of individual directors summarized under major groups, such as salary, benefits, bonuses, stock options, pension, etc;

Details of remuneration to the Executive Directors

(During 01/04/2023 to 31/03/2024) \*

Name	Designation	Remuneration (₹)	Perquisites (₹)	Total (₹)
Sri. L. N. Agarwal	Chairman & Managing Director	78,00,000	9600	78,09,600
Sri. Paritosh Agarwal	Managing Director	70,20,000	26402	70,46,402

- (ii) Details of fixed component and performance linked incentives, along with the performance criteria - NIL
- (iii) Service contracts, notice period, severance fees -
- (iv) stock option details, if any and whether issued at a discount as well as the period over which accrued and over which exercisable -

conditions in the respective resolutions passed by the members in the General Meetings, which do not provide for severance fees.

The Company does not have any stock option plan or performance linked incentive for the Executive Directors. The appointments are made for a period of five years on the terms and

**6. RISK MANAGEMENT COMMITTEE****a. Brief description of terms of reference**

The Company has instituted a proper mechanism for identifying and establishing controls to effectively manage different kinds of risks viz., Trend Related Risks, Raw Material Risks, Brand / Technology Risks, Operational / Quality Risks, Human Resources Risks, Regulatory Risks and Financial Risks.

**b. Composition, names of members and Chairperson**

- i. Sri. Paritosh Agarwal - Chairman, Executive Director
- ii. Sri. Siddhant Sharma - Member, Chief Executive Officer (Denim Division)
- iii. Sri. R. L. Narayana - Member, President (Amanagallu Unit)
- iv. Sri. P. S. Subramanyam - Member, President (Finance)
- v. Sri. B. M. Vijaya Kumar - Member, CFO

**Note -**

- Sri. P. S. Subramanyam - resigned on 8<sup>th</sup> July, 2023.
- Sri. B. M. Vijaya Kumar - appointed on 5<sup>th</sup> July, 2023.

**7. STAKEHOLDERS RELATIONSHIP COMMITTEE:****a) Name of Non-Executive Director heading the Committee**

- (i) Sri. Navrang Lal Tibrewal - Chairman (Upto 08/01/2024).
- (ii) Sri. R. Surender Reddy - Chairman (From 13/02/2024).
- (iii) Sri. L. N. Agarwal - Member
- (iv) Sri. Paritosh Agarwal - Member.

**b) Name and designation of Compliance Officer.**

Sri. E. V. S. V. Sarma, Company Secretary.

**c) Number of Shareholders Complaints received so far.**

No. of Complaints received during the Year - Nil

**d) Number not solved to the satisfaction of shareholders - Nil****e) Number of pending complaints - Nil**



## 8. GENERAL BODY MEETINGS:

### a) Location and time, where last three AGMs held.

Financial Year	Date	Venue	Time
2020-2021	30/09/2021	6 <sup>th</sup> Floor, Surya Towers, 105 S. P. Road, Secunderabad – 500003 (Through Video Conferencing) Regd. Office	10:30 A.M.
2021-2022	30/07/2022	6 <sup>th</sup> Floor, Surya Towers, 105 S. P. Road, Secunderabad – 500003 (Through Video Conferencing) Regd. Office	10:30 A.M.
2022-2023	30/09/2023	6 <sup>th</sup> Floor, Surya Towers, 105 S. P. Road, Secunderabad – 500003 (Through Video Conferencing) Regd. Office	10:30 A.M.

### b) Special resolutions passed at the last 3 Annual General Meetings

#### 1. At the AGM held on 30/09/2021 –

- (i) Appointment of Smt. Aruna Prasad as a Director.
- (ii) Reappointment of Sri. Dhruv Vijai Singh as an Independent Director for a Second term of 5 years.
- (iii) Mortgage in favour of SBICAP Trustee Company Limited.
- (iv) Ratification of the Remuneration of Cost Auditor.

#### 2. At the AGM held on 30/07/2022 –

- (i) To appoint a Director in place of Smt. Aruna Prasad, Director (DIN 07164087) who retires by rotation and who, being eligible, offers herself for reappointment.
- (ii) To Appoint M/S. Brahmayya & Co., Chartered Accountants as Statutory Auditor of the Company and to fix their Remuneration.
- (iii) To Approve the Borrowing Limits.
- (iv) Ratification of the Remuneration of Cost Auditor.

#### 3. At the AGM held on 30/09/2023 –

- (i) To ratify creation of mortgage in favor of SBICAP Trustee Company Limited
- (ii) Reappointment of Sri. Paritosh Agarwal, Director (DIN 00008738), who retires by rotation and who being eligible offers himself for reappointment.

(iii) Appointment of Sri. Arvind Sadashiv Mokashi as an Independent Director

(iv) Ratification of the Remuneration of Cost Auditor.

### c) Whether any special resolutions passed last year through postal ballot – details of voting pattern;

NIL

### d) Person who conducted the postal ballot exercise

Not applicable as no Postal Ballot exercise was carried out

### e) Procedure for postal ballot

Not applicable

### f) Whether any special resolution is proposed to be conducted through postal ballot

No Special Resolution is proposed to be conducted through postal ballot.

## 9. MEANS OF COMMUNICATION.

### a) Quarterly results.

Quarterly report is not being sent to each household of shareholders as shareholders are intimated through the press and the Company's Website.

<http://www.suryalakshmi.com/investor-financial-information.aspx>

### b) Quarterly results are normally published in which newspapers

The Quarterly results are usually published in Business Standard and Nava Telangana.

### c) Any website, where displayed

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

**d) & e) Whether it also displays official news releases and the presentations made to institutional investors or to the analysts.**

The website shall be used for this purpose, when the occasion arises.

**10. GENERAL SHAREHOLDER INFORMATION.****a) AGM : Date, Time and Venue**

The AGM is proposed to be conducted through Video Conferencing. Detailed instructions are available in the Notice for AGM.

Date : 22/08/2024.

Time : 11:00 A.M.

Venue : Registered Office

**b) Financial Year**

1<sup>st</sup> April, 2023 to 31<sup>st</sup> March, 2024 following

**c) Date of Book Closure**

12<sup>th</sup> August, 2024 to 22<sup>nd</sup> August, 2024 (both days inclusive)

**d) Dividend Payment Date: No Dividend has been recommended.****e) Listing on Stock Exchanges & Stock Code**

The shares of the Company continue to be listed on the Stock Exchanges at the National Stock Exchange of India Limited and BSE Limited and the Company has paid upto date all the listing fees to these exchanges.

Name of the Stock Exchange	CODE	Address
The National Stock Exchange of India Limited	SURYALAXMI	Exchange Plaza, 5 <sup>th</sup> Floor, Plot No.C/1, G Block, Bandra-Kurla Complex, Bandra (E)
BSE Limited	521200	MUMBAI - 400 051 Phiroze Jeejeebhoy Towers, Dalal Street, MUMBAI - 400001

**f) and g) Market Price Data:**

High, Low during each month in last financial year and Performance in comparison to broad - based indices such as BSE Sensex, CRISIL index, etc.

Month	NATIONAL STOCK EXCHANGE		BSE LIMITED			
	SHARE PRICE (₹)		SHARE PRICE (₹)		SENSEX	
	HIGH	LOW	HIGH	LOW	HIGH	LOW
April, 2023	55.00	46.75	59.80	47.65	61209.46	58793.08
May, 2023	68.65	52.25	68.00	52.20	63036.12	61002.17
June, 2023	65.00	56.10	65.40	51.00	64768.58	62359.14
July, 2023	61.90	55.95	61.90	56.01	67619.17	64836.16
August, 2023	68.30	55.35	68.00	56.00	66658.12	64723.63
September, 2023	73.75	64.80	73.00	65.30	67927.23	64818.37
October, 2023	72.50	57.90	72.00	58.00	66592.16	63092.98
November, 2023	78.50	60.25	77.93	60.40	67069.89	63550.46
December, 2023	89.50	65.25	89.00	58.00	72484.34	67149.07
January, 2024	86.50	70.55	86.75	62.00	73427.59	70001.60
February, 2024	88.30	66.00	87.90	65.60	73413.93	70809.84
March, 2024	79.90	63.00	80.53	63.45	74245.17	71674.42

**h) In case the securities are suspended from trading, the Directors Report shall explain the reason thereof**

NOT APPLICABLE

**i) Registrar & Share Transfer Agents**

Kfin Technologies Limited

Selenium Tower B, Plot No. 31 & 32,

Financial District, Nanakramguda,

Serilingampally Mandal,

HYDERABAD - 500 032.

Tel.: 040-6716 2222 / 1754

**j) Share Transfer System:**

The share transfers are processed and the share certificates are returned to the shareholders within a maximum period of 30 days from the date of receipt, subject to the documents being valid and complete in all respects.

**k) Distribution of shareholding.****Shareholding pattern as on 31.03.2024**

Particulars	No. of Shares	% of Holding
Promoters	11457889	60.93
Indian Public	5904889	31.40
Bodies Corporate	779746	4.14
Banks & Financial Institutions	67266	0.35
Non-Resident Indians	140063	0.74
IEPF	89483	0.50
Unclaimed Suspense Account	11977	0.06
Others (Clearing members, Trusts, HUF)	353977	1.88
<b>TOTAL</b>	<b>18805290</b>	<b>100.00</b>

**Distribution Schedule - Consolidated As on 31-03-2024**

Nominal Value	Holders		Amount	
	Number	% to Total	₹	% to total
01-5000	7701	83.77	86,52,930	4.60
5001- 10000	704	7.65	57,11,400	3.03
10001- 20000	365	3.97	56,91,570	3.04
20001- 30000	122	1.32	31,59,930	1.68
30001- 40000	60	0.65	21,55,690	1.15
40001- 50000	68	0.73	32,37,460	1.72
50001- 100000	90	0.97	63,24,800	3.36
100001 & above	83	0.90	15,31,19,120	81.42
<b>Total</b>	<b>9193</b>	<b>100.00</b>	<b>188052900</b>	<b>100.00</b>

**l) Dematerialisation of shares and liquidity**

The Company's shares are available for dematerialization on both the Depositories i.e. National Securities Depository Limited (NSDL) and Central Depository Services (India) Limited (CDSL) 18745220 shares amounting to 99.68% of the Capital have been dematerialised by investors as on 31<sup>st</sup> March, 2024.

ISIN : INE713B01026

Address of Registrars for Dematerialisation of Shares.

KFin Technologies Limited

Selenium Tower B, Plot No. 31 & 32,

Financial District, Nanakramguda,

Serilingampally Mandal,

HYDERABAD - 500 032.

Tel.: 040-6716 2222 / 1754.

**m) Outstanding GDRs/ADRs/Warrants or any Convertible instruments, conversion date and likely impact on equity.**

No outstanding instruments.

**n) Commodity price risk or foreign exchange risk and hedging activities.**

The Company is not carrying on any Commodity Business and has also not undertaken any hedging activities, hence same are not applicable to the Company.

**o) Plant Locations****Yarn Divisions****a) Amanagallu**

Ranga Reddy Dist.

Telangana - 509 321

**b) Amravati**

Address : Plot No.T-3,

Additional Amravati Industrial Area, Textile Zone,

Zone : Nandgaonpeth, Tuljapur Village,

Talkhanda, Dist.Amravati,

Maharashtra - 444901.

**Denim Division**

Ramtek Mauda Road  
Village Nagardhan, Tehsil Ramtek, Nagpur.  
Maharashtra - 440 010

**p) Address for correspondence:**

- i) for transfer / dematerialisation of share, change of address of members and other queries relating to the shares of the Company:

M/s. KFin Technologies Limited  
Selenium Tower B, Plot No. 31 & 32,  
Financial District, Nanakramguda,  
Serilingampally Mandal,  
HYDERABAD - 500 032.  
Tel.: 040-6716 2222 / 1754

- ii. any queries relating to dividend, annual reports, etc.

The Company Secretary,  
Suryalakshmi Cotton Mills Limited,  
6<sup>th</sup> Floor, Surya Towers, 105, S. P. Road,  
Secunderabad - 500 003.  
Phone No(s) : 040 - 27885200  
Email ID: [cs@suryalakshmi.com](mailto:cs@suryalakshmi.com)

- q) **ICRA, the rating agency has reaffirmed the Long-Term Fund Based / Cash Credit and Long-Term Fund Based - Term Loan rating to "[ICRA] BBB (Stable) (pronounced ICRA Triple B); Short-Term Non-Fund-Based rating to [ICRA] A3+ (pronounced ICRA A Three Plus); and Long-Term / Short-Term Unallocated facilities rating to [ICRA] BBB (Stable) / [ICRA] A3+ (pronounced ICRA Triple B and pronounced ICRA A Three Plus)".**

**11. OTHER DISCLOSURES**

- a) **Disclosures on materially significant related party transactions that may have potential conflict with the interests of Company at large.**

During the year under review, your Company has not entered into any material transaction with any of its related parties or entity belonging to the Promoter / Promoter Group which holds 10% or more shareholding in the Company. Your Company has formulated a Policy on materiality of Related Party Transactions and also dealing with Related Party Transactions. Omnibus approval was granted by the Audit Committee

for transactions entered with related parties for the financial year 2023-24 and the same was reviewed / cleared by the Audit Committee at regular intervals. The necessary disclosures in compliance with the Accounting Standards regarding the related party transactions are given in the Notes to the financial statements.

The policy on the Related Party Transactions is hosted on the company's website at the web link: <http://www.suryalakshmi.com/policyonrelated.html>

- b) **Details of non-compliance by the company, penalties and strictures imposed on the company by Stock Exchange or SEBI or any statutory authority, on any matter related to capital markets, during the last three years.**

NIL

- c) **Details of establishment of Vigil Mechanism, Whistle Blower policy and affirmation that no personnel have been denied access to the audit committee.**

The Company has in place a Whistle Blower policy for vigil mechanism for Directors and employees to report to the management about unethical behavior, fraud, violation of Company's Code of Conduct. None of the Personnel has been denied access to the audit committee.

- d) **Details of compliance with mandatory requirements and adoption of the non-mandatory requirements.**

Mandatory requirements: All complied with.

Discretionary requirements:

- (i) The Board: The Board is headed by an Executive Chairman.
- (ii) Shareholder Rights: Half-yearly reports is not being sent to each household of shareholders as shareholders are intimated through the press and the Company's website [www.suryalakshmi.com](http://www.suryalakshmi.com).
- (iii) Audit qualifications: There are no audit qualifications in the Audit Report.
- (iv) Separate posts of Chairman and CEO. There are no separate posts of Chairman & CEO.
- (v) Reporting of Internal Auditor.

The Internal Auditor submits his report to the Managing Director and also to the Audit Committee for review, where the

- Company submits its replies and action taken on the report.
- e) Web link where policy for determining 'material' subsidiaries is disclosed.**  
Not applicable as the Company has no subsidiary.
- f) Web link where policy on dealing with related party transactions.**  
The policy on the Related Party Transactions is hosted on the company's website at the web link: <http://www.suryalakshmi.com/investor-corporate-governance.aspx>.
- i) Disclosure of commodity price risks and commodity hedging activities.**  
The Company is not carrying on any Commodity Business and has also not undertaken any hedging activities, hence same are not applicable to the Company
- j) Disclosure of Accounting Treatment**  
Your Company has not adopted any accounting treatment different from that prescribed in the Accounting Standards.
- k) Details of utilization of funds raised through preferential allotment or qualified institutions placement as specified under Regulation 32(7A).**  
No funds were raised by the Company through preferential allotment or qualified institutions placement as specified under Regulation 32(7A).
- l) A certificate from a Company Secretary in Practice stating that none of the Directors on the Board of the Company have been debarred or disqualified from being appointed or continuing as Directors of Company by SEBI or Ministry of Corporate Affairs or any such statutory authority is enclosed to this report.**
- m) There has been no occasion when the Board did not accept the recommendation of the Committees of the Company which is mandatorily required during the year under review.**

- n)** Given below are the details of total fees for all services paid to M/s. Brahmayya & Co., Chartered Accountants, and Statutory Auditors of the Company on a consolidated basis during the financial year ended 31/03/2024.

Sl.No.	Payments to the Statutory Auditors (excluding taxes)	Fees paid (₹ lakhs)
1.	Statutory Audit fees paid for Audit of the Company and Subsidiary Companies situated in India	4.06
2.	Fees paid for other services.	0.67
3.	Tax Audit	0.65
	<b>TOTAL</b>	<b>5.38</b>

- m)** Disclosures in relation to the Sexual Harassment of Women at Workplace (Prevention, Prohibition and Redressal) Act, 2013:
- (i) No. of complaints filed during the financial year – nil
- (ii) No. of complaints disposed off during the financial year – nil
- (iii) No. of complaints pending as on end of the financial year – nil

## 12. NON-COMPLIANCE OF ANY REQUIREMENT OF CORPORATE GOVERNANCE REPORT SUB-PARAS (2) TO (10) ABOVE WITH REASONS THEREOF:

All the requirements of Corporate Governance Report sub-paras (2) to (10) are complied with.

## 13. THE CORPORATE GOVERNANCE REPORT SHALL ALSO DISCLOSE THE EXTENT TO WHICH THE DISCRETIONARY REQUIREMENTS AS SPECIFIED IN PART E OF SCHEDULE II HAVE BEEN ADOPTED.

Details given under 11(d) of the above.

**14. THE DISCLOSURES OF THE COMPLIANCE WITH CORPORATE GOVERNANCE REQUIREMENTS SPECIFIED IN REGULATION 17 TO 27 AND CLAUSES (b) to (i) of SUB-REGULATION (2) OF REGULATION 46 ARE AS GIVEN BELOW:**

Regulation	Particulars of Regulations	Compliance Status (Yes / No)
17	Board of Directors	Yes
18	Audit Committee	Yes
19	Nomination and Remuneration Committee	Yes
20	Stakeholders Relationship Committee	Yes
21	Risk Management Committee	Yes
22	Vigil mechanism	Yes
23	Related Party Transactions	Yes
24	Corporate Governance requirements with respect to subsidiary of listed entity	NOT APPLICABLE
25	Obligations with respect to Independent Directors	Yes
26	Obligation with respect to Directors and Senior Management	Yes
27	Other Corporate Governance requirements	Yes
46(2)(b) to (i)	Dissemination of information on website	Yes

**15. DISCLOSURES WITH RESPECT TO DEMAT SUSPENSE ACCOUNT / UNCLAIMED SUSPENSE ACCOUNT.**

- (i) Aggregate number of shareholders and the outstanding shares in the suspense account lying at the beginning of the year;  
10 shareholders -11977 shares
- (ii) number of shareholders who approached listed entity for transfer of shares from suspense account during the year;  
NIL
- (iii) number of shareholders to whom shares were transferred from suspense account during the year;  
NIL

- (iv) number of shareholders whose shares were transferred from suspense account to IEPF Authority under IEPF Authority (Accounting, Audit, Transfer and Refund) Rules, 2016.

NIL

- (iv) aggregate number of shareholders and the outstanding shares in the suspense account lying at the end of the year.

10 shareholders -11977 shares

- (v) the voting rights on these shares shall remain frozen till the rightful owner of such shares claims the shares.

## CEO'S DECLARATION REGARDING CODE OF CONDUCT

As provided under Chapter IV of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, all Board members and Senior Management Personnel have affirmed compliance with Suryalakshmi Cotton Mills Limited Code of Conduct for the year ended 31<sup>st</sup> March, 2024.

for SURYALAKSHMI COTTON MILLS LIMITED

Place: Secunderabad

Date: 24/05/2024

**L. N. AGARWAL**  
CHAIRMAN & MANAGING DIRECTOR  
(DIN : 00008721)

# CEO / CFO CERTIFICATION

We hereby certify that:

- A. We have reviewed financial statements and the cash flow statement for the year ended 31<sup>st</sup> March, 2024 and that to the best of our knowledge and belief:
- (1) these statements do not contain any materially untrue statement or omit any material fact or contain statements that might be misleading;
  - (2) these statements together present a true and fair view of the Company's affairs and are in compliance with existing accounting standards, applicable laws and regulations.
- B. There are, to the best of our knowledge and belief, no transactions entered into by the Company during the year which are fraudulent, illegal or violative of the Company's code of conduct.
- C. We accept responsibility for establishing and maintaining internal controls for financial reporting and that we have evaluated the effectiveness of internal control systems of the Company pertaining to financial reporting and we have disclosed to the auditors and the audit committee, deficiencies in the design or operation of such internal controls, if any, of which we are aware and the steps we have taken or propose to take to rectify these deficiencies.
- D. We have indicated to the auditors and the Audit committee
- (1) significant changes in internal control over financial reporting during the year;
  - (2) significant changes in accounting policies during the year and that the same have been disclosed in the notes to the financial statements; and
  - (3) instances of significant fraud of which we have become aware and the involvement therein, if any, of the management or an employee having a significant role in the Company's internal control system over financial reporting.

Place: Secunderabad  
Date: 24/05/2024

**B. M. VIJAYA KUMAR**  
CHIEF FINANCIAL OFFICER  
(M.No.- F205473)

**PARITOSH AGARWAL**  
MANAGING DIRECTOR  
(DIN : 00008738)

# CORPORATE GOVERNANCE COMPLIANCE CERTIFICATE

To

The Members of **Surya lakshmi Cotton Mills Limited**

I have examined the compliance of the conditions of Corporate Governance by Surya Lakshmi Cotton Mills Limited ("Company"), and examined the records for the purpose of certifying compliance of the conditions of the Corporate Governance as specified in regulations 17 to 27, clause (b) to (i) of Regulation 46(2) and paragraphs C, D and E of Schedule-V of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulation, 2015 ("Listing Regulations"), for the financial year ended 31<sup>st</sup> March, 2024. I have obtained all the information and explanations which to the best of my knowledge and belief were necessary for the purposes of certification.

The compliance of conditions of Corporate Governance is the responsibility of the Management. My examination was limited to the procedure and implementation process adopted by the Company for ensuring the compliance of the conditions of the Corporate Governance. It is neither an audit nor an expression of opinion on the financial statements of the Company.

This certificate is neither an assurance as to the future viability of the Company nor of the efficacy or effectiveness with which the management has conducted the affairs of the Company.

In my opinion and to the best of our information and according to the explanations and information furnished to us, and based on the representations made by the directors and the management, i certify that, the Company has complied with the conditions of Corporate Governance as stipulated in the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulation, 2015 ("Listing regulations"), as applicable for the said financial year ended 31<sup>st</sup> March, 2024

I further state that such compliance is neither an assurance as to the future viability of the Company nor of the efficiency or effectiveness with which the management has conducted the affairs of the company.

**For K V C REDDY & ASSOCIATES**

Company secretaries

**K.V. Chalama Reddy**

(Proprietor)

Practicing Company Secretary

F.C.S : 9268, C P No.: 5451

P R No.: 2301/2022

UDIN Number : F009268F000405543

Place: Hyderabad

Date : 24.05.2024



# CERTIFICATE UNDER SCHEDULE V(C)(10)(I) OF SEBI

To  
The Members,  
**Suryalakshmi Cotton Mills Limited**  
Hyderabad.

## Sub: Certificate under Schedule V(C)(10)(i) of SEBI (Listing Obligations and Disclosure Requirements), 2015

I, K. V. Chalama Reddy, Proprietor of K V C Reddy & Associates, Company Secretaries have examined the Company and Registrar of Companies records, books and papers of Suryalakshmi Cotton Mills Limited (CIN: L17120TG1962PLC000923) having its Registered Office at 6<sup>th</sup> Floor, Surya Towers, 105 Sardar Patel Road, Secunderabad – 500003, Telangana State, India (“the Company”) as required to be maintained under the Companies Act, 2013, SEBI Regulations, other applicable Rules and Regulations made thereunder for the Financial Year ended on 31<sup>st</sup> March, 2024.

In my opinion and to the best of my information and according to the examinations carried out by me and explanations and representation furnished to me by the Company, its officers and agents, we certify that none of the following Directors of the Company have been debarred or disqualified from being appointed or continuing as Directors of Companies by the SEBI/Ministry of Corporate Affairs or any such statutory authority as on 31<sup>st</sup> March, 2024:

### List of Directors of the Company as on 31<sup>st</sup> March, 2024

S. No.	DIN No.	Name of the Director	Designation
1)	00008721	Sri. Lakshmi Narayan Agarwal	Managing Director and Chairman/promoter
2)	00008738	Sri. Paritosh Agarwal	Managing Director/promoter
3)	00083972	Sri. Surender Reddy Ramasahayam	Non-Executive Independent Director
4)	07164087	Smt. Aruna Prasad	Non-executive Non-Independent Director / Woman
5)	07180749	Sri. Dhruv Vijai Singh	Non-Executive Independent Director
6)	09305967	Sri. Arvind Sadashiv Mokashi	Non-Executive Independent Director

**For K V C REDDY & ASSOCIATES**  
Company secretaries

**K.V. Chalama Reddy**  
(Proprietor)

Practicing Company Secretary

F.C.S : 9268, C P No.: 5451

P R No.: 2301/2022

UDIN Number : F009268F000405433

Place: Hyderabad

Date : 24.05.2024

## ANNEXURE – II

## CSR REPORT

## BRIEF OUTLINE ON CSR POLICY OF THE COMPANY:

Suryalakshmi is acutely conscious of the contribution of the society at large to its growth and wellbeing as a corporate citizen. To this end the Company has formulated a CSR policy which recognizes the policy as an engine for inclusive growth. The Company has worked on areas like health care, animal welfare, promotion of rural education, drinking water supply, agro forestry, etc. The Company is working on identifying more areas which will have a wider impact on the society and the environment, in the areas where it operates.

CSR activities of Suryalakshmi are carried out through:-

Contributions to various Trusts / Societies and directly by Company.

## 1. Composition of the CSR Committee:

Sl. No.	Name of Director	Designation / Nature of Directorship	Number of meetings of CSR Committee held during the year	Number of meetings of CSR Committee attended during the year
1.	Sri. L. N. Agarwal	Chairman & Managing Director	4	4
2.	Sri. R. Surender Reddy	Independent & Non-executive Director	4	4
3.	Sri. Paritosh Agarwal	Managing Director	4	4

2. Provide the web-link where Composition of CSR committee, CSR Policy and CSR projects approved by the board are disclosed on the website of the company.

For CSR Committee: <http://www.suryalakshmi.com/investor-corporate-governance.aspx>

For CSR Policy: <http://www.suryalakshmi.com/investor-corporate-governance.aspx>

3. Provide the details of Impact assessment of CSR projects carried out in pursuance of sub-rule (3) of rule 8 of the Companies (Corporate Social responsibility Policy) Rules, 2014, if applicable (attach the report).

**Not Applicable** - as the Company does not have an average CSR obligation of ₹ 10 crores or more in the three immediately preceding financial years.

4. Details of the amount available for set-off in pursuance of sub-rule (3) of rule 7 of the Companies (Corporate Social responsibility Policy) Rules, 2014 and amount required for set off for the financial year, if any.

Sl. No.	Financial Year	Amount available for set-off from preceding financial years (in rupees)	Amount required to be set-off for the financial year, if any (in rupees)
1.	2022-23	₹ 19,40,573	₹ 13,14,297
2.	2023-24	₹ 10,89,428	-
	<b>Total</b>	<b>₹ 30,30,001</b>	<b>₹ 13,14,297</b>

5. Average net profit of the company as per section 135(5). - ₹ 11,62,47,339
6. (a) Two percent of average net profit of the company as per section 135(5): ₹ 23,24,947  
 (b) Surplus arising out of the CSR projects or programmes or activities of the previous financial years: NIL.  
 (c) Amount required to be set off for the financial year, if any: ₹ 23,24,947  
 (d) Total CSR obligation for the financial year (6a+6b-6c). NIL.

7. (a) CSR amount spent or unspent for the financial year:

Total Amount Spent for the Financial Year. (in rupees)	Amount Unspent (in rupees)				
	Total Amount transferred to Unspent CSR Account as per section 135(6).		Amount transferred to any fund specified under Schedule VII as per second proviso to section 135(5).		
	Amount.	Date of transfer.	Name of the Fund	Amount.	Date of Transfer.
10,89,428	-	-	-	-	-

(b) Details of CSR amount spent against ongoing projects for the Financial Year:

(1)	(2)	(3)	(4)	(5)		(6)	(7)	(8)	(9)	(10)	(11)	
Sr. No	Name of the Project	Item from the list of activities in Schedule VII to the Act.	Local area (Yes/No)	Location of the Project		Project duration	Amount allocated for the project (in (in rupees)	Amount spent in the current financial year (in rupees)	Amount transferred to Unspent CSR Account for the project as per Section 135(6) (in rupees)	Mode of Implementation Direct Yes/No	Mode of Implementation Through Implementing Agency	
				State	District						Name	CSR Registration number
1.	Promoting Education	(ii)	Yes	Amanagallu, RR Dist				77,000		Direct		
2.	Sports Promotion	(vii)	Yes	Amanagallu, RR Dist				89288		Direct		
3.	Sports Promotion	(vii)	Yes	Nagardhan, Nagpur Dist				30000		Direct		
4.	Health Care	(i)	Yes	Amanagallu, RR Dist				316380		Direct		
5.	Health care	(i)	Yes	Nagardhan, Tarsa Dist				225760		Direct		
6.	Arts	(v)	Yes	Ramtek, Nagpur Dist				151000		Direct		
7.	Eradication of Hunger	(i)	Yes	Amanagallu, RR Dist				100000		Direct		
8.	Environment Protection	(iv)	Yes	Ramtek, Nagpur Dist				100000		Direct		

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

(1)	(2)	(3)	(4)	(5)		(6)	(7)	(8)	
Sr. No	Name of the Project	Item from the list of activities in Schedule VII to the Act.	Local area (Yes/No)	Location of the Project		Amount allocated for the project (in (in rupees)	Mode of Implementation Direct Yes/No	Mode of Implementation Through Implementing Agency	
				State	District			Name	CSR Registration number

(d) Amount spent in Administrative Overheads - **NIL**

(e) Amount spent on Impact Assessment, if applicable - **NOT APPLICABLE.**

(f) Total amount spent for the Financial Year (7b+7c+7d+7e) - ₹ 10,89,428

(g) Excess amount for set-off, if any

Sr.No	Particular	Amount (in rupees)
1.	Two percent of average net profit of the Company as per Section 135(5)	23,24,947
2.	Total amount spent for the financial Year	10,89,428
3.	Excess amount spent for the financial year [(ii)-(i)]	(12,35,519)
4.	Surplus arising out of the CSR projects or programmes or activities of the previous financial years, if any	39,96,123
5.	Amount available for set-off in succeeding financial years [(iii) - (iv)]	27,60,604

8. (a) Details of Unspent CSR amount for the preceding three financial years:

Sr.No.	Preceding Financial Year	Amount transferred to Unspent CSR Account under Section 135(6) (in rupees)	Amount spent in the reporting Financial Year (in rupees)	Amount transferred to any fund specified under Schedule VII as per Section 135(6), if any.			Amount remaining to be spent in succeeding financial years (in rupees)
				Name of the fund	Amount (in rupees)	Date of transfer	
NIL							

- (b) Details of CSR amount spent in the financial year for ongoing projects of the preceding financial year(s):

(1)	(2)	(3)	(4)	(5)	(6)	(7)	(8)	(9)
Sl.No.	Project ID	Name of the project	Financial year in which the project was commenced	Project duration	Total amount allocated for the project	Amount spent on the project in the reporting financial year (in rupees)	Cumulative amount spent at the end of reporting Financial year (in rupees)	Status of the project Completed/ ongoing

9. In case of creation or acquisition of capital asset, furnish the details relating to the asset so created or acquired through CSR spent in the Financial Year. NOT APPLICABLE.

(Asset-wise details) :

1. Date of creation or acquisition of the capital asset(s).
2. Amount of CSR spent for creation or acquisition of capital asset.
3. Details of the entity or public authority or beneficiary under whose name such capital asset is registered, their address etc.
4. Provide details of the capital asset(s) created or acquired (including complete address and location of the capital asset).
10. Specify the reason(s), if the company has failed to spend two per cent of the average net profit as per section 135(5) - **NOT APPLICABLE.**

**L. N. AGARWAL**  
CHAIRMAN & MANAGING DIRECTOR  
(DIN : 00008721)

**L. N. AGARWAL**  
CHAIRMAN OF CSR COMMITTEE

DATE: 24/05/2024  
PLACE: SECUNDERABAD

## ANNEXURE – III

## SECRETARIAL AUDIT REPORT

FOR THE FINANCIAL YEAR ENDED 31-03-2024

## FORM NO.MR- 3

(Pursuant to Section 204 (1) of the Companies Act, 2013 and the Rule 9 of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014)

To,  
The Members,  
**Surya lakshmi Cotton Mills Limited**  
Hyderabad.

I have conducted Secretarial Audit pursuant to Section 204 of the Companies Act 2013, on the compliance of applicable Statutory Provisions and the adherence to good corporate practices by **Surya lakshmi Cotton Mills Limited** (hereinafter called as “**the Company**”). Secretarial Audit was conducted in a manner that provided us a reasonable basis for evaluating the corporate conducts/statutory compliances and expressing our opinion thereon.

1. Based on our verification of the books, papers, minutes books, forms, returns filed and other records maintained by the Company and also the information and according to the examinations carried out by us and explanations furnished and representations made to us by the Company, its officers, agents and authorized representatives during the conduct of Secretarial Audit, I hereby report that in our opinion, the Company has during the audit period covering the Financial Year ended on 31<sup>st</sup> March, 2024 complied with the statutory provisions listed hereunder and also that the Company has proper Board-processes and compliance-mechanism in place to the extent, in the manner and subject to the reporting made hereinafter.
2. I have examined the books, papers, minute books, forms and returns filed and other records maintained by the Company for the financial year ended on 31<sup>st</sup> March, 2024 (“Audit Period”) according to the provisions of:
  - i. The Companies Act, 2013 (the Act) and the rules made thereunder;
  - ii. The Securities Contracts (Regulation) Act, 1956 (‘SCRA’) and the rules made there 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 made thereunder to the extent of Foreign Direct Investment, Overseas Direct Investment and External Commercial Borrowings; **Not applicable during the audit period**
  - v. The following Regulations and Guidelines prescribed under the Securities and Exchange Board of India Act, 1992 (‘SEBI Act’):-
    - a) The Securities and Exchange Board of India (Substantial Acquisition of Shares and Takeovers) Regulations, 2011;
    - b) The Securities and Exchange Board of India (Prohibition of Insider Trading) Regulations, 2015 as amended from time to time
    - c) The Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2018: Not applicable during the audit period
    - d) The Securities and Exchange Board of India (Share Based Employee Benefits) Regulations, 2014; **Not applicable during the audit period**
    - e) The Securities and Exchange Board of India (Issue and Listing of Debt Securities) Regulations, 2008; **Not applicable during the audit period**
    - f) The Securities and Exchange Board of India (Registrars to an Issue and Share Transfer Agents) Regulations, 1993 regarding the Companies Act and dealing with clients;
    - g) The Securities and Exchange Board of India (Delisting of Equity Shares) Regulations, 2009; **Not applicable during the audit period**
    - h) The Securities and Exchange Board of India (Buyback of Securities) Regulations, 2018; **Not applicable during the audit period and**

- i) The Securities and Exchange Board of India (Listing Obligations and disclosure Requirements) Regulations, 2015.
- J) Securities and Exchange Board of India (Depositories and participants) Regulations, 2018;
- vi. The Company is into business of manufacture and sale of Cotton & blended yarns and denim fabric. Accordingly, the following Industry specific Acts are applicable to the Company, in the view of the Management:
  - i) The Essential Commodities Act, 1955 and rules and notifications made thereunder
  - ii) The Electricity Act, 2003 and rules and regulations made thereunder
- vii. I have also examined compliance with Secretarial Standards issued by the institute of Company Secretaries of India in respect of board and general meetings of the Company.

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

3. I, further report that:

- a. The Board of Directors of the Company is duly constituted with proper balance of Executive Directors, Non-executive Directors and independent directors. The changes in the composition of the Board of Directors that took place during the year under review were carried out in compliance with the provisions of the Act.
- b. Adequate Notice is given to all the Directors to schedule the Board Meetings, agenda and detailed notes on agenda were sent at least 7 days in advance. There is adequate system for seeking and obtaining further information and clarifications on the agenda items before the meeting and meaningful participation at the meeting. Majority decision is carried through and there were no instances of dissenting members in the Board of Directors.

- 4. I, further report that there exist adequate systems and processes in the Company that commensurate with the size and operations of the Company to monitor and ensure compliance with all applicable laws, rules, regulations and guidelines.
- 5. I further report that the above mentioned Company being a listed entity and this report is also issued pursuant to Regulation 24A of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 as amended and circular No.CIR/CFD/CMD1/27/2019 dated 08<sup>th</sup> February, 2019 issued by Securities and Exchange Board of India.
- 6. I further report that as per the information and explanation provided by the management, the Company does not have any material unlisted subsidiary(ies) incorporated in India pursuant to Regulation 16(c) and 24A of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 during the period under review.
- 7 (i) I, further report there were no other specific events/actions having a major bearing on the company's affairs in pursuance of the above referred laws, regulations, guidelines, standards, etc referred above.

**For K V C REDDY & ASSOCIATES**  
Company Secretaries

**K. V. Chalama Reddy**  
(Proprietor)

Practicing Company Secretary  
F.C.S : 9268, C P No.: 5451

Place: Hyderabad

P R No.: 2301/2022

Date : 24.05.2024

UDIN Number : F009268F000405477

This report is to be read with my letter of even date which is given as Annexure 'A' and forms an integral part of this report.

**Annexure 'A'**

To,  
The Members  
**Surya Lakshmi Cotton Mills Limited**  
Hyderabad

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

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

**For K V C REDDY & ASSOCIATES**  
Company Secretaries

**K. V. Chalama Reddy**  
(Proprietor)

Practicing Company Secretary

F.C.S : 9268, C P No.: 5451

P R No.: 2301/2022

UDIN Number : F009268F000405477

Place: Hyderabad

Date : 24.05.2024

**ANNEXURE – IV****Details as required under Companies (Accounts) Rules, 2014.****A. CONSERVATION OF ENERGY**

(i) the steps taken or impact on conservation of energy;	<ol style="list-style-type: none"> <li>1. Arresting Air leakages and optimizing humidification plant.</li> <li>2. Blow Room &amp; carding extra suction pascals reduced by changing pulleys.</li> <li>3. Power factor improved</li> <li>4. Depending on the season, manual adjustment of HMD plants blade angles.</li> <li>5. Old inefficient finishing machine replaced and wider jet looms installed instead.</li> <li>6. Monthly steam audit for entire plants and arrest of all steam leakages and optimization of all machinery steam consumption and control of excess steam consumption.</li> </ol>
(ii) the steps taken by the company for utilising alternate sources of energy;	<p>Solar energy of 1.5 MW under installation on Roof-top in Amanagallu</p> <p>Planning for solar energy in Amravati</p> <p>Bio Mass (Rice Husk) being utilized in place of coal at process boiler</p>
(iii) the capital investment on energy conservation equipments;	Approximately ₹ 8.76 crores

**B. TECHNOLOGY ABSORPTION**

(i) the efforts made towards technology absorption;	1 No. New Wider 240 cm working width wet finishing with desizing and with overdyer machine installed; 1 No. new technology LCB installed; 1 No. new technology applied fiber scanner installed.
(ii) the benefits derived like product improvement, cost reduction, product development or import substitution;	Yield improvement.
(iii) in case of imported technology (imported during the last three years reckoned from the beginning of the financial year)-	New energy efficient wider width air jet looms 26 no's imported from Japan (Toyota)
(a) the details of technology imported;	Latest technology wider width energy efficient looms
(b) the year of import;	2023
(c) whether the technology been fully absorbed;	Yes
(d) if not fully absorbed, areas where absorption has not taken place, and the reasons thereof; and	Not Applicable
(iv) the expenditure incurred on Research and Development.	Nil

**C. Foreign Exchange Earnings and Outgo :**

The Foreign Exchange earned in terms of actual inflows during the year and the Foreign Exchange outgo during the year in terms of actual outflows.

	(Figures in ₹ Lakhs)	(Figures in ₹ Lakhs)
	2023-24	2022-2023
Foreign Exchange Earned		
FOB Value of Exports	16911.77	17035.36
CIF Value of Exports	17055.93	17457.84
Foreign Exchange Used		
(a) Commission on export sales	243.65	220.80
(b) Foreign Travel Expenses	21.69	24.37
(c) Raw material	12.99	-
(d) Plant & Machinery & Others	874.72	-
(e) Stores & Spares	1317.57	2370.94
(f) Foreign Technical and Consultancy Services and	6.72	27.63
(g) Others	44.99	-



## ANNEXURE – V

# MANAGEMENT DISCUSSION AND ANALYSIS

### Global economy

#### Overview<sup>1</sup>

The global economy expanded by 3.2% in the year 2023, demonstrating remarkable resilience in the face of several economic adversities, like geopolitical challenges and fluctuations in commodity prices. This has led to inflationary pressures across both advanced and emerging markets.

To fight these headwinds, central banks of several economies employed strategies. They implemented interest rate increases, suppressing the escalation. Despite persistent geopolitical tensions, disrupting global supply chains and trade, inflation rates declined more swiftly than anticipated from their peak in 2022, resulting in gradual economic recovery and job creation in the US, Europe and other emerging markets.

The Chinese economy continued to experience strain throughout 2023, a trend expected to persist even in 2024, given its significant manufacturing capabilities and supply chain influence, posing a potential risk to global economic stability. Owing to the rising foreign institution investor interest, several emerging economies like India, Vietnam and Mexico are expected to show positive growth trajectory.

#### Outlook

Global growth is estimated to touch 3.1% in CY24, before rising modestly to 3.2 % in 2025<sup>2</sup>. Amidst unwinding supply-side issues and restrictive monetary policy, inflation is declining faster than expected across most regions. Global headline inflation is also anticipated to decline to 5.8 % in 2024.

For advanced economies, growth is projected to decline slightly from 1.6% in CY23 to 1.5 % in CY24 before rising to 1.8% in CY25, reflecting the impact of restrictive monetary policies and the withdrawal of fiscal support. World trade is also estimated to report growth of 3.3% in CY24 and 3.6% in CY25<sup>3</sup>, staying persistently below the historical average of 4.9%.

However, geopolitical risks remain high, particularly in light of the conflict in the Middle East and tensions in Europe. Meanwhile, high-frequency economic indicators suggest a positive momentum for most major economies. Going forward, declining inflation and greater government spending is anticipated to alleviate fiscal pressures and expected to attract investments for future growth.

### Indian economy

#### Overview

India is the third largest economy in the world after the US and China in terms of purchasing power. It ranked fifth in terms of market exchange rates. According to high-frequency indicators, the Indian economy is maintaining the same momentum it had in the first half of the year even in the face of many upgrades for 2023-24 and 2024-25 by multilateral agencies. Companies in the oil and gas industry made up the largest portion of the profit gain overall, aided by higher marketing margins.

The announcements made in the Interim Union Budget 2024-25 align with the goal of “Viksit Bharat,” which is to create a prosperous nation that is in harmony with the environment, has access to modern infrastructure and offers chances for all of its residents and regions to realise their full potential. The capital expenditure push, particularly on roads and railroads, has persisted in order to maintain the economic growth pace.

#### Outlook<sup>4</sup>

Several high-performance indicators point towards robust growth in the Indian economy. Along with increased capex deployment by the government, strong tax revenue collections, burgeoning domestic demand and increasing capacity utilisation across sectors as well as the booming food industry have helped bolster economic activity. Besides, stable repo rates, government bond yields and healthy foreign exchange reserves indicate macroeconomic stability in the near term.

<sup>1</sup><https://www.imf.org/en/Publications/WJEO/Issues/2024/01/30/world-economic-outlook-update-january-2024>

<sup>2</sup><https://www.imf.org/en/Publications/WJEO#:~:text=Description%3A%20Global%20growth%20is%20projected,debt%20weigh%20on%20economic%20activity.>

<sup>3</sup><https://www2.deloitte.com/us/en/insights/economy/asia-pacific/india-economic-outlook.html>

<sup>4</sup><https://www.investindia.gov.in/sector/textiles-apparel#>

The government has given the green light to the Production Linked Incentive (PLI) Scheme for Textiles, allocating ₹ 10,683 crores over five years commencing from FY24. The aim is to boost the production of MMF Apparel, MMF Fabrics, and Technical Textile products within the country, fostering growth and competitiveness in the textile sector. The scheme consists of two parts- Part-1 requires a minimum investment of ₹ 300 crores and a minimum turnover of ₹ 600 crores per company, while Part-2 mandates a minimum investment of ₹ 100 crores and a minimum turnover of ₹ 200 crores per company.

The apparel and textile sector in India contribute approximately 2.3% to the nation's GDP, 13% to industrial production, and 12% to exports. India holds a 4% share in global textiles and apparel trade. India ranks among the top producers of cotton and jute worldwide, and it is the second-largest producer of silk globally. Notably, 95% of hand-woven fabric worldwide originates from India. Textile exports are projected to hit \$65 billion by FY26, with an expected 10% compound annual growth rate (CAGR) from 2019-20, reaching \$190 billion by 2025-26.

Employment-wise, the textiles and apparel industry are the second-largest employer in India, providing direct jobs to 45 million people and impacting 100 million in allied industries.

## Industry overview

### Indian textile industry

Despite festive season in Western markets, textile exports continued their downward trend in November FY24. Readymade garments (RMG) saw a 15% decrease in exports, dropping from \$10.36 billion in April-November of FY23 to \$8.84 billion during the same period in FY24. However, cotton yarn and handloom products showed signs of growth with a commendable 6% increase in exports from April to November FY24.

Challenges in major export destinations such as the European Union (EU), the US and the Middle East have impacted apparel demand. The EU, which contributes a significant portion to India's apparel exports, is still grappling with the aftermath of the Ukraine-Russia conflict. Similarly, the US and the Middle East, affected by the Israel-Gaza conflict, experienced reduced demand in FY24 compared to the previous year.

Nevertheless, as FY25 begins, there will be signs of improvement, especially in the US market, indicating a potential export rebound in the coming months. CRISIL forecast a revival in India's textiles industry in FY25, driven by three factors such as, sustained growth in domestic demand, gradual recovery in exports and lower cotton prices.

The domestic market, which accounts for a significant portion of overall demand, continues to grow steadily. Anticipation of increased demand ahead of the spring-summer season in the West, is expected to strengthen garment exports from India, supporting the entire value chain. Additionally, improved consumer demand may prompt major overseas retailers to replenish their inventory, leading to increased orders from Indian exporters.

Cotton prices in India have moderated. With higher cotton production expected this season, prices are unlikely to surge in the near future. This stability in cotton prices along with increased availability, can provide much-needed support to the domestic textile value chain, which predominantly relies on natural fibres.

India, being the largest exporter of cotton yarn, competes with the same nations in the global apparel market, namely China, Bangladesh, Vietnam, Sri Lanka and Pakistan. In order to improve exports further, there is a need to reconsider strategies to utilise India's dominant position in cotton production. Encouraging or mandating companies to focus on value addition by converting yarn into garments, rather than exporting raw materials or yarn, could be a viable approach.

Furthermore, there is a need to establish globally-recognised Indian garment brands to enhance margins. Initiatives like the "Brands of India" event, organised by the Clothing Manufacturers Association of India (CMAI), aim to promote Indian brands internationally. Hosting such events in markets like Australia, the US and the UK can further bolster the visibility of Indian brands on the global stage.

### Upcoming trend

The textile industry, a global giant, is undergoing a significant transformation which is fuelled by shifting consumer preferences, technological advancements and rising environmental concerns. The global textile industry is steadily moving away from traditional methods and embracing a more sustainable and innovative path. Consumers are increasingly demanding eco-friendly clothing and textiles. This is driving the textile industry to adopt sustainable practices throughout the supply chain. From using organic cotton and recycled materials to implementing low-impact dyeing techniques and water conservation measures, sustainability is becoming a core principle.

There's a renewed interest in natural fibres like organic cotton, hemp, flax and bamboo. These fibres offer several advantages: breathability, comfort, biodegradability and often require less processing compared to synthetic fibres. This trend aligns with the growing consumer preference for natural and healthy products.

The textile industry is witnessing a surge in novel materials such as bio-based fabrics derived from corn or algae, self-cleaning textiles with anti-microbial properties and even shape-shifting materials that adapt to weather conditions. These advancements are pushing the boundaries with textiles and creating exciting possibilities for new applications.

Technological developments in the industry include clothes that track our health data, regulate your body temperature or even harvest energy. This is the era of smart textiles and wearable technology. By integrating electronics and sensors into fabrics, the industry is creating garments that are not just functional but also interactive.

The textile industry is embracing digitalisation to streamline processes, reduce waste and improve efficiency. From computer-aided design (CAD) for creating intricate patterns to 3D printing for rapid prototyping, technology is transforming the way textiles are designed and manufactured. Additionally, on-demand manufacturing is gaining traction, allowing room for more personalised and customised clothing options with reduced lead times.

Consumers are becoming increasingly conscious and concerned about the textile manufacturing processes. This is leading to a growing demand for transparency in the supply chain. Ethical sourcing practices that ensure fair wages, safe working conditions and minimal environmental impact are becoming increasingly important for brands to stay competitive.

The vast amount of textile waste generated by the industry is also a pressing concern. Recycling and upcycling textiles are emerging as viable solutions. Recycling involves breaking down used fabrics into usable fibres for new products, while upcycling involves reusing discarded textiles to create new items.

These practices not only reduce waste but also create unique and sustainable products. In addition, Virtual reality (VR) and augmented reality (AR) are making inroads into the textile industry. VR allows designers to create and visualise textile patterns in a virtual environment, while AR can be used to help consumers virtually try on clothes before purchasing them. These immersive technologies enhance design and shopping experience.



## Opportunities

The Indian textile industry is expected to witness an uptick in demand in FY25. Some of the opportunities that the industry can capitalise on include:

- **Resurgence in domestic demand:** a growing middle-income population with rising disposable income is expected to fuel the domestic consumption of textiles. Moreover, understanding the needs and preferences of consumers allow the manufacturers to innovate and cater to wider market segments. This can lead to a large variety of high-quality textiles suited for the local tastes.
- **Gradual export recovery:** the US market is showing signs of revival, which can potentially lead to increased demand for Indian exports. Moreover, weakening of the Eurozone economies might create an opportunity to diversify exports to Southeast Asia and other regions.
- **Lower cotton prices:** lower cost of raw materials can translate to higher savings for manufacturers. This improves profit margins, allowing them to invest in innovation, technology or even reduce the price of the final product for consumers. This, in turn will help the Indian textile industry become more competitive in the global market.
- **Focus on sustainable and technical textiles:** growing global demand for eco-friendly and functional textiles like organic cotton, recycled fibres and technical textiles for industrial applications present a significant opportunity.
- **Government support:** the government is willing to boost the sector through initiatives like tax breaks for sustainable practices and infrastructure improvements.
- **Existence of established infrastructure:** the well-set infrastructure and established transportation networks will enable swift movement of raw materials, finished goods and exports. This translates to faster delivery times. Moreover, textile hubs with concentrated production facilities leverage infrastructure for power, water and communication. This shared resource pool reduces individual costs and allows for economies of scale.

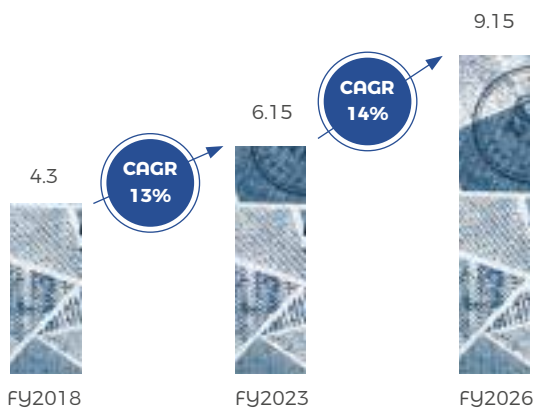
### Indian denim industry<sup>5</sup>

The Indian Denim Apparel market has seen consistent growth over recent years, fuelled by advancements in technology, evolving trends and broader market penetration. Even in non-metro areas, denim is gaining popularity, with more people choosing it over traditional attire.

In FY23, the Indian Denim Apparel market was valued at US \$6.15 billion and it is projected to maintain a Compound Annual Growth Rate (CAGR) of 14% over the next three years, reaching US \$9.15 billion by FY26.

The promising growth of the denim sector is driven by its fusion of high fashion and comfort, increasing emphasis on stretch and lightweight materials and a growing array of options in fits, washes and detailing among other factors.

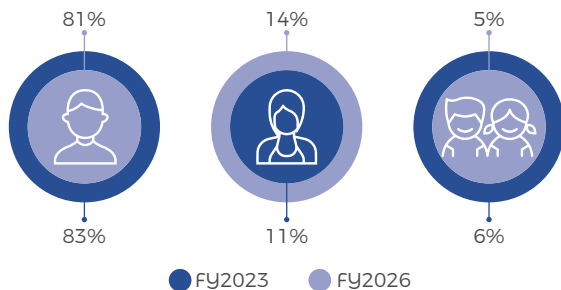
**Denim Apparel Market of India (USD bn)**



Source: denim apparel market of India

The highest growth prospects observed in the Indian denim apparel market can be found in the women’s segment. By FY2026, women’s denim apparel is expected to account for 14% of the overall market, compared to 11% in FY2023. This hike is propelled by factors such as the rising number of women entering the workforce, increasing acceptance of western attire and the popularity of fusion-wear and mix-and-match styles.

**Consumer-wise Segmentation**



With respect to price segmentation, the denim market is primarily controlled by the mid to premium segment. These brands offer a wide range of high-quality products at reasonable price points. Additionally, the value segment also commands a notable share in the market, supported by a substantial unbranded sector and the rise of prominent value retail chains. The super-premium and luxury segment are also dominated by top international brands leveraging their prestigious brand heritage and capitalising on the increasing premiumisation trend in India.

The Indian casual wear market has undergone significant transformation over time, with categories like denim, activewear and casual shirts experiencing faster growth compared to formal wear. This shift reflects changing consumer preferences, with casual attire increasingly popular both in workplace settings and at home.

The COVID-19 pandemic and the widespread adoption of remote work practices have accelerated this trend towards casualisation. This has led to a redefinition of work attire, with a greater emphasis on casual dressing in many corporate environments. As a result, there has been a surge in demand for "smart casual-wear" options, particularly among young professionals. To capitalise on this trend, numerous formal wear brands have introduced casualwear and denim-focused sub-brands and collections, further driving growth in the casual wear segment.

### Growth drivers of the industry

The Indian denim industry is on the rise due to the following factors:

- **Young and fashion-conscious demographics-** India has a massive young population eager to embrace global fashion trends. Millennials and GenZ are particularly interested in denim as a way to express their style, thereby fueling the demand for a variety of designs and fits.
- **Rising disposable income:** as disposable income rises, Indian consumers have more money to spend on clothing, including trendy denim pieces. In addition, denim in India comes in a wide range of prices. It offers variations in terms of quality of material, texture, comfort and so on. Cheaper denim is being used as everyday jeans and premium jeans are usually reserved for special occasions.
- **Expanding retail landscape:** the growth of organised retail stores and the presence of international and domestic denim brands have made a wider variety of jeans and denim apparel available for Indian

<sup>5</sup><https://www.imagesbof.in/denim-apparel-market-of-india/>

consumers. This increased exposure has driven awareness and boosted sales.

- **Innovation and experimentation:** the Indian denim industry is constantly innovating with new designs, fits, washes and even materials, like stretch denims and lightweight fabrics. This keeps consumers interested and entices them to try out new looks.
- **Skilled workforce and cost-effective manufacturing:** India have a large pool of skilled textile workers, thus making it a cost-effective location for denim

production. This allows manufacturers to offer competitive prices while still maintaining good quality of the products.

- **Sustainability concerns:** there is a growing awareness of sustainability in the fashion industry, and Indian denim manufacturers are also trying out such practices. Efforts are being made to use eco-friendly dyes, reduce water consumption during production and develop recycled denim options.



## Opportunities

The Indian denim industry is expected to grow at 8-9% annually. Projections indicate the market value of the Indian denim industry is expected to reach US\$ 9.15 billion. This presents ample opportunities both on domestic and international fronts. Some of the key factors are:

- **Domestic market boom:** a growing domestic market reduces the dependence on international fluctuations. Consistent local demand allows local manufacturers to plan production more efficiently and build a strong financial base. Moreover, understanding the tastes and preferences of Indian consumers allows the companies to tailor their designs and styles. This can lead to innovation in fits, washes and finishes.
- **Global market potential:** a larger global market translates to a broader customer base. Indian denim manufacturers can enter into such new markets and increase their export volumes, leading to higher revenue growth. Indian denim industry also holds a strong reputation for quality and cost-effectiveness. By leveraging this advantage, manufacturers can compete effectively with their global competitors.
- **Eco-conscious consumers:** consumers are increasingly demanding sustainable clothing options. Indian denim manufacturers can cater to this shift in preferences by adopting eco-friendly practices like organic cotton, water-saving dyeing techniques and recycled fabric blends. This will allow them to enter into a rapidly growing market segment. Moreover, sustainability is a key differentiator in today's fashion landscape. By using eco-conscious practices, they can position themselves as responsible and forward-thinking, which will attract a loyal customer base that values environmental responsibility.
- **New designs and technologies:** by incorporating the latest trends in washes, fits and fabrics, Indian denim manufacturers can cater to a fashion-forward audience. This can involve everything from athletic-inspired denim to high-tech performance fabrics, thus keeping the industry fresh and exciting. Moreover, new technologies can enhance the functionality of denim. This can open doors to new market segments and elevate the value proposition of Indian denim.
- **Government support:** the government can provide tax breaks or raw material subsidies for modernisation, which can make Indian denim more competitive in the global market. It can also support vocational training programmes to ensure a readily available pool of skilled workers, which will allow manufacturers to scale up their operations efficiently. Moreover, the funding for research and development can incentivise innovation in the denim industry. This can involve exploring sustainable practices, developing new denim blends or creating cutting-edge finishing techniques.

Source - <https://apparelresources.com/business-news/retail/denims-explosive-growth-india/>

## Company overview

Suryalakshmi Cotton is a prominent integrated manufacturer of premium yarns and denim in India, enjoying over fifty years of market leadership. Over the past two decades, it has emerged as the primary supplier of denim to leading global and domestic brands, securing a dominant market share in the premium denim sector.

Leveraging cutting-edge design and the latest spinning technology, along with end-to-end manufacturing facilities, it produces top-quality yarn and premium denim for renowned private labels, fashion brands, and retail chains.

**29+****Countries worldwide presence.**

The Company's comprehensive presence across the entire value chain, from yarn manufacturing to denim production, confers a significant competitive edge. This allows it to closely monitor and adapt to the ever-changing economic trends that impact the industry. This strategic positioning enables it to anticipate and plan for the cyclical demand-supply dynamics well in advance, staying ahead of the curve, which can be seen in the Company's performance where its exports continued growing despite industry exports coming down.

**1962****Year of establishment**

Suryalakshmi Cotton is a vertically integrated enterprise with over five decades of expertise in spinning and denim operations. Managed by a second-generation family of owner-managers and professionals, it employs future-ready automation and measurement-led controls to achieve sustainable growth while upholding responsible business practices.

Drawing upon its proficiency in cutting-edge international designs, it offers a diverse range of premium yarns and denim fabrics tailored for fashion-conscious clientele

Suryalakshmi Cotton has evolved into a successful end-to-end clothing enterprise, seamlessly integrating a strong backend spinning process leading to premium yarn production and fabric manufacturing, thus creating a superior denim value chain. Its state-of-the-art spinning mill production facilities located in Telangana and Maharashtra, India, enables us to efficiently source materials across our operations.

Through forward and backward integration, coupled with best-in-class quality assurance measures, it achieves one of the highest per meter sales realisations in both yarn and denim cloth within the industry. Committed to conducting business responsibly, it ensures manufacturing compliance with the highest standards of health, safety, and environmental (HSE) regulations, aiming to safeguard communities and the environment.

**Core strengths****Certifications**

The Company is dedicated to quality from its aim to foster trust and loyalty among the customers. Through state-of-the-art automated manufacturing facilities and enhanced denim finishing techniques, it pledges to provide products that consistently exceed customer expectations in terms of quality and value. The Company prioritises customer feedback and actively seek opportunities to enhance the processes, products and services.

The Company's manufacturing operations has earned certifications in certain areas, such as quality, health and safety, environment and ethical areas. Some of them are:

- ISO 14001:2004 Certification
- ISO 9001:2008 Certification
- Oeko-Tex Certification
- Better Cotton Initiative

As part of the adherence protocols for USA and European clients such as VF Corporation and Levi's, the Company guarantees compliance with social and environmental assessment audits conducted by third-party auditors.

**Robust R&D**

The Company's focus on R&D led to innovative higher premium products such as smart denims. In addition, it also focuses on key areas of comfort wear, lightweight wear and value addition. It also closely collaborates with merchandising teams of brands.

The Company's R&D initiatives have developed several vintage to modern fits in its Denim portfolio. Its fibre to shade to finishes reflects the Company's efforts in sustainable line developments. The R&D efforts focus on CLEANKORE Range Developments for its customers and develop market competitive products with different blended yarns. The Company's R&D is working on laser friendly dyeing processes, different ways of enriching value addition products, more varieties of denim shades, etc.

**Key buyers**

The company's reputed clientele include Lee, Wrangler, Wal-Mart, Amazon, Levis, etc.

### Design strategy

The Company's specialised internal R&D unit utilises comprehensive market analysis and worldwide fashion trends to translate innovative ideas and concepts into denim products ready for production. Its design strategy is rooted in understanding consumer trends, allowing the Company to align its product development endeavours with those of consumer preferences.

The Company grasps the fine distinctions of the worldwide fashion arena and recognises the cultural distinctions being inherited in various markets, enabling it to address the unique garment design requirements of a diverse clientele.

Innovation permeates every aspect of its denim design, spanning aspects like colour, texture, flexibility, and rigidity. Through seamless coordination between the front-end and back-end teams, the design units constantly come up with unique approaches to deliver specialised, sustainable, socially responsible and trend-setting denim fashion.

### High-value products

The Company is committed to meeting customer requirements by prioritising the development of top-tier product and by widening the product base that resonates with evolving customer preferences. Through the production of value-added denim fabrics and polyesters, the Company has cultivated a competitive advantage and fostered collaborations with multinational corporations worldwide.

### Product portfolio

The Company partners closely with global fashion brands to swiftly introduce trend-setting yarns, denim and fabrics to the market. Its partnerships extend to working hand-in-hand with the design, sourcing and production teams of both global and local customers. It has developed over 3000 high-quality specialised denim variants, characterised by rapid production turnaround times. From yarn to denim cloth, it upholds exacting standards of innovation, design and service throughout the production process. In line with the Government of India's "Make in India" initiative, it is dedicated to meeting the demands of both global and local clientele, with the aim of establishing itself as a global center of excellence in denim manufacturing.

### Yarn

The Company produces specialised, high-performance cotton, polyester and blended yarns destined for both domestic and international markets, including the denim industry. Its expertise in research and development, coupled

with a deep understanding of raw materials, empowers it to craft super-specialised and functional yarns tailored to precise specifications.

Utilising cutting-edge technology and equipment sourced from premier global suppliers, it manufactures yarns at Suryalakshmi Cotton. Emphasising on modernisation and automation, it harnesses the advanced R&D facilities to explore emerging trends in yarn technology and fashion, ensuring alignment with evolving market dynamics while upholding benchmark quality standards throughout the denim value chain.

## 92352 spindles

### Current Capacity

The Company has a dedicated quality team to meticulously oversee every phase of production, guaranteeing that each yarn batch meets stringent international quality benchmarks, achieving a remarkable Uster 5% quality level. The Company's strong dedication to quality control at every manufacturing juncture ensures that the delivery of yarn products with a superior finish.

### Denim

For the past two decades, the Company has started with denim cloth manufacturing as a part of its forward integration strategy. Through cutting-edge research and development, we engineer and produce specialty denim fabrics tailored to the distinct requirements of global fashion markets. The Company has a fully integrated fabric manufacturing facility at Ramtek, Maharashtra, that stands at the forefront of technological advancement.

## 40 million meters

### Capacity per annum

The Company achieves the industry's highest per meter sales price realisation. Its fabric development process is customer-centric, commencing with custom-engineering a wide array of finish chemistries to address diverse fabric needs. Leveraging state-of-the-art equipment for dyeing, weaving and finishing, the Company has delivered over 3,000 unique varieties of specialty fabrics to clients worldwide.

## Financial overview

During the year the turnover declined by about 9% as also the EBITDA. The Softening of the global commodity prices and the consequent raw material prices, followed by a steeper decline in the sales realization was the main reason for the lower numbers. The Company however did well to strengthen its balance sheet by reducing the long-term debt by ₹ 28.80 crores. More significantly the Company did well in its Denim Exports inspite of a declining performance by the industry as a whole.

Particulars	FY24	FY23	YoY change (%)
Revenue from operations (in lakhs ₹)	78240.81	85104.89	-8.07
EBITDA (in lakhs ₹)	5424.73	6075.84	-10.72
PAT (in lakhs ₹)	360.75	1040.11	-65.3
Debtors' turnover ratio (in times)	4.84	5.68	-14.8
Inventory turnover ratio (in times)	4.19	5.02	-16.5
Interest coverage ratio (in times)	0.88	0.82	7.32
Current ratio (in times)	1.25	1.33	- 6.02
Total debt equity ratio (in times)	0.85	0.75	13.33
Operational profit margin (in %)	4.62	4.75	-2.74
Net profit margin (in %)	0.46	1.22	-62.0
Return on net worth (in %)	1.36	3.95	-65.6

## Internal control

Suryalakshmi Cotton Mills has implemented a robust internal control system to ensure the efficiency and effectiveness of operations, accurate financial reporting, and compliance with laws and regulations. The Company has established comprehensive policies and procedures for all major business processes, including management, human resources, procurement, and inventory management. Regular audits are conducted by internal auditors to monitor compliance with these policies and procedures and to identify areas for improvement. The Company also maintains a system of checks and balances, including the segregation of duties and clear lines of authority and responsibility. Through these measures, Suryalakshmi Cotton Mills aims to minimise the risk of fraud, errors, and other financial irregularities, and to foster transparency and accountability throughout the organisation.

## Corporate social responsibility

The Company continues to do its bit towards the society at large where its manufacturing units are located by working in areas like promoting education, healthcare and sports promotion. It has also worked on fields like environmental protection and promotion of cultural activities.

## Risk management

Risk management is one of the most important parts of the Company's operations. A tight framework is in place to identify, evaluate and address risks across all areas of the business. This framework encompasses routine risk assessments, monitoring of key indicators and the formulation of mitigation strategies for identified risks.

Moreover, a dedicated Risk Management Committee, composed of senior executives, oversees this framework. The committee routinely scrutinises policies and procedures while offering guidance to the management team on risk-related matters. In alignment with sustainability goals, the Company systematically evaluates environmental, social and governance risks, ensuring responsible and sustainable business practices. Through rigorous risk management, the Company not only mitigates potential adverse impacts but also bolsters its capacity to realise strategic objectives.

## Sustainable practices

In its responsible manufacturing process, the Company harnesses sustainable practices to revolutionise denim production. The key focus areas involve reducing waste throughout the denim manufacturing process and optimising the utilisation of natural resources in its resource-limited world. It is committed to recycling all feasible resources, including water, chemicals and more.

Following the 3 R Concept of Reduce, Replace, and Recycle, the Company:

- Decreases water consumption and minimises chemical waste.
- Substitutes hazardous materials with environmentally friendly alternatives.
- Maximises resource recovery by recycling water and chemicals, and utilising recycled raw materials for efficient production.

**Waste:** The Company is dedicated to minimising waste throughout the denim value chain. Through effective



effluent management systems that guarantee zero discharge. It is steadfast in its commitment to preventing hazardous substances from entering the environment. Ultimately, the overarching goal is to develop denim fabric and products that generate zero waste in the long term.

**Water:** Water stewardship forms a crucial aspect of the Company's responsible manufacturing strategy. It is actively engaged in designing denim manufacturing and post-manufacturing value-added processes that demand lesser water, thereby minimising the water-related footprint.

**Climate:** Climate change presents a significant challenge to the business of the Company, the industry, and the planet. It is actively striving to decrease the carbon footprint by minimising greenhouse gas emissions throughout the denim operations.

### Human resources

The Company views safety as a fundamental and essential obligation for any manufacturing organisation. Aligned with its overarching vision, the objective is to enhance employee well-being and foster a safe and comfortable working environment for its personnel.

#### Quality measures

- Providing a healthy and safe workplace
- Providing protective gear to the employees
- Having a fire safety management to prevent hazards
- Protection from harmful and hazardous materials.

### Employee welfare

Recognising its significant role in fostering an ecosystem of partnership, empowerment and inclusion, the Company is dedicated to enhancing the lives of workers in the factories. Through a steadfast commitment to worker welfare and well-being, it prioritises holistic community development in the regions where it operates. The initiatives encompass:

- Health and hygiene programmes
- Learning and development opportunities
- Employee transportation services
- Provision of accommodation for women employees

### Cautionary statement

This report on Management Discussion and Analysis includes forward-looking statements, which are predictions, expectations, projections, or estimates about the Company's objectives. These statements are based on certain assumptions and expectations of future events. However, actual results may differ from these statements due to various factors such as changes in government regulations, tax laws, and other statutes. Additionally, unforeseen events such as force majeure could affect the actual result. It is important for readers to understand the context in which these statements are made and that they may not reflect future outcomes accurately.



**ANNEXURE – VI****Statement of particulars as per Rule 5(1) of Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014**

- (i) The ratio of the remuneration of each Director to the median remuneration of the employees of the company for the financial year 31ST March, 2024;

SL. NO.	NAME OF THE DIRECTOR	RATIO OF THE REMUNERATION TO THE MEDIAN REMUNERATION OF THE EMPLOYEES
1.	Sri. L. N. Agarwal	37.22
2.	Sri. Paritosh Agarwal	33.50

- (ii) The percentage increase in remuneration of each Director, Chief Financial Officer, Chief Executive Officer, Company Secretary or Manager, if any, in the financial year.

SL. NO.	NAME OF THE DIRECTOR	PERCENTAGE OF INCREASE IN REMUNERATION
1.	Sri. L. N. Agarwal	NIL
2.	Sri. Paritosh Agarwal	NIL
3.	Sri. Siddhant Sharma	2.4%
4.	Sri. E. V. S. V. Sarma	NIL
5.	Sri. B. M. Vijaya Kumar	NA (Appointed on 05/07/2023)

- (iii) The percentage increase in the median remuneration of employees in the financial year:

16%

- (iv) The number of permanent employees on the rolls of company:

There are 2309 employees on the rolls of the Company.

- (v) Average percentile increase already made in the salaries of employees other than the managerial personnel in the last financial year and its comparison with the percentile increase in the managerial remuneration and justification thereof and point out if there are any exceptional circumstances for increase in the managerial remuneration;

NOT APPLICABLE

- (vi) Affirmation that the remuneration is as per the remuneration policy of the Company.

The remuneration paid to the Key Managerial Personnel is as per the Remuneration Policy of the Company.

On behalf of the Board

**L. N. Agarwal**

Chairman & Managing Director  
(DIN : 00008721)

Place: Secunderabad

Date: 24<sup>th</sup> May, 2024.

**STATEMENT OF PARTICULARS OF EMPLOYEES PURSUANT TO SECTION 134 OF THE COMPANIES ACT, 2013 READ WITH RULE 5(2) OF THE COMPANIES (APPOINTMENT & REMUNERATION OF MANAGERIAL PERSONNEL) RULES, 2014**

List of Top 10 salaried employees for the financial year ended 31<sup>st</sup> March, 2024.

Sl. no.	Name of the employee	Designation	Remuneration received (INR) in Lakhs	Nature of the employment	Qualification	Experience in years	Organisation worked for before Surya Lakshmi	Date of commencement of the employment	Date of Birth	Age of the employee	% of the equity shares held in the company	Whether the employee is relative of any Director or Manager
1	Mr. L N Agarwal	Chairman & Managing Director	78.10	Regular	Undergraduate	61	NIL	22-06-1994	08-09-1933	90	25.73	Yes
2	Mr. Paritosh Agarwal	Managing Director	70.46	Regular	Graduate	29	Suryavanshi Spinning Mills Limited	06-09-1994	18-03-1973	51	10.48	Yes
3	Mr. Siddhant Sharma	CEO-Denim Division	45.75	Regular	B.Tech (Textile)	35	ETCO Denim	27-02-2017	08-07-1964	60	Nil	No
4	Mr. B. M. Vijaya Kumar	Chief Financial Officer	26.61*	Regular	FCA, FCMA, FCS, LLB	34	Coregreen Sugar (P) Ltd.	05-07-2023	31-08-1964	59	Nil	No
5	Mr. Prabal Kumar Bhattacharjya	GM - Exports	22.65	Regular	Masters in Management; Masters Diploma in International Trade	29	RSWM Ltd	18-04-2014	01-08-1969	54	Nil	No
6	Mr. Vedant Agarwal	Chief Executive	22.57	Regular	BSc Industrial Engineering	2.6	Nil	15-11-2022	03-09-1999	24	12.35	Yes
7	Mr. Vasudeo Tipre	GM - Exports	22.49	Regular	BSc Statistics, MBA Marketing	30	Mafatal Industries Ltd-Denim Division	25-09-2014	28-06-1969	54	Nil	No
8	Mr. E V S V Sarma	Company Secretary	21.23	Regular	B.Sc. ACMA, ACS, LLM	43	Transport Corporation of India Limited	03-05-1995	11-02-1951	73	Nil	No
9	Santosh Kumar Agarwal	VP (Finance)	17.80	Regular	B.Com. ACA	36	Grasim Industries Ltd	09-06-2008	03-04-1964	60	Nil	No
10	Amol R Mahajan	Vice President - Processing (Denim Unit)	17.78	Regular	BSc (Tech), IDM	23	Century Denim Ltd.	18-07-2016	01-06-1977	46	Nil	No

\*employed for the part of the year w.e.f 05/07/2023

# INDEPENDENT AUDITOR'S REPORT

To  
The Members of  
SURYALAKSHMI COTTON MILLS LIMITED

## Report on the Audit of the Financial Statements

### Opinion

We have audited the accompanying financial statements of SURYALAKSHMI COTTON MILLS LIMITED ("the company"), which comprise the Balance Sheet as at March 31, 2024, 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 Material accounting policies and other explanatory information (herein after referred to as "the financial statements")

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

### Basis for Opinion

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

### Key Audit Matters

Key Audit matters are those matters that in our professional judgement, were of most significance in our audit of the 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

#### Evaluation of uncertain tax positions

The Company operates in different states and is subject to periodic challenges by local tax authorities on a range of tax matters during the normal course of business including direct and indirect tax matters.

### Auditor's Response

#### Principal audit procedures

Our audit procedures include the following substantive procedures:

- Obtained understanding of key uncertain tax positions; and
- We along with our internal tax experts -
  - evaluated the Design and tested the operating effectiveness of controls around the assessment of the matter;
  - Read and analysed select key correspondences, external legal opinions / consultations by management for key uncertain tax positions;

Key Audit Matters	Auditor's Response
<p>These involve significant management judgment to determine the possible outcome of the uncertain tax positions, consequently having an impact on related accounting and disclosures in the financial statements. Refer Note 1.3 and Note 34.1 to the financial statements.</p>	<ul style="list-style-type: none"> <li>• Discussed with appropriate senior management and evaluated management's underlying key assumptions in estimating the tax provisions; and</li> <li>• Assessed management's estimate of the possible outcome of the disputed cases;</li> </ul> <p>Assessed the appropriateness of disclosures made under the head 'Contingent Liabilities' in the financial Statements.</p>

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

The Company's Board of Directors is responsible for the other information. The other information comprises the information included in the Annual Report, but does not include the 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.

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

The Company's Board of Directors is responsible for the matters stated in Section 134(5) of the Act with respect to the preparation of these 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 financial statements.

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

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.

- Obtain an understanding of internal financial controls relevant to the audit in order to design audit procedures that are appropriate in the circumstances. Under section 143(3)(i) of the Act, we are also responsible for expressing our opinion on whether the Company has adequate internal financial controls in place and the operating effectiveness of such controls.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the 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 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, 2020 ("the Order") issued by the Central Government of India in terms of sub-section (11) of section 143 of the Act, we give in the Annexure A, a statement on the matters specified in the paragraph 3 and 4 of the Order, to the extent applicable.
- 2) As required by Section 143(3) of the Act, we report that:
  - a) We have sought and obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purposes of our audit.
  - b) In our opinion, proper books of account as required by law have been kept by the Company so far as it appears from our examination of those books,
  - c) the 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) In our opinion, the aforesaid financial statements comply with the Indian Accounting Standards (Ind AS) prescribed under Section 133 of the Act.
  - e) On the basis of written representations received from the directors as on March 31, 2024 taken on record by the Board of Directors, none of the directors is disqualified as on March 31, 2024 from being appointed as a director in terms of Section 164(2) of the Act.
  - f) With respect to the adequacy of internal financial controls with reference to financial statements of the Company and the operating effectiveness of such controls, refer to our separate report in "Annexure B".
  - g) With respect to the Managerial remuneration to be included in the auditor's report in accordance with the requirements of section 197(16) of the Act, as amended:

In our opinion and to the best of our information and according to the explanations given to us, the remuneration paid by the company to its directors during the year is in accordance with the provisions of Section 197 of the Act.

- h) With respect to the other matters to be included in the Auditor's report in accordance with Rule 11 of the Companies (Audit and Auditors) Rules, 2014, in our opinion and to the best of our information and according to the explanations given to us:
- i. The Company has disclosed the impact of pending litigations on its financial position in its financial statements – Refer Note 34.1 to the financial statements;
  - ii. The Company did not have any long-term contracts including derivative contracts for which there were any material foreseeable losses;
  - iii. There has been no delay in transferring amounts, required to be transferred, to the Investor Education and Protection Fund by the Company
  - iv.
    - a. The Management has represented that, to the best of its knowledge and belief, no funds (which are material either individually or in the aggregate) have been advanced or loaned or invested (either from borrowed funds or share premium or any other sources or kind of funds) by the Company to or in any other person or entity, including foreign entity ("Intermediaries"), with the understanding, whether recorded in writing or otherwise, that the Intermediary shall, whether, directly or indirectly lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the Company ("Ultimate Beneficiaries") or provide any guarantee, security or the like on behalf of the Ultimate Beneficiaries;
    - b. The Management has represented, that, to the best of its knowledge and belief, no funds (which are material either individually or in the aggregate) have been received by the Company from any person or entity, including foreign entity ("Funding Parties"), with the understanding, whether recorded in writing or otherwise, that the Company shall, whether, directly or indirectly, lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the Funding Party ("Ultimate Beneficiaries") or provide any guarantee, security or the like on behalf of the Ultimate Beneficiaries;
  - c. Based on the audit procedures that have been considered reasonable and appropriate in the circumstances, nothing has come to our notice that has caused us to believe that the representations under sub-clause (a) and (b) above, contain any material misstatement.
  - v. The Company neither declared nor paid any dividend during the year.
  - vi. Based on our examination, the Company has used an accounting software for maintaining its books of account which has a feature of recording audit trail (edit log) facility. The audit trail feature has been operated throughout the year for all transactions recorded in the accounting software. Further, during the course of our audit, we did not come across any instance of the audit trail feature being tampered with.
- As proviso to Rule 3(1) of the Companies (Accounts) Rules, 2014 is applicable from April 01, 2023, reporting under Rule 11 (g) of the Companies (Audit and Auditors) Rules, 2014 on preservation of audit trail as per the statutory requirements for record retention is not applicable for the financial year ended March 31, 2024.

for **BRAHMAYYA & CO.**  
Chartered Accountants  
Firm's Regn No. 000513S

**(K.SHRAVAN)**

Partner

Place : Hyderabad  
Date: 24.05.2024

Membership No. 215798  
UDIN: 24215798BKESSJ6531

## ANNEXURE – A to the Auditor's Report:

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

- i. In respect of the Company's Property, Plant and Equipment and Intangible Assets:
  - a. (A) The Company has maintained proper records showing full particulars, including quantitative details and situation of Property, Plant and Equipment.
  - (B) The Company has maintained proper records showing full particulars of intangible assets.
  - b. The Company has a regular program of physical verification of its property, plant and equipment, and right of use assets under which the assets are physically verified in a phased manner over a period of three years, which, in our opinion, is reasonable having regard to the size of the Company and the nature of its assets. In accordance with this program, certain property, plant and equipment were verified during the year and no material discrepancies were noticed on such verification.
  - c. According to the information and explanations given to us and on the basis of our examination of the records of the Company, the title deeds of all the immovable properties (other than Properties where the company is the lessee, and the lease agreements are duly executed in favour of the lessee) are held in the name of the Company.
  - d. The company did not revalue its Property, Plant and Equipment or intangible assets during the year. Accordingly, paragraph 3 (i)(d) of the Order is not applicable.
  - e. There are no proceedings initiated or are pending against the Company for holding any benami property under the Prohibition of Benami Property Transactions Act, 1988 and rules made thereunder
- ii. a. The management has conducted physical verification of inventory at reasonable intervals during the year. In our opinion, the coverage and procedure of such verification by the management is appropriate and no discrepancies of 10% or more in the aggregate for each class of inventory were noticed.
- b. In our opinion and according to the information and explanation given to us and the records of the Company examined by us during the course of the audit, the quarterly returns or statements filed by the company with banks or financial institutions are in agreement with the books of account of the Company.
- iii. During the year the Company has not made investments in, granted any loans or advance in the nature of loans, guarantee or security, secured or unsecured to companies, firms, Limited Liability Partnerships or other parties. Therefore, the provisions of clause 3(iii)(a), 3(iii)(b), 3(iii)(c), 3(iii)(d), 3(iii)(e) & 3(iii)(f) of the said Order are not applicable for the year under report.
- iv. The Company has not given any loans or made any investments or given any guarantees or security to the parties covered under Sections 185 and 186 of the Act. Accordingly, clause 3 (iv) of the Order is not applicable.
- v. The Company has not accepted any deposit or amounts which are deemed to be deposits. Hence, reporting under clause 3(v) of the Order is not applicable.
- vi. We have broadly reviewed the cost records maintained by the Company pursuant to sub-section (1) of section 148 of the Companies Act and are of the opinion that prime facie the prescribed accounts and records have been made and maintained. We have however not made a detailed examination of the cost records with a view to determine whether they are accurate or complete.
- vii. a. According to the records, the company is regular in depositing undisputed statutory dues including Goods and service tax, provident fund, employees' state insurance, income-tax, sales-tax, service tax, duty of customs, duty of excise, value added tax, cess and all other material statutory dues with the appropriate authorities and there were no arrears of statutory dues as at March 31, 2024 for a period of more than six months from the date they became payable.



- b. According to the records of the Company and the information and explanations given to us, there were no dues of income tax or sales tax or service tax or duty of customs or duty of excise or value added tax have not been deposited on account of any dispute except the following.

Name of the Statute	Nature of Dues	Amount (₹ in Lakhs)	Period to which amount related	Forum where dispute is pending
Maharashtra Gram Panchayat Act	Gram Panchayat Tax	126.98	FY 2017-18 to 2023-24	Hon'ble High Court of Bombay Nagpur Bench, Nagpur
Maharashtra Value Added Tax Act	Value Added Tax	23.69*	FY 2013-14	Commissioner of Sales Tax (Appeals), Nagpur
Maharashtra Value Added Tax Act	Value Added Tax	29.43@	FY 2015-16	Commissioner, Sales Tax (Appeals), Nagpur
Customs Act,1962	Custom Duty	61.49	FY 2009	Hon'ble High Court of Judicature at Hyderabad

The Company has pre-deposited part of the tax demand in getting the stay/appeal admitted as given here under:

@ ₹1.52 Lacs towards MVAT for FY2015-16 and (\*) ₹1.25 Lacs towards MVAT for FY2013-14 pre-deposited as 10% of tax demand of MVAT while filing appeal

- viii. According to the information and explanations given to us, no transactions were surrendered or disclosed as income during the year in the tax assessments under the Income Tax Act, 1961 (43 of 1961) which have not been recorded in the books of accounts.
- ix. a. According to the information and explanations given to us, the Company has not defaulted in repayment of loans or in the payment of interest thereon to any lender.
- b. According to the information and explanations given to us including representation received from the management of the Company, and on the basis of our audit procedures, we report that the Company has not been declared a willful defaulter by any bank or financial institution or other lender.
- c. The term loans were applied for the purpose for which the loans were obtained;
- d. In our opinion and according to the information and explanations given to us, and on an overall examination of the financial statements of the Company, funds raised on short-term basis have, prima facie, not been used during the year for long-term purposes by the Company.
- e. The company does not have subsidiaries, associates or joint ventures. Hence clause 3(ix) (e) of the Order is not applicable;
- f. The company does not have subsidiaries, associates or joint ventures. Hence clause 3(ix) (f) of the Order is not applicable.
- x. a. The Company did not raise any money by way of initial public offer or further public offer (including debt instruments) during the year. Accordingly, para 3 (x)(a) of the Order is not applicable.
- b. During the year, the Company has not made any preferential allotment or private placement of shares or convertible debentures (fully or partly or optionally) and hence, reporting under clause 3(x)(b) of the Order is not applicable.
- xi. a. No fraud by the Company and no material fraud on the Company has been noticed or reported during the year.
- b. No report under section 143(12) of the Act has been filed with the Central Government for the period covered by our audit.
- c. According to the information and explanations given to us including the representation made to us by the management of the Company, there are no whistle-blower complaints received by the Company during the year.
- xii. In our opinion and according to the information and explanations given to us, the Company is not a Nidhi Company. Accordingly, para 3(xii) of the Order is not applicable.
- xiii. According to the information and explanations given to us and based on our examination of the records of the Company, transactions with the related parties are in compliance with sections 177 and 188 of the Act where applicable and details of such transactions

have been disclosed in the financial statements as required by the applicable accounting standards.

- xiv. a. In our opinion, the company has an adequate internal audit system commensurate with the size and nature of its business;
- b. We have considered the reports of the Internal Auditors for the period under audit;
- xv. According to the information and explanations given to us and based on our examination of the records of the Company, the Company has not entered into any non-cash transactions with its directors or persons connected with its directors, and hence provisions of section 192 of the Companies Act, 2013 are not applicable to the Company.
- xvi. a. In our opinion, the Company is not required to be registered under section 45-IA of the Reserve Bank of India Act, 1934. Hence, reporting under clause 3(xvi)(a), (b) and (c) of the Order is not applicable
- b. In our opinion, there is no core investment company within the Group (as defined in the Core Investment Companies (Reserve Bank) Directions, 2016 and accordingly reporting under 3(xvi)(d) of the Order is not applicable;
- xvii. The Company has not incurred cash losses in the financial year and also in the immediately preceding financial year.
- xviii. There is no resignation of statutory auditors of the Company during the year.
- xix. On the basis of the financial ratios, ageing and expected dates of realisation of financial assets and payment of financial liabilities, other information accompanying the financial statements and our knowledge of the Board of Directors and Management plans and based on our examination

of the evidence supporting the assumptions, nothing has come to our attention, which causes us to believe that any material uncertainty exists as on the date of the audit report indicating that Company is not capable of meeting its liabilities existing at the date of balance sheet as and when they fall due within a period of one year from the balance sheet date. We further state that our reporting is based on the facts up to the date of the audit report and we neither give any guarantee nor any assurance that all liabilities falling due within a period of one year from the balance sheet date, will get discharged by the Company as and when they fall due.

- xx. According to the information and explanations given to us, the Company does not have any unspent amount in respect of any ongoing or other than ongoing project as at the expiry of the financial year. Accordingly, reporting under Para 3(xx) of the Order is not applicable to the Company.
- xxi. The Company does not have subsidiaries, associates or joint ventures. Hence clause 3 (xxi) of the said Order with regard to qualifications or adverse remarks in CARO reports of the companies included in the consolidated financial statements, is not applicable.

for **BRAHMAYYA & CO.**  
Chartered Accountants  
Firm's Regn No. 0005135

**(K.SHRAVAN)**

Partner

Place : Hyderabad

Date: 24.05.2024

Membership No. 215798

UDIN: 24215798BKESJ6531

# 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 SURYALAKSHMI COTTON MILLS LIMITED ("the Company") as of March 31, 2024 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 with reference to financial statements criteria established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting issued by the Institute of Chartered Accountants of India (ICAI). These responsibilities include the design, implementation and maintenance of adequate internal financial controls that were operating effectively for ensuring the orderly and efficient conduct of its business, including adherence to company's policies, the safeguarding of its assets, the prevention and detection of frauds and errors, the accuracy and completeness of the accounting records, and the timely preparation of reliable financial information, as required under the Act.

### Auditor's Responsibility

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

Our audit involves performing procedures to obtain audit evidence about the adequacy of the internal financial controls with reference to 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 these 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 financial controls 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.

## Opinion

In our opinion, the Company has, 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, 2024, based on the internal control over financial reporting criteria established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting issued by the ICAI.

for **BRAHMAYYA & CO.**  
Chartered Accountants  
Firm's Regn No. 000513S

**(K.SHRAVAN)**

Partner

Place : Hyderabad

Date: 24.05.2024

Membership No. 215798

UDIN: 24215798BKESSJ6531

# BALANCE SHEET

as at 31<sup>st</sup> March 2024

(All amounts in ₹ Lakhs, unless otherwise stated)

Particulars	Note No.	As at	
		31 March, 2024	31 March, 2023
<b>ASSETS</b>			
<b>(1) Non-current assets</b>			
(a) Property, Plant and Equipment	2(A)	26,177.33	24,502.31
(b) Capital Work-in-progress	2(B)	87.18	124.71
(c) Other Intangible assets	3	18.51	17.33
(d) Financial Assets			
(i) Other Financial Assets	4	1,540.75	1,571.35
(e) Other Non Current Assets	4(A)	339.96	533.32
<b>(2) Current assets</b>			
(a) Inventories	5	18,999.77	14,994.25
(b) Financial Assets			
(i) Investments	6	20.54	15.26
(ii) Trade Receivables	7	17,952.05	13,957.09
(iii) Cash and cash equivalents	8	17.59	628.00
(iv) Bank balances other than (iii) above	9	879.63	1,570.42
(v) Loans	10	17.65	25.64
(vi) Other financial assets	11	1,716.06	2,639.19
(c) Current Tax Assets (Net)	12	189.25	240.68
(d) Other current assets	13	4,769.95	4,510.83
(e) Assets held for Sale	14	67.78	74.84
<b>Total Assets</b>		<b>72,794.00</b>	<b>65,405.22</b>
<b>EQUITY AND LIABILITIES</b>			
<b>Equity</b>			
(a) Equity Share capital	15	2,057.83	2,057.83
(b) Other Equity	16	24,547.37	24,245.18
<b>Liabilities</b>			
<b>(1) Non-current liabilities</b>			
(a) Financial Liabilities			
(i) Borrowings	17	6,812.43	6,555.91
(b) Provisions	18	1,051.11	882.57
(c) Deferred Tax Liabilities(net)	19	2,756.79	2,674.21
<b>(2) Current liabilities</b>			
(a) Financial Liabilities			
(i) Borrowings	20	15,777.89	13,216.26
(ii) Lease Liability	17	-	9.84
(iii) Trade payables			
- total outstanding dues of micro enterprises and small enterprises; and	21	2,786.91	60.74
- total outstanding dues of creditors other than micro enterprises and small enterprises	21	14,859.21	13,074.11
(iv) Other financial liabilities	22	1,436.06	1,909.67
(b) Other current liabilities	23	299.58	327.22
(c) Provisions	18	408.82	391.68
<b>Total Equity and Liabilities</b>		<b>72,794.00</b>	<b>65,405.22</b>
<b>Material Accounting Policies</b>	<b>1</b>		
<b>Explanatory Notes &amp; Other Disclosures</b>	<b>34</b>		

as per our report of even date attached  
for **Brahmayya & Co.**

Chartered Accountants  
Firm's Registration No.: 000513S

**(K Shravan)**  
Partner  
Membership No. 215798

Place: Hyderabad  
Date: 24.05.2024

For and on behalf of Board of Directors

**(E.V.S.V. Sarma)**  
Company Secretary  
M.NO.A5220

**(B M Vijaya Kumar)**  
Chief Financial Officer  
M.NO.F205473

**(L. N. Agarwal)**  
Chairman & Managing Director  
DIN: 00008721

**(Paritosh Agarwal)**  
Managing Director  
DIN: 00008738

**(Dhruv Vijai Singh)**  
Director  
DIN: 07180749

# STATEMENT OF PROFIT AND LOSS

for the year ended 31<sup>st</sup> March 2024

(All amounts in ₹ Lakhs, unless otherwise stated)

Particulars	Note No.	For the Year ended 31 March, 2024	For the Year ended 31 March, 2023
<b>I. Revenue from operations</b>	24	78,240.81	85,104.89
<b>II. Other income</b>	25	342.65	624.27
<b>III. Total Income (I+II)</b>		<b>78,583.46</b>	<b>85,729.16</b>
<b>IV. Expenses</b>			
(i) Cost of materials consumed	26	48,451.96	54,724.43
(ii) Purchases of stock-in-trade		1,395.39	26.55
(iii) Changes in inventories of finished goods stock in trade and work-in-progress	27	(1,534.43)	(970.42)
(iv) Employee benefits expense	28	6,665.11	6,436.55
(v) Finance costs	29	2,995.79	2,449.35
(vi) Depreciation and amortization expense	2,3	1,806.52	1,756.18
(vii) Other expenses	30	17,812.96	18,716.86
<b>Total expenses (IV)</b>		<b>77,593.30</b>	<b>83,139.50</b>
V. Profit / (Loss) before Exceptional Items and tax (III-IV)		990.16	2,589.66
VI. Exceptional Items	31	(367.74)	(719.36)
VII. Profit / (Loss) before tax ( V+ VI )		622.42	1,870.30
<b>VIII. Tax expense of continuing operations :</b>			
(1) Current tax		98.00	319.73
(2) Deferred tax	34.8	109.13	278.44
(3) Income tax of earlier year		54.54	-
<b>IX. Profit (Loss) for the period from continuing operations (VII-VIII)</b>		<b>360.75</b>	<b>1,272.13</b>
X. Profit/(loss) from discontinued operations	32	-	(272.97)
XI. Tax expenses of discontinued operations	32	-	(40.95)
<b>XII. Profit/(loss) from Discontinued operations (after tax) (X-XI)</b>		<b>-</b>	<b>(232.02)</b>
<b>XIII. Profit/(loss) for the period (IX+XII)</b>		<b>360.75</b>	<b>1,040.11</b>
<b>XIV. Other Comprehensive Income</b>			
A (i) Items that will not be reclassified to profit or loss	33	(85.11)	(28.42)
(ii) Income Tax relating to items that will not be reclassified to profit or loss		26.55	4.83
B (i) Items that will be reclassified to profit or loss			
(ii) Income tax relating to items that will be reclassified to profit or loss			
<b>Other comprehensive income for the year (net of tax)</b>		<b>(58.56)</b>	<b>(23.59)</b>
<b>XV. Total Comprehensive Income for the period (XIII+XIV)</b>		<b>302.19</b>	<b>1,016.52</b>
<b>XVI. Earnings per equity share (face value of ₹10/-) - Basic and Diluted</b>			
(i) for continuing operations		1.92	6.76
(ii) for discontinued operations		-	(1.23)
(iii) for discontinued & continuing operations	34.11	1.92	5.53
<b>Material Accounting policies</b>	<b>1</b>		
<b>Explanatory Notes &amp; Other Disclosures</b>	<b>34</b>		

as per our report of even date attached  
for **Brahmayya & Co.**

Chartered Accountants  
Firm's Registration No.: 000513S

**(K Shravan)**

Partner  
Membership No. 215798

Place: Hyderabad  
Date: 24.05.2024

For and on behalf of Board of Directors

**(E.V.S.V. Sarma)**

Company Secretary  
M.NO.A5220

**(B M Vijaya Kumar)**

Chief Financial Officer  
M.NO.F205473

**(L. N. Agarwal)**

Chairman & Managing Director  
DIN: 00008721

**(Paritosh Agarwal)**

Managing Director  
DIN: 00008738

**(Dhruv Vijai Singh)**

Director  
DIN: 07180749

# CASH FLOW STATEMENT

for the year ended March 31, 2024

(All amounts in ₹ Lakhs, unless otherwise stated)

Particulars	For the Year ended 31-03-2024	For the Year ended 31-03-2023
<b>A Cash flow from Operating Activities:</b>		
<b>Profit /(loss) before tax</b>		
- Continuing operation	622.42	1,870.30
- Discontinued operations	-	(272.97)
<b>Adjustments for:</b>		
Depreciation and Amortisation	1,806.52	1,756.18
Actuarial Gain/(loss) on Defined Benefit plans	(90.40)	(27.21)
Loss/ (Gain) on sale of tangible assets (net)	9.46	(42.90)
Interest Income	(91.43)	(119.07)
Excess provision and Credit balances written off	(20.58)	(8.46)
Government Grant	-	(6.56)
Bad debts and Debit Balances written off	108.42	108.98
Finance Costs	2,995.79	2,573.01
Advance Recoverable written off included in Exceptional Item	236.93	-
Right of Recompense amount included in Exceptional Item	80.01	453.08
	<b>5,657.14</b>	<b>6,284.38</b>
<b>Operating profit before working capital changes</b>		
Adjustments for (increase)/decrease in operating assets		
Inventories	(4,005.52)	736.19
Trade Receivables	(4,079.37)	890.49
Other financial assets - Non current	6.59	49.39
Loans - current	7.99	(16.02)
Other financial assets - current	753.32	(27.72)
Other non financial assets - current	(259.14)	1,241.01
Adjustments for increase/(decrease) in operating liabilities		
Trade Payables	4,526.80	1,055.05
Other financial liabilities	(724.23)	21.67
Short term provisions	17.15	(38.74)
Long term provisions	168.54	71.50
Other Non financial liabilities	(27.65)	-
<b>Cash generated from operations</b>	<b>2,041.62</b>	<b>10,267.20</b>
Income tax paid	(101.10)	(335.78)
<b>Net Cash flow from/(used in) operating activities</b>	<b>1,940.52</b>	<b>9,931.42</b>
<b>B Cash flow from Investing Activities:</b>		
Purchase of Property, plant and Equipment & Intangible assets and Capital Advances & Capital Creditors	(3,337.03)	(2,474.69)
Proceeds from sale of Property, plant and equipment (Including Assets Held for Sale)	82.80	2,918.58
Interest income Received	24.32	79.70
Changes in Other Bank Balances	690.79	(774.18)
<b>Net Cash flow from/(used in) investing activities</b>	<b>(2,539.12)</b>	<b>(250.59)</b>

# CASH FLOW STATEMENT

for the year ended March 31, 2024

(All amounts in ₹ Lakhs, unless otherwise stated)

Particulars	For the Year ended 31-03-2024	For the Year ended 31-03-2023
<b>C Cash flow from Financing Activities:</b>		
	-	-
Proceeds / (Repayments) of short term borrowings, net	3,449.81	(2,792.28)
Proceeds from Long term borrowings	2,201.75	114.51
Repayment of Long term borrowings	(2,879.56)	(4,192.06)
Interest and other borrowing costs paid	(2,773.97)	(2,876.37)
Repayment of Lease liabilities	(9.84)	(5.07)
<b>Net Cash flow from/(used in) financing activities</b>	<b>(11.81)</b>	<b>(9,751.27)</b>
<b>Net Increase in Cash and Cash equivalents (A+B+C)</b>	<b>(610.41)</b>	<b>(70.44)</b>
<b>Cash and Cash equivalents at the beginning of the period</b>	<b>628.00</b>	<b>698.44</b>
<b>Cash and Cash equivalents at the end of the period</b>	<b>17.59</b>	<b>628.00</b>

as per our report of even date attached  
for **Brahmayya & Co.**

Chartered Accountants  
Firm's Registration No.: 000513S

**(K Shravan)**  
Partner  
Membership No. 215798

Place: Hyderabad  
Date: 24.05.2024

For and on behalf of Board of Directors

**(E.V.S.V. Sarma)**  
Company Secretary  
M.NO.A5220

**(B M Vijaya Kumar)**  
Chief Financial Officer  
M.NO.F205473

**(L. N. Agarwal)**  
Chairman & Managing Director  
DIN: 00008721

**(Paritosh Agarwal)**  
Managing Director  
DIN: 00008738

**(Dhruv Vijai Singh)**  
Director  
DIN: 07180749

# STATEMENT OF CHANGES IN EQUITY

for the year ended 31<sup>st</sup> March 2024

## A. Equity Share Capital

(All amounts in ₹ Lakhs, unless otherwise stated)

Particulars	As at	As at
	31 March, 2024	31 March, 2023
At the beginning of the year	1,880.53	1,880.53
Changes in Equity Share capital due to prior period Errors	-	-
Restated Balance at the beginning of the current reporting period	1,880.53	1,880.53
Changes in equity share capital during the year	-	-
At the end of the year	1,880.53	1,880.53
Add: Forfeited Shares	177.30	177.30
<b>Total</b>	<b>2,057.83</b>	<b>2,057.83</b>

## B. Other Equity (Refer Note: 16)

Particulars	Reserves and Surplus				Accumulated Other Comprehensive Income		Total
	Capital Reserve	Securities Premium	Other Reserves	Retained Earnings	Remeasurements of net defined benefit plans	Equity Instruments through OCI	
<b>Balance as at 31 st March 2022</b>	214.35	9,851.76	5,232.85	8,085.48	(229.92)	10.15	23,164.67
Total Comprehensive Income for the year ended 31 <sup>st</sup> March 2023	-	-	63.99	1,040.11	(22.38)	(1.21)	1,080.51
<b>Balance as at 31<sup>st</sup> March 2023</b>	214.35	9,851.76	5,296.84	9,125.59	(252.30)	8.94	24,245.18
Total Comprehensive Income for the year ended 31 <sup>st</sup> March 2024	-	-	-	360.75	(62.20)	3.64	302.19
<b>Balance as at 31<sup>st</sup> March 2024</b>	214.35	9,851.76	5,296.84	9,486.34	(314.50)	12.58	24,547.37

The accompanying notes are an integral part of the financial statements.

### Nature and purpose of Reserves

- Capital Reserve** : This reserve is created on surplus arising on amalgamation of Suryakiran International Ltd.
- Securities premium**: This reserve is used to record the premium on issue of shares. The reserve is utilised in accordance with the provisions of Section 52 of the Companies Act, 2013.
- Retained Earnings**: This Reserve represents the cumulative profits of the Company. This Reserve can be utilised in accordance with the provisions of the Companies Act, 2013.
- Remeasurements of the net defined benefits plan**: This reserve comprises the cumulative net gains/ losses on actuarial valuation of post-employment obligations.
- Equity Instruments through other comprehensive income**: The Company has elected to recognise changes in the fair value of certain investment in equity instrument in other comprehensive income. This amount will be reclassified to retained earnings on derecognition of equity instrument.

as per our report of even date attached  
for **Brahmayya & Co.**

Chartered Accountants  
Firm's Registration No.: 000513S

**(K Shravan)**  
Partner  
Membership No. 215798

Place: Hyderabad  
Date: 24.05.2024

For and on behalf of Board of Directors

**(E.V.S.V. Sarma)**  
Company Secretary  
M.NO.A5220

**(B M Vijaya Kumar)**  
Chief Financial Officer  
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DIN: 00008721

**(Paritosh Agarwal)**  
Managing Director  
DIN: 00008738

**(Dhruv Vijai Singh)**  
Director  
DIN: 07180749



# NOTES FORMING PART OF THE FINANCIAL STATEMENTS

for the year ended 31<sup>st</sup> March, 2024

## CORPORATE INFORMATION

SuryaLakshmi Cotton Mills Limited (the 'company') is a public limited company domiciled and incorporated in India under the Companies Act, 1956. The registered office of the company is located at 6<sup>th</sup> Floor, Surya Towers, 105 S P Road, Secunderabad, Telangana - 500003.

The company was formed in early 1960s as a yarn manufacturing company. It has evolved today as integrated denim & yarn manufacturing textile Company.

## 1. Material ACCOUNTING POLICIES

### 1.1. Basis of Preparation and Measurement:

#### Explicit Statement of Compliance with Ind AS:

These financial statements comply in all material aspects with Indian Accounting Standards (Ind AS) notified under section 133 of the Companies Act, 2013 (the Act) and other relevant provisions of the Act.

The financial statements have been prepared on a historical cost basis, except for financial instruments which have been measured at fair value at the end of each reporting period, as explained in the accounting policies mentioned below.

These financial statements were authorised for issuance by the Company's Board of Directors on 24 May 2024.

### 1.2. Current Vs Non-current classifications:

All assets and liabilities have been classified as current or non-current as per the Company's normal operating cycle and other criteria set out in the Schedule III (Division II) to the Companies Act, 2013. Based on the nature of products and the time between the acquisition of assets for processing and their realization in cash and cash equivalents, the Company has ascertained its operating cycle as 12 months for current or non-current classification of assets and liabilities.

### 1.3. Use of Estimates, Judgements and Assumptions:

The preparation of financial statements in conformity with the Ind AS requires management to make certain estimates and assumptions that affect the amounts reported in the financial statements and notes thereto. The management believes that these estimates and assumptions are reasonable and prudent. However, actual results could differ from

these estimates. Any revision to accounting estimates is recognized prospectively in the current and future period. The application of Accounting policies that require critical accounting estimates involving complex and subjective judgments and the use of assumptions in these financial statements have been disclosed below:

- Defined benefit obligation.
- Estimation of useful life of Property, Plant and Equipment.
- Estimation of Provisions and Contingent liabilities
- Estimation of Impairment
- Recognition of Deferred taxes

### 1.4. Material accounting policies:

#### 1.4.1 Property, plant and equipment

##### ● Measurement at recognition

An item of property, plant and equipment that qualifies as an asset is measured on initial recognition at cost. Following initial recognition, items of property, plant and equipment other than land are carried at their cost less accumulated depreciation and accumulated impairment losses. Freehold land is carried at cost of acquisition.

The cost of an item of property, plant and equipment comprises the purchase price and any cost attributable to bring the asset to its location and working condition for its intended use. Borrowing costs relating to acquisition of property, plant and equipment which take substantial period to get ready for its intended use are also included to the extent they relate to the period till such assets are ready to put to use.

Items such as spare parts, stand-by equipment and servicing equipment that meet the definition of property, plant and equipment are capitalized at cost and depreciated over their useful life.

Subsequent costs are included in the asset's carrying amount or recognized as a separate asset, as appropriate, only when it is probable that future economic benefits associated with the item will flow to the Company and the

# NOTES FORMING PART OF THE FINANCIAL STATEMENTS

for the year ended 31<sup>st</sup> March, 2024

cost of the item can be measured reliably. Costs in nature of repairs and maintenance are recognized in the Statement of Profit and Loss as and when incurred.

- **Capital Work in Progress**

Cost of assets not ready for intended use, as on the Balance Sheet date, is shown as capital work in progress. Advances given towards acquisition of fixed assets outstanding at each Balance Sheet date are disclosed as Other Non-Current Assets.

- **Depreciation and amortization methods**

a) Depreciation is provided on Straight Line Method on the assets, over the useful lives specified in Schedule II to the Companies Act, 2013.

b) Depreciation on additions is being provided on pro rata basis from the date of such additions. Depreciation on assets sold, discarded or demolished during the year is being provided up to the date on which such assets are sold, discarded or demolished.

- **Impairment**

a) Assets are tested for impairment whenever events or changes in circumstances indicate that the carrying amount may not be recoverable. An impairment loss is recognized for the amount by which the asset's carrying amount exceeds its recoverable amount. The recoverable amount is the higher of an asset's fair value less cost of disposal and value in use. For the purposes of assessing impairment, assets are grouped at the lowest levels for which there are separately identifiable cash inflows which are largely independent of the cash inflows from other assets or groups of assets (cash-generating units).

b) Reversal of impairment losses recognized in prior years is recorded when there is an indication that the impairment losses recognized for the asset are no longer existing or have decreased.

- **Derecognition**

The carrying amount of an item of property, plant and equipment is derecognized on disposal or when no future economic benefits are expected from its use or disposal. The gain or loss arising from the Derecognition of an item of property, plant and equipment is measured as the difference between the net disposal proceeds and the carrying amount of the item and is recognized in the Statement of Profit and Loss when the item is derecognized.

## 1.4.2 Intangible Assets:

- **Computer Software**

Computer software is measured on initial recognition at cost. Following initial recognition, software is carried at its cost less accumulated amortization and accumulated impairment losses.

- **Amortization Methods**

The carrying amount of computer software is amortized over the useful life as estimated by the Management which is about 6 years for ERP software and 3 years all other intangible computer software assets.

- **Impairment**

a) Assets are tested for impairment whenever events or changes in circumstances indicate that the carrying amount may not be recoverable. An impairment loss is recognized for the amount by which the asset's carrying amount exceeds its recoverable amount. The recoverable amount is the higher of an asset's fair value less cost of disposal and value in use.

b) Reversal of impairment losses recognized in prior years is recorded when there is an indication that the impairment losses recognized for the asset are no longer existing or have decreased.

- **Derecognition**

The carrying amount of an intangible asset is de-recognized on disposal or when no future economic benefits are expected from

# NOTES FORMING PART OF THE FINANCIAL STATEMENTS

for the year ended 31<sup>st</sup> March, 2024

its use or disposal. The gain or loss arising from the Derecognition of an intangible asset is measured as the difference between the net disposal proceeds and the carrying amount of the intangible asset and is recognized in the Statement of Profit and Loss when the asset is derecognized.

### 1.4.3 Borrowing Costs

Borrowing costs to the extent attributable to the acquisition or construction of a qualifying fixed asset are capitalized as part of the cost of such asset till such time the asset is ready for its intended use. All other borrowing costs are recognized as expenses in the Statement of Profit and Loss in the period in which they are incurred. A qualifying asset is an asset that necessarily takes a substantial period of time to get ready for its intended use. Borrowing costs include interest (calculated using Effective Interest Method) and other cost incurred in connection with the borrowing of funds.

### 1.5. Inventories

Inventories are valued at the lower of cost and net realizable value.

Scrap is valued at Net realizable value.

The cost is computed on weighted average basis.

Cost of inventories comprises cost of purchases and includes all other costs incurred in bringing the inventories to their present location and condition. Cost of work-in-progress and finished goods comprises direct materials, direct labour and an appropriate proportion of variable and fixed overhead expenditure, the latter being allocated based on normal operating capacity.

Net realizable value is the estimated selling price in the ordinary course of business less the estimated costs of completion and the estimated costs necessary to make the sale.

Spare parts, stand-by equipment and servicing equipment are recognized in accordance with this IndAS-16 when they meet the definition of Property, Plant and Equipment. Otherwise, such items are classified as inventory.

### 1.6. 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

- **Initial recognition and measurement:**

All financial assets are recognized initially at fair value plus, in the case of financial assets other than those 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.

- **Subsequent measurement:**

For subsequent measurement, the Company classifies its financial assets into the following categories:

- (i) Amortized cost
- (ii) Fair value through profit and loss (FVTPL)
- (iii) Fair value through other comprehensive income (FVOCI).

- a) **Financial Asset measured at amortized cost**

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

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

- b) **Financial Asset measured at fair value through other comprehensive income**

Financial assets that are held within a business model whose objective is achieved by both, selling financial assets and collecting contractual cash flows that are solely payments of principal and interest, are subsequently measured at fair value through other comprehensive income. Fair value movements are recognized in

# NOTES FORMING PART OF THE FINANCIAL STATEMENTS

for the year ended 31<sup>st</sup> March, 2024

the other comprehensive income (OCI). Interest income measured using the EIR method and impairment losses, if any are recognized in the Statement of Profit and Loss. On derecognition, cumulative gain or loss previously recognized in OCI is reclassified from the equity to 'other income' in the Statement of Profit and Loss.

The company while applying above criteria has identified that there are no financial assets that can be classified at fair value through other comprehensive income. However, the company made an election to present fair value changes of investment in equity shares in other comprehensive income as per para 5.7.5 of Ind AS 109.

**c) Financial Asset measured at fair value through profit and loss (FVTPL)**

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

Financial assets are reclassified subsequent to their recognition, if the Company changes its business model for managing those financial assets. Changes in business model are made and applied prospectively from the reclassification date which is the first day of immediately next reporting period following the changes in business model in accordance with principles laid down under Ind AS 109 – Financial Instruments.

Investments in Equity shares meet the above criteria for measurement at FVTPL. However, the company made an election to present fair value changes of investment in equity shares in other comprehensive income as per para 5.7.5 of Ind AS 109. Dividend on these equity investments are recognised in Statement of Profit and loss when the Company's right to receive payment is established.

- **Impairment**

In accordance with Ind AS 109, the Company applies expected credit loss (ECL) model for measurement and recognition of impairment loss on the debt instruments, that are measured

at amortized cost e.g., loans, debt securities, deposits, trade receivables and bank balance.

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

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

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

- **Derecognition**

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

## Financial Liabilities

- **Initial Recognition and Measurement**

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

- **Subsequent Measurement**

- 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 recognized in the profit or loss. The Company doesn't designate any financial liability at fair value through profit or loss.

# NOTES FORMING PART OF THE FINANCIAL STATEMENTS

for the year ended 31<sup>st</sup> March, 2024

## b. Financial liabilities at amortized cost

All financial liabilities of the Company are subsequently measured at amortized cost using the effective interest method. For trade and other payables maturing within one year from the balance sheet date, the carrying amounts approximate fair value due to the short maturity of these instruments.

### • Derecognition

A financial liability is derecognized when the obligation specified in the contract is discharged, cancelled or expires.

## 1.7. Government Grants

The Company has received refundable government loans at below-market rate of interest which are accounted in accordance with the recognition and measurement principles of Ind AS 109, 'Financial Instruments'. The benefit of below-market rate of interest is measured as the difference between the initial carrying value of loan determined in accordance with Ind AS 109 and the proceeds received. Income from such benefit is recognized on a systematic basis over the period of the loan during which the Company recognizes interest expense corresponding to such loans.

The company has retained sales tax collected from customers under a scheme of deferral of sales tax and to be repaid, without interest, after a specified period and that retained amount is considered as unsecured loan. The benefit of Zero rate of interest is measured as the difference between the initial carrying value of the said loan amount determined in accordance with IndAS 109 and the amount collected and retained. Income from such benefit is recognized on a systematic basis over the period of the said loan during which the Company recognizes interest expense corresponding to such loans.

## 1.8. Revenue Recognition

### • Revenue from Sale of goods and services

Revenue from contracts with customers is recognised when control of the goods or services are transferred to the customer at an amount that reflects the consideration entitled in exchange for those goods or services. The Company is generally the principal as it typically controls the goods or services before transferring them to the customer.

Generally, control is transferred upon shipment of goods to the customer or when the goods is made available to the customer, provided transfer of title to the customer occurs and the Company has not retained any significant risks of ownership or future obligations with respect to the goods shipped.

Revenue from rendering of services is recognised over time by measuring the progress towards complete satisfaction of performance obligations at the reporting period.

Revenue is measured at the amount of consideration which the Company expects to be entitled to in exchange for transferring distinct goods or services to a customer as specified in the contract, excluding amounts collected on behalf of third parties (for example taxes and duties collected on behalf of the government). Consideration is generally due upon satisfaction of performance obligations and a receivable is recognised when it becomes unconditional.

The Company does not adjust short-term advances received from the customer for the effects of significant financing component if it is expected at the contract inception that the promised good or service will be transferred to the customer within a period of one year.

### • Contract Balances

#### *Trade Receivables*

A receivable represents the Company's right to an amount of consideration that is unconditional.

#### *Contract Liabilities*

A contract liability is the obligation to transfer goods or services to a customer for which the Company has received consideration (or an amount of consideration is due) from the customer. If a customer pays consideration before the Company transfers goods or services to the customer, a contract liability is recognized when the payment is made or the payment is due (whichever is earlier). Contract liabilities are recognized as revenue when the Company performs under the contract.

### • Interest / Dividend

Interest Income is recognized using the Effective interest rate (EIR) method. Dividend income is recognized when right to receive is established.

# NOTES FORMING PART OF THE FINANCIAL STATEMENTS

for the year ended 31<sup>st</sup> March, 2024

## 1.9. Leases

The Company, as a lessee, recognises a right-of-use asset and a lease liability for its leasing arrangements, if the contract conveys the right to control the use of an identified asset.

The contract conveys the right to control the use of an identified asset, if it involves the use of an identified asset and the Company has substantially all of the economic benefits from use of the asset and has right to direct the use of the identified asset. The cost of the right-of-use asset shall comprise of the amount of the initial measurement of the lease liability adjusted for any lease payments made at or before the commencement date plus any initial direct costs incurred. The right-of-use assets is subsequently measured at cost less any accumulated depreciation, accumulated impairment losses, if any and adjusted for any remeasurement of the lease liability. The right-of-use assets is depreciated using the straight-line method from the commencement date over the shorter of lease term or useful life of right-of-use asset.

The Company measures the lease liability at the present value of the lease payments that are not paid at the commencement date of the lease. The lease payments are discounted using the interest rate implicit in the lease, if that rate can be readily determined. If that rate cannot be readily determined, the Company uses incremental borrowing rate.

For short-term and low value leases, the Company recognises the lease payments as an operating expense on a straight-line basis over the lease term.

## 1.10. 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". Immaterial items pertaining to prior periods are shown under respective items in the Statement of Profit and Loss.

## 1.11. Non-current assets Held for sale and Discontinued Operations

### • Non-current Assets Held for Sales

Non-current assets are classified as held for sale if their carrying amount will be recovered principally through a sale transaction rather than through continuing use and sale is considered highly probable.

A sale is considered as highly probable when decision has been made to sell, assets are available for immediate sale in its present condition, assets are being actively marketed and sale has been agreed or is expected to be concluded within 12 months of the date of classification.

Non-current assets held for sale are neither depreciated nor amortised. Assets and liabilities classified as held for sale are measured at the lower of their carrying amount and fair value less cost of sale and are presented separately in the Balance Sheet.

### • Discontinued Operations

A discontinued operation is a component of an entity that either has been disposed of, or is classified as held for sale, and

- (a) represents a separate major line of business or geographical area of operations,
- (b) is part of a single co-ordinated plan to dispose of a separate major line of business or geographical area of operations or
- (c) is a subsidiary acquired exclusively with a view to resale.

The results of discontinued operations that relate to all operations that have been discontinued by the end of the reporting period for the latest period presented are presented separately in the statement of profit and loss under " profit/loss from discontinued operations". This presentation is made for all the periods presented.

### 1.11.1. Cash and Cash equivalents

Cash and cash equivalents include cash on hand and at bank, deposits held at call with banks, other short term highly liquid investments with original maturities of three months or less that are readily convertible to a known amount of cash which 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 as they are being considered as integral part of the Company's cash management.

# NOTES FORMING PART OF THE FINANCIAL STATEMENTS

for the year ended 31<sup>st</sup> March, 2024

## 1.12. Income taxes

Income tax expense for the year comprises of current tax and deferred tax. It is recognized in the Statement of Profit and Loss except to the extent it relates to a business combination or to an item which is recognized directly in equity or in other comprehensive income.

**Current tax** is the expected tax payable/receivable on the taxable income/ loss for the year using applicable tax rates at the Balance Sheet date, and any adjustment to taxes in respect of previous years. Interest / expenses and penalties, if any, related to income tax are included in current tax expense.

**Deferred tax** is recognized in respect of temporary differences between the carrying amount of assets and liabilities for financial reporting purposes and the corresponding amounts used for taxation purposes using tax rates enacted, or substantively enacted, by the end of the reporting period.

Deferred tax assets are recognised to the extent it is probable that taxable profit will be available against which the deductible temporary differences, and the carry forward of unused tax losses can be utilised. Deferred tax liabilities and assets are measured at the tax rates that are expected to apply in the period in which the liability is settled or the asset realised, based on tax rates (and tax laws) that have been enacted or substantively enacted by the end of the reporting period. The carrying amount of Deferred tax liabilities and assets are reviewed at the end of each reporting period.

## 1.13. Provisions and contingent liabilities

Provisions are recognized 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 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 value 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 recognized as a finance cost.

## Contingent Liabilities

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

## 1.14. Earnings per share

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

## 1.15. Foreign Currency transactions

- **Functional and Reporting Currency:**

The Company's functional and reporting currency is Indian National Rupee

- **Initial Recognition:**

Foreign currency transactions are recorded in the reporting currency, by applying to the foreign currency amounts the exchange rate between the reporting currency and the foreign currency at the date of the transaction.

- **Conversion on reporting date:**

Foreign currency monetary items are reported using the closing rate. Non-monetary items that are measured in terms of historical cost in a foreign currency are translated using the exchange rates at the dates of the initial transactions.

- **Exchange Differences:**

Exchange difference arising on the settlement of monetary items or on reporting monetary items of Company at rates different from those at which they were initially recorded during the year or reported in previous financial statements are recognized as income or as expenses in the year in which they arise.

# NOTES FORMING PART OF THE FINANCIAL STATEMENTS

for the year ended 31<sup>st</sup> March, 2024

## 1.16. Employee Benefits

### • Short-Term Employee Benefits

The undiscounted amount of short-term employee benefits expected to be paid in exchange for the services rendered by employees are recognized as an expense during the period when the employees render the services.

### • Post-Employment Benefits

#### **Defined Contribution Plan**

Employer's contribution to Provident Fund/ Employee State Insurance 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.

#### **Defined Benefit Plan**

#### a. Gratuity and compensated absences

Gratuity and compensated absences are in the nature of defined benefit obligations. These are 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 "Employee Benefits". Actuarial gain/ (loss)

in the valuation are recognized as other comprehensive income for the period.

## 1.17. Dividends

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

## 1.18. Recent Accounting Pronouncement

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

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



# NOTES FORMING PART OF THE FINANCIAL STATEMENTS

for the year ended 31<sup>st</sup> March, 2024

## 2 Property, Plant and Equipment & Intangible Assets

Particulars	(All amounts in ₹ Lakhs, unless otherwise stated)								
	GROSS BLOCK			DEPRECIATION			NET BLOCK		
	As at 31 <sup>st</sup> March 2023	Additions	Deletions	As at 31 March 2024	Upto 31 <sup>st</sup> March 2023	For the year Deletions	On 31 March 2024	As at 31 March 2024	As at 31 March 2023
<b>(A) Property, Plant and Equipment:</b>									
1 Land									
Freehold#	229.32			229.32	-			229.32	229.32
Leasehold (ROU) See note 34.16	571.87			571.87	12.87	16.78	29.65	542.22	559.00
2 Buildings:									
Factory	8,605.40	170.95		8,776.35	3,930.06	273.01	4,203.07	4,573.28	4,675.34
Non Factory Building	3,137.37			3,137.37	1,083.74	75.65	1,159.39	1,977.98	2,053.63
Township	914.93	9.64		924.57	162.41	14.54	176.95	747.62	752.52
Non Factory Building (ROU) See note 34.16	48.11			48.11	48.11		48.11	-	-
3 Plant & Machinery									
Workshop equipment	8.14			8.14	7.71	0.01	7.72	0.42	0.43
Plant and Machinery	43,148.24	2,699.08	735.21	45,113.11	30,304.69	1,083.42	30,749.19	1,4,363.92	12,843.55
Testing Equipment	576.50		1.72	574.78	488.34	23.19	509.81	64.97	88.16
Electrical Installations	6,246.95	652.16	7.73	6,891.38	3,293.79	233.26	3,519.32	3,372.06	2,953.16
Weighing Machines	49.55			49.55	39.22	2.16	41.38	8.17	10.33
Water Works	463.00			463.00	366.97	22.07	389.04	73.96	96.03
4 Furniture and Fixtures	471.26	26.96	123.95	374.27	400.01	26.85	303.43	70.84	71.25
5 Vehicles	325.96	10.77	10.46	326.27	160.28	24.32	174.66	151.61	165.68
6 Data Processing Equipment	143.62	8.12	75.24	76.50	139.71	11.06	75.23	0.96	3.91
<b>TOTAL (A)</b>	<b>64,940.22</b>	<b>3,577.68</b>	<b>953.31</b>	<b>67,564.59</b>	<b>40,437.91</b>	<b>1,806.32</b>	<b>41,387.26</b>	<b>26,177.33</b>	<b>24,502.31</b>
<b>(B) Capital Work-in-progress</b>									
<b>Total (B)</b>	<b>124.71</b>	<b>3,540.15</b>	<b>3,577.68</b>	<b>87.18</b>	-	-	-	<b>87.18</b>	<b>124.71</b>
Less: Internal transfers		(3,577.68)	(3,577.68)						
<b>Total</b>	<b>65,064.93</b>	<b>3,540.15</b>	<b>953.31</b>	<b>67,651.77</b>	<b>40,437.91</b>	<b>1,806.32</b>	<b>41,387.26</b>	<b>26,264.51</b>	<b>24,627.02</b>

#Includes 50.12 Acres of Land in the Denim Division under conversion into non agricultural use at Ramtek, Maharashtra

# NOTES FORMING PART OF THE FINANCIAL STATEMENTS

for the year ended 31<sup>st</sup> March, 2024

## 2 Property, Plant and Equipment & Intangible Assets (Contd..)

Capital work in progress (CWIP) ageing schedule as at March 31, 2024

(All amounts in ₹ Lakhs, unless otherwise stated)

Particulars	Amount in CWIP for a period of				
	Less than 1 year	1-2 years	2-3 years	More than 3 years	More than 3 years
Projects in progress	85.36	-	1.82		87.18
Projects temporarily suspended	-	-	-	-	-
<b>Total</b>	<b>85.36</b>	<b>-</b>	<b>1.82</b>		<b>87.18</b>

## 3 Other Intangible Assets

(All amounts in ₹ Lakhs, unless otherwise stated)

Sl. No	Particulars	GROSS BLOCK			AMORTISATION				NET BLOCK		
		As at 31 <sup>st</sup> March 2023	Additions	Deletions	As at 31 March 2024	Upto 31 <sup>st</sup> March 2023	For the year	On Deletions	Upto 31 March 2024	As at 31 March 2024	As at 31 March 2023
	<b>Other Intangible Assets:</b>										
	Computer Software	162.96	1.38	70.45	93.89	145.63	0.20	70.45	75.38	18.51	17.33
	<b>Total</b>	<b>162.96</b>	<b>1.38</b>	<b>70.45</b>	<b>93.89</b>	<b>145.63</b>	<b>0.20</b>	<b>70.45</b>	<b>75.38</b>	<b>18.51</b>	<b>17.33</b>

# NOTES FORMING PART OF THE FINANCIAL STATEMENTS

for the year ended 31<sup>st</sup> March, 2024

## 2 Property, Plant and Equipment & Intangible Assets

(All amounts in ₹ Lakhs, unless otherwise stated)

Particulars	GROSS BLOCK			DEPRECIATION			NET BLOCK		
	As at 31 <sup>st</sup> March 2022	Additions	Deletions	As at 31 March 2023	Upto 31 <sup>st</sup> March 2022	For the year Deletions	On 31 March 2023	As at 31 March 2023	As at 31 March 2022
<b>(A) Property, Plant and Equipment:</b>									
1 Land									
Freehold#	229.32			229.32	-			229.32	229.32
Leasehold (ROU) See note 34.16	571.87			571.87	5.07	7.80	12.87	559.00	566.80
2 Buildings:									
Factory	8,589.54	15.86		8,605.40	3,659.39	270.67	3,930.06	4,675.34	4,930.15
Non Factory Building	2,986.20	151.17		3,137.37	1,005.07	78.67	1,083.74	2,053.63	1,981.13
Township	803.08	111.85		914.93	148.76	13.65	162.41	752.52	654.32
Non Factory Building (ROU) See note 34.16	48.11			48.11	36.42	11.69	48.11	-	11.69
3 Plant & Machinery									
Workshop equipment	8.14			8.14	7.69	0.02	7.71	0.43	0.45
Plant and Machinery	42,494.41	775.67	121.84	43,148.24	29,319.73	1,055.89	70.93	12,843.55	13,174.68
Testing Equipment	574.11	2.39		576.50	464.46	23.88	488.34	88.16	109.65
Electrical Installations	5,140.01	1,106.94		6,246.95	3,097.66	196.13	3,293.79	2,953.16	2,042.35
Weighing Machines	49.15	0.40		49.55	37.26	1.96	39.22	10.33	11.89
Water Works	463.00			463.00	344.82	22.15	366.97	96.03	118.18
4 Furniture and Fixtures	436.40	34.86		471.26	386.33	13.68	400.01	71.25	50.07
5 Vehicles	278.20	143.16	95.40	325.96	216.60	30.18	160.28	165.68	61.60
6 Data Processing Equipment	140.55	5.34	2.27	143.62	138.75	0.96	139.71	3.91	1.80
7 Power lines*	553.41			553.41	525.65	27.76	553.41	-	27.76
<b>TOTAL (A)</b>	<b>63,365.50</b>	<b>2,347.64</b>	<b>219.51</b>	<b>65,493.63</b>	<b>39,593.66</b>	<b>1,755.09</b>	<b>40,991.32</b>	<b>24,502.31</b>	<b>23,971.84</b>
<b>(B) Capital Work-in-progress</b>									
<b>Total (B)</b>	<b>203.22</b>	<b>2,269.13</b>	<b>2,347.64</b>	<b>124.71</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>124.71</b>	<b>203.22</b>
Less: Internal transfers		(2,347.64)	(2,347.64)						
<b>Total</b>	<b>63,568.72</b>	<b>2,269.13</b>	<b>219.51</b>	<b>65,618.34</b>	<b>39,593.66</b>	<b>1,755.09</b>	<b>40,991.32</b>	<b>24,627.02</b>	<b>24,175.06</b>

\*Power Lines - Cost incurred by the Company, Ownership of which vests with Maharashtra State Electricity Distribution Co. Ltd.

#Includes 50.12 Acres of Land in the Denim Division under conversion into non agricultural use at Ramtek, Maharashtra

# NOTES FORMING PART OF THE FINANCIAL STATEMENTS

for the year ended 31<sup>st</sup> March, 2024

## 2 Property, Plant and Equipment & Intangible Assets (Contd..)

### Capital work in progress (CWIP) ageing schedule as at March 31, 2023

(All amounts in ₹ Lakhs, unless otherwise stated)

Particulars	Amount in CWIP for a period of				Total
	Less than 1 year	1-2 years	2-3 years	More than 3 years	
Projects in progress	122.89	1.82	-	-	124.71
Projects temporarily suspended	-	-	-	-	-
<b>Total</b>	<b>122.89</b>	<b>1.82</b>	<b>-</b>	<b>-</b>	<b>124.71</b>

## 3 Other Intangible Assets

(All amounts in ₹ Lakhs, unless otherwise stated)

Sl. No	Particulars	GROSS BLOCK			AMORTISATION			NET BLOCK			
		As at 31 <sup>st</sup> March 2022	Additions	Deletions	As at 31 <sup>st</sup> March 2023	Upto 31 <sup>st</sup> March 2022	For the year	On Deletions	Upto 31 <sup>st</sup> March 2023	As at 31 <sup>st</sup> March 2023	As at 31 <sup>st</sup> March 2022
	<b>Other Intangible Assets:</b>										
	Computer	162.96	-	-	162.96	144.54	1.09	-	145.63	17.33	18.42
	Software										
	<b>Total</b>	<b>162.96</b>	<b>-</b>	<b>-</b>	<b>162.96</b>	<b>144.54</b>	<b>1.09</b>	<b>-</b>	<b>145.63</b>	<b>17.33</b>	<b>18.42</b>

## 4 Other Financial Assets

(All amounts in ₹ Lakhs, unless otherwise stated)

Particulars	As at 31 March, 2024	As at 31 March, 2023
Deposits - Recoverable (Telephone, APSEB, Electricity, Coal deposits and others)	548.20	548.20
Security Deposit (NSC Pledged as Security for ₹10,000/- with Sales Tax Dept.)	0.10	0.10
Claims Receivables (Power & Sales Tax Subsidy, Insurance Claim)	1,016.45	1,023.05
Less Expected Credit Loss Provision	(24.00)	-
<b>Total</b>	<b>1,540.75</b>	<b>1,571.35</b>

## 4 (A) Other Non Current Assets

(All amounts in ₹ Lakhs, unless otherwise stated)

Particulars	As at 31 March, 2024	As at 31 March, 2023
Advance for Capital Items	339.96	533.32
<b>Total</b>	<b>339.96</b>	<b>533.32</b>

# NOTES FORMING PART OF THE FINANCIAL STATEMENTS

for the year ended 31<sup>st</sup> March, 2024

## 5 Inventories

(All amounts in ₹ Lakhs, unless otherwise stated)

Particulars	As at	As at
	31 March, 2024	31 March, 2023
<b>At Cost</b>		
<b>A</b> Raw materials		
- Cotton	5,184.74	2,498.78
- Yarn	1,196.89	737.32
- Polyester Staple Fibre	390.28	429.59
- Viscose Staple Fibre	94.89	155.58
<b>At lower of cost or Net Realisable Value</b>		
<b>B</b> Work-in-progress	5,443.30	3,613.74
<b>C</b> Finished goods		
Stock - in - Transit	606.64	354.14
Stock - at - Factory	4,465.14	5,471.07
Stock - in - Trade	59.21	-
<b>At Cost</b>		
<b>D</b> Stores and spares	-	
- Dyes & Chemicals	478.15	557.50
- Coal	75.51	76.72
- Other Stores & Spares	894.56	1,051.02
<b>At Realisable Value</b>		
<b>E</b> Others -Cotton & PV waste	110.46	48.79
<b>Total</b>	<b>18,999.77</b>	<b>14,994.25</b>

## 6 Investments

(All amounts in ₹ Lakhs, unless otherwise stated)

Particulars	As at	As at
	31 March, 2024	31 March, 2023
Investment in Equity Instruments at Fair Value through Other Comprehensive Income. - Quoted (Non-Trade)		
(i) Suryavanshi Spinning Mills Ltd (37,777 Equity Shares (Previous Year 37,777) of ₹10/- each )	9.90	6.22
(ii) Aananda Lakshmi spinning Mills Ltd (26,546 Equity Shares (Previous Year 26,546) of ₹10/- each )	4.07	2.32
(iii) Sheshadri Industries Ltd (37,777 Equity Shares (Previous Year 37,777) of ₹10/- each )	6.57	6.72
<b>Total</b>	<b>20.54</b>	<b>15.26</b>

(All amounts in ₹ Lakhs, unless otherwise stated)

Particulars	As at	As at
	31 March, 2024	31 March, 2023
a. Aggregate amount of Quoted Investments - Book Value	105.19	105.19
b. Aggregate amount of Quoted Investments - Market Value	20.54	15.26
c. Aggregate amount of Unquoted investments	-	-
d. Aggregate amount of impairment in value of investments	84.65	89.93

# NOTES FORMING PART OF THE FINANCIAL STATEMENTS

for the year ended 31<sup>st</sup> March, 2024

## 7 Trade Receivables

(All amounts in ₹ Lakhs, unless otherwise stated)

Particulars	As at	
	31 March, 2024	31 March, 2023
Unsecured, considered good	18,131.59	14,135.24
Less Allowance for Bad and Doubtful Debts	(179.54)	(178.15)
<b>Total</b>	<b>17,952.05</b>	<b>13,957.09</b>

(All amounts in ₹ Lakhs, unless otherwise stated)

		2023-24					
Sl. No	Particulars	Outstanding for following periods from due date of payment					Total
		Less than 6 months	6 months - 1 year	1 - 2 years	2 - 3 years	More than 3 years	
1	Undisputed Trade receivables - considered good	17,872.02	24.41	54.40	0.69	11.95	17,963.47
2	Undisputed Trade receivables - considered doubtful						
3	Disputed Trade receivables - considered good						
4	Disputed Trade receivables - considered doubtful	-	-	-	-	168.12	168.12
	<b>TOTAL :</b>	<b>17,872.02</b>	<b>24.41</b>	<b>54.40</b>	<b>0.69</b>	<b>180.07</b>	<b>18,131.59</b>
	<b>Provision for doubtful debts / credit losses</b>					<b>179.54</b>	<b>179.54</b>
	<b>Net Trade receivables</b>	<b>17,872.02</b>	<b>24.41</b>	<b>54.40</b>	<b>0.69</b>	<b>0.53</b>	<b>17,952.05</b>

(All amounts in ₹ Lakhs, unless otherwise stated)

		2022-23					
Sl. No	Particulars	Outstanding for following periods from due date of payment					Total
		Less than 6 months	6 months - 1 year	1 - 2 years	2 - 3 years	More than 3 years	
1	Undisputed Trade receivables - considered good	13,355.79	363.70	46.33	19.35	0.14	13,785.31
2	Undisputed Trade receivables - considered doubtful					-	-
3	Disputed Trade receivables - considered good					-	-
4	Disputed Trade receivables - considered doubtful					349.93	349.93
	<b>TOTAL :</b>	<b>13,355.79</b>	<b>363.70</b>	<b>46.33</b>	<b>19.35</b>	<b>350.07</b>	<b>14,135.24</b>
	<b>Provision for doubtful debts / credit losses</b>					<b>178.15</b>	<b>178.15</b>
	<b>Net Trade receivables</b>	<b>13,355.79</b>	<b>363.70</b>	<b>46.33</b>	<b>19.35</b>	<b>171.92</b>	<b>13,957.09</b>

# NOTES FORMING PART OF THE FINANCIAL STATEMENTS

for the year ended 31<sup>st</sup> March, 2024

## 8 Cash and cash equivalents

(All amounts in ₹ Lakhs, unless otherwise stated)

Particulars	As at	As at
	31 March, 2024	31 March, 2023
Balances with banks		
- In current accounts	15.26	13.92
- Term deposits with original maturity of less than 3months	-	600.00
Cash on hand	2.33	14.07
Post office Savings Bank	-	0.01
<b>Total</b>	<b>17.59</b>	<b>628.00</b>

## 9 Other Bank Balances

(All amounts in ₹ Lakhs, unless otherwise stated)

Particulars	As at	As at
	31 March, 2024	31 March, 2023
Balances with Banks		
- Margin money deposits (on LCs and Bank Guarantees) with balance maturity of less than 12 months	878.17	1,566.76
- Unpaid Dividend Accounts	1.46	3.66
<b>Total</b>	<b>879.63</b>	<b>1,570.42</b>

## 10 Loans (Unsecured, considered good)

(All amounts in ₹ Lakhs, unless otherwise stated)

Particulars	As at	As at
	31 March, 2024	31 March, 2023
Advances to staff(including advances to officers)	17.65	25.64
<b>Total</b>	<b>17.65</b>	<b>25.64</b>

Disclosure pursuant to Note no.B(V)(iv) of Part I of Division II of Schedule III

(All amounts in ₹ Lakhs, unless otherwise stated)

Particulars	As at	As at
	31 March, 2024	31 March, 2023
Other officers of the Company	11.41	19.57
<b>Total</b>	<b>11.41</b>	<b>19.57</b>

## 11 Other financial assets (Unsecured, considered good)

(All amounts in ₹ Lakhs, unless otherwise stated)

Particulars	As at	As at
	31 March, 2024	31 March, 2023
Other advances	1,065.64	1,304.83
Interest Accrued	67.04	88.92
Interest subsidy receivable	580.69	1,242.75
Deposits recoverable	2.69	2.69
<b>Total</b>	<b>1,716.06</b>	<b>2,639.19</b>

# NOTES FORMING PART OF THE FINANCIAL STATEMENTS

for the year ended 31<sup>st</sup> March, 2024

## 12 Current tax assets (net)

(All amounts in ₹ Lakhs, unless otherwise stated)

Particulars	As at	As at
	31 March, 2024	31 March, 2023
Advance Income tax & TDS Receivable (Net of provision)	189.25	240.68
<b>Total</b>	<b>189.25</b>	<b>240.68</b>

## 13 Other current assets (Unsecured, considered good)

(All amounts in ₹ Lakhs, unless otherwise stated)

Particulars	As at	As at
	31 March, 2024	31 March, 2023
Advance for purchase of raw material, stores and capital goods	1,778.68	1,566.65
Balance with Statutory Authorities	2,216.70	1,947.90
Prepaid Expenses	279.88	238.90
Export Benefit Entitlement Receivable	354.86	617.55
CVD Refund Receivable :	-	-
(i) At ICD Nagpur	134.34	134.34
(ii) At JNPT, Mumbai	5.49	5.49
<b>Total</b>	<b>4,769.95</b>	<b>4,510.83</b>

## 14 Assets Held for Sale

(All amounts in ₹ Lakhs, unless otherwise stated)

Particulars	As at	As at
	31 March, 2024	31 March, 2023
<b>Property Plant &amp; Equipment</b>		
Plant and Equipment - Garment	67.78	74.84
<b>Total</b>	<b>67.78</b>	<b>74.84</b>

## 15 Equity Share Capital

(All amounts in ₹ Lakhs, unless otherwise stated)

Particulars	As at	As at
	31 March, 2024	31 March, 2023
<b>a. Authorised:</b>		
3,00,00,000 Equity Shares of ₹10/- each	3,000.00	3,000.00
2,00,000 5% Non Cumulative Reddemable Preference Share of ₹100/- each	200.00	200.00
6,72,000 10% Cumulative Reddemable Preference Share of ₹100/- each	672.00	672.00
	<b>3,872.00</b>	<b>3,872.00</b>
<b>b. Issued:</b>		
2,32,01,556 Equity Shares of ₹10/- each	2,320.16	2,320.16
2,00,000 5% Non Cumulative Reddemable Preference Share of ₹100/- each	200.00	200.00
5,00,000 10% Cumulative Reddemable Preference Share of ₹100/- each	500.00	500.00
	<b>3,020.16</b>	<b>3,020.16</b>
<b>c. Subscribed and fully paid:</b>		
1,88,05,290 (Previous year 1,88,05,290) Equity Shares of ₹10 each	1,880.53	1,880.53
Add: Forfeited Shares	177.30	177.30
	<b>2,057.83</b>	<b>2,057.83</b>



# NOTES FORMING PART OF THE FINANCIAL STATEMENTS

for the year ended 31<sup>st</sup> March, 2024

## 15 Equity Share Capital (Contd..)

### a. Reconciliation of Equity Shares outstanding at the beginning and at the end of the reporting period

(All amounts in ₹ Lakhs, unless otherwise stated)

Particulars	As at 31 March, 2024		As at 31 March, 2023	
	No. of shares	Amount	No. of shares	Amount
Shares outstanding at the beginning of the year	1,88,05,290	1,880.53	1,88,05,290	1,880.53
Add: Shares issued during the year	-	-	-	-
Shares outstanding at the end of the year	<b>1,88,05,290</b>	<b>1,880.53</b>	<b>1,88,05,290</b>	<b>1,880.53</b>

### b. Terms/ rights attached to equity shares

- The company has only one class of equity shares having a face value of ₹ 10 per share.
- Each holder of equity share is entitled to one vote per share.
- The dividends recommended by the Board of Directors if any, are subject to the approval of the shareholders in the ensuing Annual General Meeting.
- In the event of liquidation of the Company, the equity share holders are entitled to receive the remaining assets of the Company after distribution of all preferential claims, in proportion to the number of shares held.

### c. Shareholding of promoters

Shares held by promoters at the year end	As at 31 March, 2024			As at 31 March, 2023		
	No. of Shares	% of total shares	% Change during the year	No. of Shares	% of total shares	% Change during the year
Promoter Name						
Late Smt Satyabhama Bai	1,000	0.01%	(99.97%)	30,23,032	16.08%	-
Sri. LN Agarwal	48,39,348	25.73%	166.00%	18,19,316	9.67%	0.00%
Sri. Paritosh Agarwal	19,71,272	10.48%	0.00%	19,71,272	10.48%	0.00%
Smt Padmini Agarwal	12,95,715	6.89%	0.00%	12,95,715	6.89%	0.00%
Sri. Vedant Agarwal	23,22,664	12.35%	0.00%	23,22,664	12.35%	0.00%
LN Agarwal (HUF)	4,01,890	2.14%	-	4,01,890	2.14%	-
LN Agarwal (Family Trust)	4,93,000	2.62%	0.00%	4,93,000	2.62%	0.00%
Paritosh Agarwal (HUF)	1,33,000	0.71%	0.00%	1,33,000	0.71%	0.00%
<b>Total :</b>	<b>1,14,57,889</b>	<b>60.93%</b>	<b>(0.01%)</b>	<b>1,14,59,889</b>	<b>60.94%</b>	<b>0.00%</b>

- 2,00,000 5% Non Cumulative Redeemable Preference Share of ₹100/- each and 5,00,000 10% Cumulative Redeemable Preference Share of ₹100/- each were issued and reclassified as Financial Liability and shown as Unsecured Loan. (Refer Note:17)

# NOTES FORMING PART OF THE FINANCIAL STATEMENTS

for the year ended 31<sup>st</sup> March, 2024

## 16 Other Equity

(All amounts in ₹ Lakhs, unless otherwise stated)

Particulars	As at	
	31 March, 2024	31 March, 2023
A. Capital Reserve	214.35	214.35
B. Securities Premium	9,851.76	9,851.76
C. Other Reserves		
Capital Redemption Reserve	2.09	2.09
Preference Capital Redemption Reserve	671.60	671.60
General Reserve	4,260.81	4,260.81
Equity portion on Preference shares	131.02	131.02
Equity portion on unsecured loan from Directors	231.32	231.32
<b>Other Reserves</b>	<b>5,296.84</b>	<b>5,296.84</b>
D. Retained Earnings	9,486.33	9,125.59
E. Accumulated Other Comprehensive Income		
Remeasurements of net defined benefit plans	(314.50)	(252.30)
Equity Instruments through OCI	12.58	8.94
<b>Accumulated Other Comprehensive Income</b>	<b>(301.93)</b>	<b>(243.36)</b>
<b>Total</b>	<b>24,547.37</b>	<b>24,245.18</b>

## 17 Borrowings

(All amounts in ₹ Lakhs, unless otherwise stated)

Particulars	Non-current portion		Current Maturities	
	31 <sup>st</sup>	31 <sup>st</sup>	31 <sup>st</sup>	31 <sup>st</sup>
	March 2024	March 2023	March 2024	March 2023
<b>Secured</b>				
<b>(i) Term loans:</b>				
(a) from banks (TUFS)				
(i) Union Bank of India (erstwhile Andhra Bank (40Crores)	-	235.65	-	219.73
(ii) IDBI Bank Ltd (40 Crores)	-	197.92	-	173.79
(iii) Exim Bank	-	-	-	110.93
(b) from banks (Non TUFS)				
(i) DBS Bank of India Ltd., (erstwhile Lakshmi Vilas Bank Ltd)	-	92.52	-	103.13
(ii) Axis Bank Limited	-	226.98	-	408.00
(iii) South Indian Bank Limited	-	169.84	-	280.00
(iv) State Bank of India (21 Crores)	1,276.13	-	375.00	-
(c) from others				
(i) Vehicle loans	86.21	115.98	-	-
(ii) Candi Solar IN 1 Private Limited	1,180.01	825.97	187.57	99.40
<b>Unsecured</b>				
(a) Preference Shares (Issued to Related parties, at amortised cost)				
- 2,00,000 5% Non-Cumulative Redeemable Preference shares of ₹100/- each	163.07	148.92	-	-
- 5,00,000 10% Cumulative Redeemable Preference shares of ₹100/- each	500.00	500.00	-	-
(b) Loans from related parties				
- from Directors	3,051.87	3,051.89	-	-
- Inter-corporate Deposits	555.14	990.24	-	-
(c) Deferred Payment liabilities				
- Sales Tax Deferment	-	-	-	55.76
<b>Total (i)</b>	<b>6,812.43</b>	<b>6,555.91</b>	<b>562.57</b>	<b>1,450.74</b>
<b>(ii) Lease Obligations</b>				
- Lease Liability (relating to ROU asset) See note 34.16	-	-	-	9.84

# NOTES FORMING PART OF THE FINANCIAL STATEMENTS

for the year ended 31<sup>st</sup> March, 2024

## 17 Borrowings (Contd..)

- A.** All the installments falling due within 12 months from the date of Balance Sheet have been classified as current maturities, the aggregate amounts are shown under 'Short Term Borrowings'.
- B.**
- The term loan referred at (a)(i) above is secured by mortgage of (present & future) movable and immovable properties of the company on first charge pari passu & second charge pari passu on the current assets of the company with existing term lenders and guaranteed by two directors of the company in their personal capacities.
  - The term loans referred at (a)(ii) to (a)(iii) and b(i) to b(iv) above are secured by mortgage of (present & future) movable and immovable properties of the company on first charge pari passu & second charge pari passu on the current assets of the company with existing term lenders and guaranteed by three directors of the company in their personal capacities.
- C.**
- Vehicle loans are secured by hypothecation of the respective vehicles and guaranteed by one of the directors of the company.
  - Term loan from Candi Solar IN 1 Pvt Ltd., is secured by hypothecation of Solar Plant situated at Spinning Division, Amangallu.

### D. Terms of Repayment:

(All amounts in ₹ Lakhs, unless otherwise stated)

Particulars	Rate of Interest	As at 31 March, 2024		As at 31 March, 2023	
		No of Instalments due	Amount	No of Instalments due	Amount
Term loans:					
(a) from banks (TUFS)					
(i) Union Bank of India (erstwhile Andhra Bank (40Crores))	10.95%	-	-	5	455.38
(ii) IDBI Bank Ltd (40 Crores)	12.11%	-	-	4	371.71
(iii) Exim Bank	10.95%	-	-	2	110.93
(b) from banks (Non TUFS)					
(i) D B S Bank India Ltd., (erstwhileLakshmi Vilas Bank Ltd.)	9.85%	-	-	6	195.65
(ii) Axis Bank Limited	9.85%	-	-	10	634.98
(iii) South Indian Bank Limited	11.10%	-	-	9	449.84
(iv) State Bank of India - (21 Crores)	10.50%	13	1,651.13	-	-
(c) From others					
(i) Candi Solar IN 1 Pvt Ltd.	10.00%	70	825.97	82	925.37
(ii) Candi Solar IN 1 Pvt Ltd.	10.00%	66	541.61	-	-

### E. Redemption terms of the Preference Shares

No of shares	Date of Repayment	Purpose
2,00,000 of ₹ 100/- each	30.06.2026*	These shares are issued to the preference shareholders of erstwhile Suryakiran International Ltd., as per the scheme of amalgamation.
5,00,000 of ₹ 100/- each	18.08.2026	These shares are issued to part finance Company's spinning project at Amravathi, Near Nagpur, Maharashtra.

(\* The repayment date of Preference shares which was earlier 21.12.2021, was extended as per terms of Restructuring of credit facilities sanctioned by the SBI led Consortium of Bankers.

# NOTES FORMING PART OF THE FINANCIAL STATEMENTS

for the year ended 31<sup>st</sup> March, 2024

## 17 Borrowings (Contd..)

### F. Repayment Terms of Loans from related parties

Particulars	Rate of Interest	Repayment Terms
- from Directors	7%	Repayable after three years
- Inter-corporate Deposits	9%	Repayable after three years

## 18 Provisions

(All amounts in ₹ Lakhs, unless otherwise stated)

Particulars	Non-current portion		Current Maturities	
	As at 31 <sup>st</sup> March 2024	As at 31 <sup>st</sup> March 2023	As at 31 <sup>st</sup> March 2024	As at 31 <sup>st</sup> March 2023
<b>Provision for employee benefits</b>				
Gratuity (unfunded)	975.00	800.21	170.00	150.35
Compensated absences (unfunded)	76.11	82.36	20.89	29.10
Bonus	-	-	217.93	212.23
<b>Total</b>	<b>1,051.11</b>	<b>882.57</b>	<b>408.82</b>	<b>391.68</b>

## 19 Deferred Tax

(All amounts in ₹ Lakhs, unless otherwise stated)

Particulars	As at 31 <sup>st</sup> March 2024	Recognised in		As at 31 March 2023
		Statement of Profit & Loss (both continuing and discontinued operations)	Recognised in Other Comprehensive Income	
<b>Deferred Tax Liabilities</b>				
Property, Plant & Equipment (including ROU assets) & Intangible assets and Assets Held for Sale	4,316.97	355.29	-	3,961.68
Fair Value adjustments of financial liabilities	11.52	(10.69)	1.65	20.56
	<b>4,328.49</b>	<b>346.60</b>	-	<b>3,982.24</b>
<b>Deferred Tax Assets</b>				
Other Financial Current Assets	31.48	-	-	31.48
Fair Value adjustments of financial liabilities	25.65	8.02	-	17.63
Unused Tax Losses	68.03	68.03	-	-
Expected Credit Loss	40.87	7.20	-	33.67
Employee Benefits & Statutory Liabilities allowed on Payment Basis	471.98	46.22	28.20	397.56
MAT Credit entitlement	<b>933.69</b>	<b>106.00</b>	-	<b>827.69</b>
	1,571.70	235.47	28.20	1,308.03
<b>Net Deferred Tax Liability/(Asset)</b>	<b>2,756.79</b>	<b>109.13</b>	<b>(26.55)</b>	<b>2,674.21</b>

# NOTES FORMING PART OF THE FINANCIAL STATEMENTS

for the year ended 31<sup>st</sup> March, 2024

## 20 Short term Borrowings

(All amounts in ₹ Lakhs, unless otherwise stated)

Particulars	As at	As at
	31 March, 2024	31 March, 2023
<b>A. Secured (payable on demand)</b>		
<b>(i) from banks</b>		
(a) State Bank of India		
Cash Credit	8,275.97	6,013.48
Packing Credit	2,101.43	2,101.58
(b) Punjab National Bank		
Cash Credit	1,596.42	-
(c) Union Bank of India (erstwhile Andhra Bank)		
Cash Credit	826.91	911.51
(d) IDBI Bank Ltd		
Cash Credit	-	393.46
(e) D B S Bank India Ltd., (erstwhile Lakshmi Vilas Bank Ltd)		
Cash Credit	1,269.25	1,417.67
<b>Total</b>	<b>14,069.98</b>	<b>10,837.70</b>
<b>(ii) Current Maturities of Long-term debt (Refer Note - 17)</b>	<b>562.57</b>	<b>1,450.74</b>
<b>Total (A)</b>	<b>14,632.55</b>	<b>12,288.44</b>
<b>B. Unsecured</b>		
From others:		
(i) Bills Discounted	1,145.34	927.82
<b>Total (B)</b>	<b>1,145.34</b>	<b>927.82</b>
<b>Total (A+B)</b>	<b>15,777.89</b>	<b>13,216.26</b>

### a. Secured:

Working capital loans from (a) to (e) 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.

## 21 Trade payables

(All amounts in ₹ Lakhs, unless otherwise stated)

Particulars	As at	As at
	31 March, 2024	31 March, 2023
dues of micro, small and medium enterprises	2,786.91	60.74
dues of creditors other than micro enterprises and small enterprises	14,859.21	13,074.11
<b>Total</b>	<b>17,646.12</b>	<b>13,134.85</b>

# NOTES FORMING PART OF THE FINANCIAL STATEMENTS

for the year ended 31<sup>st</sup> March, 2024

## 21 Trade payables (Contd..)

(All amounts in ₹ Lakhs, unless otherwise stated)

Sl. No	Particulars	2023-24				Total
		Outstanding for following periods from due date of payment				
		Less than 1 year	1 - 2 years	2 - 3 years	More than 3 years	
1	msME	2,786.91	-	-	-	2,786.91
2	Others	14,474.19	227.43	26.63	130.96	14,859.21
3	Disputed dues - msME	-	-	-	-	-
4	Disputed dues - Others	-	-	-	-	-
	<b>TOTAL :</b>	<b>17,261.10</b>	<b>227.43</b>	<b>26.63</b>	<b>130.96</b>	<b>17,646.12</b>

(All amounts in ₹ Lakhs, unless otherwise stated)

Sl. No	Particulars	2022-23				Total
		Outstanding for following periods from due date of payment				
		Less than 1 year	1 - 2 years	2 - 3 years	More than 3 years	
1	msME	60.74	-	-	-	60.74
2	Others	12,746.91	156.56	46.00	124.64	13,074.11
3	Disputed dues - msME	-	-	-	-	-
4	Disputed dues - Others	-	-	-	-	-
	<b>TOTAL :</b>	<b>12,807.65</b>	<b>156.56</b>	<b>46.00</b>	<b>124.64</b>	<b>13,134.85</b>

## 22 Other financial liabilities

(All amounts in ₹ Lakhs, unless otherwise stated)

Particulars	As at	As at
	31 March, 2024	31 March, 2023
i. Interest accrued but not due	255.68	562.12
ii. Dues to others	734.86	902.82
iii. Creditors for capital goods	44.84	47.61
iv. Employee benefits payable	399.22	393.46
v. Unpaid Dividend	1.46	3.66
<b>Total</b>	<b>1,436.06</b>	<b>1,909.67</b>

## 23 Other current liabilities

(All amounts in ₹ Lakhs, unless otherwise stated)

Particulars	As at	As at
	31 March, 2024	31 March, 2023
i. Advances from customers	126.42	132.99
ii. Statutory remittances	102.88	136.89
iii. Contributions to PF & ESI	40.59	27.65
iv. Advances received against Sale of Plant & Machinery	29.69	29.69
<b>Total</b>	<b>299.58</b>	<b>327.22</b>

# NOTES FORMING PART OF THE FINANCIAL STATEMENTS

for the year ended 31<sup>st</sup> March, 2024

## 24 Revenue from operations

(All amounts in ₹ Lakhs, unless otherwise stated)

Particulars	For the Year ended 31 March, 2024	For the Year ended 31 March, 2023
<b>(A) Sale of products (net of GST) *</b>		
a. Yarn	39,350.85	47,206.54
b. Fabric	45,861.00	46,207.77
<b>Less:</b>		
Inter Division sale - Yarn	8,973.07	10,242.19
Inter Division sale - Waste	69.22	24.49
<b>(B) Sale of Services</b>		
a. Job work	1.70	2.13
<b>(C) Other Operating Revenue</b>		
a. Sale of Waste	984.41	1,060.61
b. Export Benefit entitlement	1,043.05	858.14
c. Packing & Forwarding collection charges	12.91	9.69
d. Scrap Sales	29.18	26.69
<b>Total</b>	<b>78,240.81</b>	<b>85,104.89</b>

\* Net of rejections and returns

## 25 Other Income

(All amounts in ₹ Lakhs, unless otherwise stated)

Particulars	For the Year ended 31 March, 2024	For the Year ended 31 March, 2023
<b>(A) Interest Income on</b>		
a. Interest Income from Bank Deposits	56.80	71.52
b. Interest Income from Others	34.55	47.55
<b>(B) Other Non-operating Income (Net of Expenses)</b>		
a. Rent Received	12.09	8.93
b. Provisions written back:	-	
i. Credit Balances written back	15.53	38.15
ii. Excess Provision written back	5.06	2.28
c. Gain on Foreign currency transactions (Net)	180.51	427.49
d. Miscellaneous Receipts (Net)	31.37	6.13
e. Profit on sale Assets	6.74	15.66
f. Government Grant	-	6.56
<b>Total</b>	<b>342.65</b>	<b>624.27</b>

## 26 Cost of materials consumed

(All amounts in ₹ Lakhs, unless otherwise stated)

Particulars	For the Year ended 31 March, 2024	For the Year ended 31 March, 2023
Opening Stock	3,821.27	5,622.37
Add: Purchases during the year	51,654.39	53,079.67
	<b>55,475.66</b>	<b>58,702.04</b>
Less: Value of Raw Materials sold	-	<b>156.34</b>
Less: Reclassification to Exceptional Item (See note 31)	156.90	-
Less: Closing Stock	6,866.80	3,821.27
<b>TOTAL</b>	<b>48,451.96</b>	<b>54,724.43</b>

# NOTES FORMING PART OF THE FINANCIAL STATEMENTS

for the year ended 31<sup>st</sup> March, 2024

## 26 Cost of materials consumed (Contd..)

### Details of raw materials consumed

(All amounts in ₹ Lakhs, unless otherwise stated)

Particulars	For the Year ended 31 March, 2024	For the Year ended 31 March, 2023
Cotton	31,189.26	35,615.00
Yarn	4,556.34	3,619.38
Polyster Staple Fibre	9,928.66	10,899.08
Viscose Staple Fibre	2,777.70	4,590.97
	<b>48,451.96</b>	<b>54,724.43</b>

## 27 Changes in inventories of finished goods and work-in-progress

(All amounts in ₹ Lakhs, unless otherwise stated)

Particulars	For the Year ended 31 March, 2024	For the Year ended 31 March, 2023
<b>Opening Stock:</b>		
Yarn	1,724.98	1,422.58
Fabric	4,100.23	3,489.76
Work-in-progress	3,613.74	3,556.05
Cotton Waste	48.79	48.93
	<b>9,487.74</b>	<b>8,517.32</b>
<b>Less: Closing Stock:</b>		
Yarn	1,359.34	1,724.98
Fabric	3,771.65	4,100.23
Work-in-progress	5,443.30	3,613.74
Cotton Waste	110.46	48.79
	<b>10,684.75</b>	<b>9,487.74</b>
	<b>(1,197.01)</b>	<b>(970.42)</b>
Less: Reclassification to Exceptional Item (See note 31)	337.42	-
<b>(Increase)/ Decrease in stocks</b>	<b>(1,534.43)</b>	<b>(970.42)</b>

## 28 Employee Benefits Expense

(All amounts in ₹ Lakhs, unless otherwise stated)

Particulars	For the Year ended 31 March, 2024	For the Year ended 31 March, 2023
Salaries and Wages	5,784.14	5,618.07
Contribution to provident funds	388.81	348.14
Gratuity, bonus and incentives	150.58	133.53
Staff welfare expenses	236.14	234.18
Contribution to ESI	105.44	102.63
<b>Total</b>	<b>6,665.11</b>	<b>6,436.55</b>



# NOTES FORMING PART OF THE FINANCIAL STATEMENTS

for the year ended 31<sup>st</sup> March, 2024

## 29 Finance Costs

(All amounts in ₹ Lakhs, unless otherwise stated)

Particulars	For the Year ended 31 March, 2024	For the Year ended 31 March, 2023
Interest on Borrowings	1,846.84	1,579.80
Interest on liability component of Preference Shares	46.15	50.92
Other Borrowing cost	1,102.80	812.23
Unwinding of Interest on Sales Tax deferment	-	6.40
<b>Total</b>	<b>2,995.79</b>	<b>2,449.35</b>

## 30 Other Expenses

(All amounts in ₹ Lakhs, unless otherwise stated)

Particulars	For the Year ended 31 March, 2024	For the Year ended 31 March, 2023
Consumption of stores & spare parts		
(i) Consumable Stores	632.39	705.43
(ii) Dyes and Chemicals	4,153.74	4,896.45
(iii) Packing Material Consumed	647.56	726.63
Power and fuel		
(i) Electricity Charges	5,674.08	5,371.27
(ii) Fuel Consumed	1,097.06	1,318.19
Rent	16.93	20.38
Security Charges	42.00	40.67
Rates & taxes	82.91	165.16
Printing & Stationery	8.64	7.83
Postage, Telegrams & Telephones	72.27	71.42
Travelling & Conveyance	175.64	169.87
Directors' Sitting fees & Travelling expenses	6.12	7.38
Advertisements	2.60	6.09
Expenses on Sales	1,057.08	1,305.44
Commission on Sales	392.87	395.63
Insurance	257.06	230.26
Legal & Professional Charges	230.05	223.90
Payments to auditors :		
- As auditor	4.06	4.06
- for Tax Audit	0.65	0.65
- for Other Services	0.67	1.26
- Cost Auditor	1.20	0.80
Repairs to :		
- Buildings	31.53	29.16
- Machinery	945.90	876.62
- Other Assets	286.33	350.95
Vehicle Maintenance	45.94	49.01
Upkeep & Maintenance	1,082.85	913.41
Miscellaneous Expenses	257.85	265.25
Expenses on Corporate Social Responsibility	10.89	19.40
Donations	12.99	24.09
Loss on Sale of Assets	16.20	27.73
Bad debts and Debit Balances written off	108.42	108.98
Other Manufacturing expenses	277.80	207.54
Claims Written Off	32.12	3.97
Managerial remuneration	148.56	171.98
<b>Total</b>	<b>17,812.96</b>	<b>18,716.86</b>

# NOTES FORMING PART OF THE FINANCIAL STATEMENTS

for the year ended 31<sup>st</sup> March, 2024

## 31 Exceptional Items

(All amounts in ₹ Lakhs, unless otherwise stated)

Particulars	For the Year ended 31 March, 2024	For the Year ended 31 March, 2023
Exceptional Items (Refer note below)	(367.74)	(719.36)
<b>Total</b>	<b>(367.74)</b>	<b>(719.36)</b>

### Note:

For the year ended 31 March, 2024

#### a) Fire Accident

On June 22, 2023, there was a fire accident in one of the godowns of Denim Division at Ramtek in Maharashtra. There were no human casualties reported. Evacuation team conducted successful evacuation of persons present in at the time of fire. After preliminary investigation, it was found that the cause of fire was due to short circuit.

Consequent to the above, during the year ended March 31, 2024, the carrying value of inventories of ₹ 393.55 lakhs (including expenses incurred and GST reversals) and carrying value of property plant and equipment of ₹ 51.20 Lakhs has been written off in the statement of profit and loss.

The Company received ₹ 393.95 Lakhs (including salvage value) from the Insurance Company for the claim lodged against the fire accident. Accordingly, the balance unrecoverable amount of ₹ (50.80) Lakhs is shown as an exceptional loss.

b) ₹ (80.01) Lakhs on account of Interest Paid on Right of Recompense ("ROR") to Banks.

c) ₹ (236.92) Lakhs on account of write off of Advance Recoverable form Rajvir Industries

For the year ended 31 March, 2023

a) Interest paid on ROR to banks of ₹ (453.08) Lakhs

b) Arrears of wages of ₹ (204.16) Lakhs

c) Claims written off of ₹ (62.12) Lakhs

## 32 Profit/(loss) from discontinued operations (See note 34.12)

(All amounts in ₹ Lakhs, unless otherwise stated)

Particulars	For the Year ended 31 March, 2024	For the Year ended 31 March, 2023
Sale of Products		-
Other Income		4.57
<b>Revenue from discontinued operations (A)</b>	<b>-</b>	<b>4.57</b>
Cost of materials consumed		-
Changes in inventories of finished goods and work-in-progress		-
Employee benefits expense		13.91
Finance costs		176.22
Depreciation and amortization expense		-
Impairment Loss		-
Other expenses		87.41
<b>Expenses of discontinued operations (B)</b>	<b>-</b>	<b>277.54</b>
(i) Profit/(loss) of discontinued operations before tax (A-B)	-	(272.97)
<b>Total Profit/(loss) of discontinued operations before tax (i) + (ii) (C)</b>	<b>-</b>	<b>(272.97)</b>
<b>Tax expense</b>		
- on (i) above	-	(40.95)
<b>Tax expenses of discontinued operations (D)</b>	<b>-</b>	<b>(40.95)</b>
<b>Total (C-D)</b>	<b>-</b>	<b>(232.02)</b>

## 33 Items that will not be reclassified to profit or loss

(All amounts in ₹ Lakhs, unless otherwise stated)

Particulars	For the Year ended 31 March, 2024	For the Year ended 31 March, 2023
Remeasurements of defined benefit plans	(90.40)	(27.21)
Equity Instruments through Other Comprehensive Income	5.29	(1.21)
Income Tax on items that will not be reclassified to the Profit or Loss	26.55	4.83
<b>Total</b>	<b>(58.56)</b>	<b>(23.59)</b>

# NOTES FORMING PART OF THE FINANCIAL STATEMENTS

for the year ended 31<sup>st</sup> March, 2024

## Explanatory Notes & Other Disclosures

### 34.1 Contingent Liabilities and commitments not provided for in respect of:

(All amounts in ₹ Lakhs, unless otherwise stated)

Sl	Particulars	As at	As at
		31.03.2024	31.03.2023
(i)	Against Foreign & Inland Letters of Credit	2,799.68	4,260.00
(ii)	Against Bank Guarantees	937.27	871.18
(iii)	Disputed demand from Customs department towards differential custom duty on garments exported. The Case is pending for hearing with Hon'ble High Court of Judicature of Telangana at Hyderabad.	61.49	61.49
(iv)	TSPDCL raised demand for Interest/Late payment of charges/dues on the company arising out of delayed receipt of incentive from State Government. The Company is of the opinion that this liability may not arise as there was no delay in payment of dues from Company.	701.25	862.15
(v)	Company purchased power from Power exchange for its Spinning division at Amanagallu, Mahboobnagar District, Telangana. TSPDCL imposed Cross subsidy to be paid on power drawn from power exchange at the rate of ₹ 1.29 per unit. On a challenge by the Company of the Order of TSERC, the Hon'ble High Court of Telangana was pleased to stay the cross subsidy rate of ₹1.29 per unit and allowing the Writ petition, directed the DISCOM to levy only 30 paise per Unit. Accordingly the Company has been advised that no liability on account of the differential cross subsidy of ₹ 0.99 paise per unit is likely to arise.	437.27	438.22
(vi)	Cases relating to Industrial disputes with workers pending at labour and Industrial Courts, Nagpur	480.47	463.74
(vii)	Cases relating to Demand for Gram Panchayat Tax raised by Nagardhan Gram Panchayat over and above agreement with them pending before Divisional Commissioner, Maharashtra State, Nagpur.	126.98	103.89
(viii)	Dy Commissioner of Sales Tax, Nagpur, (VAT-E005) has passed Assessment order for Financial Year 2013-14 and disallowed VAT input tax credit on purchase of Coal as Raw material and raised tax demand with interest. The Company has filed appeal with Commissioner of Sales Tax (Appeals) and is of the opinion that the liability against above demand may not arise, as there are several such judgments, supporting the Company's contention. (₹1.25 Lakhs pre-deposited for filing appeal and shown as advance)	23.69	23.69
(ix)	Siri Consultants Ltd filed a suit for recovery against the Company, which was decreed by the City Civil Court, Secunderabad. The Company has challenged the decree in the High Court and the High Court of Telangana was pleased to stay the execution of Decree pending payment. The matter is pending in the High Court. ₹5.78 Lakhs is pre-deposited pursuant to Hon'ble High Court Order.	13.97	13.97
(x)	Dy Commissioner of Sales Tax, Nagpur, (VAT-E005) has passed Assessment order for Financial Year 2015-16 and disallowed VAT input tax credit on purchase of Coal as Raw material and raised tax demand with interest. The Company has filed appeal with Commissioner of Sales Tax (Appeals) and is of the opinion that the liability against above demand may not arise, as there are several such judgments, supporting Assessee's contention. (₹1.52 Lakhs is pre-deposited for filing appeal and shown as advance)	29.43	29.43

# NOTES FORMING PART OF THE FINANCIAL STATEMENTS

for the year ended 31<sup>st</sup> March, 2024

## 34.1 Contingent Liabilities and commitments not provided for in respect of: (Contd..)

### Other Litigations:

An order has been received from the office of DGFT, Hyderabad for alleged violation of Target Plus Scheme to recover ₹ 3807 Lakhs including interest and penalties in FY2010-11. The High Court of Telangana allowed the Writ Petition filed by the company challenging aforesaid order and that of the appellate authority and directed the JDGFT to refund ₹ 500 lakhs deposited by the company. The office of JDGFT has filed a Writ Appeal before the High Court of Telangana against this order which is pending. A show cause notice on the same issue was issued by DRI and the Commissioner of Customs & Central Excise, Nagpur has confirmed the same which has been challenged by the company before CESTAT, Mumbai and the same is pending. The company has been advised that no liability is likely to arise under the notice in view of the High Court allowing the Writ Petition filed by the company and the allegations are unfounded and the company is taking adequate steps to defend itself.

## 34.2 Estimated amount of contracts to be executed on capital account

(All amounts in ₹ Lakhs, unless otherwise stated)

Particulars	As at	As at
	31.03.2024	31.03.2023
(i) Contracts to be executed on capital accounts	5,171.33	4,581.82

**34.3** There was a major fire accident in spinning department of denim division at Ramtek, Nagapur district, Maharashtra state during January, 2008, in which the Building, Plant & Machinery, Electrical Installations and stocks were totally damaged. The factory was fully insured under reinstatement policy for fixed assets and under declaration policy for stocks. The Company's Insurance claim is processed and settled partly. The Company received an amount of ₹2,609 lakhs from the Insurance Company including salvage during FY2007-08 & 2008-09. The part claim of ₹490 lakhs which is still to be settled by the Insurance Company is shown Non-Current Other Financial Assets as under Claims receivable. The Company's complaint in this matter is pending before national consumer disputes Redressal commission (NCDRC), New Delhi.

## 34.4 Other Statutory Information

- i) The Company does not have any Benami property, where any proceeding has been initiated or pending against the Company for holding any Benami property.
- ii) The Company does not have any transactions with struck off companies.
- iii) Quarterly returns or statements of current assets filed by the Company with banks or financial institutions are in agreement with the books of accounts.
- iv) The Company does not have any transaction which is not recorded in the books of accounts that has been surrendered or disclosed as income during the year in the tax assessments under the Income Tax Act, 1961 (such as, search or survey or any other relevant provisions of the Income Tax Act, 1961)
- v) As at March 31, 2024, the register of charges of the Company as available in records of the Ministry of Corporate Affairs (MCA) includes charges that were created/modified since the inception of the Company. There are certain charges which are historic in nature and it involves practical challenges in obtaining no objection certificates (NOCs) from the charge holders of such charges, despite repayment of the underlying loans. The Company is in the continuous process of filing the charge satisfaction e-form with MCA, within the timelines, as and when it receives NOCs from the respective charge holders.
- vi) The Company has not revalued its property plant and equipment during the year.
- vii) The Company has not been declared as wilful defaulter by any bank or financial institution or other lender
- viii) The Company has complied with the number of layers prescribed under clause (87) of section 2 of the Act read with the Companies (Restriction on number of Layers) Rules, 2017.

# NOTES FORMING PART OF THE FINANCIAL STATEMENTS

for the year ended 31<sup>st</sup> March, 2024

## 34.4 Other Statutory Information (Contd..)

- ix) No Scheme of Arrangements has been approved by the Competent Authority in terms of sections 230 to 237 of the Companies Act, 2013, during the year.
- x) The Company has not traded or invested in Crypto currency or Virtual Currency during the financial year.
- xi) The Company has not advanced or loaned or invested funds to any other person(s) or entity(ies), including foreign entities (Intermediaries) with the understanding that the Intermediary shall:
- directly or indirectly lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the company (Ultimate Beneficiaries) or
  - provide any guarantee, security or the like to or on behalf of the Ultimate Beneficiaries
- xii) The Company has not received any fund from any person(s) or entity(ies), including foreign entities (Funding Party) with the understanding (whether recorded in writing or otherwise) that the Company shall:
- directly or indirectly lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the Funding Party (Ultimate Beneficiaries) or
  - provide any guarantee, security or the like on behalf of the Ultimate Beneficiaries.

## 34.5 Analytical Ratio's:

Sl. No	Particulars	Numerator	Denominator	FY 2024	FY 2023	% Variance	Reason for variance
1	Current Ratio (in times)	Current Assets	Current Liabilities	1.25	1.33	-6%	NA
2	Debt-Equity Ratio (in times)	Debt	Equity	0.85	0.75	13%	NA
3	Debt Service Coverage Ratio (in times)	EBITDA	Interest + Principal	0.92	0.88	6%	NA
4	Return on Equity Ratio	PAT - Pref. Dividend	Average equity	1.36	4.04	-66%	Note i
5	Inventory turnover ratio(in times)	Cost of goods sold **	Average Inventory	4.19	5.02	-17%	NA
6	Trade Receivables turnover ratio(in times)	Revenue from Operations	Average trade receivable	4.84	5.68	-15%	NA
7	Trade payables turnover ratio(in times)	Net Purchases	Average trade payable	3.62	2.18	66%	Note ii
8	Net capital turnover ratio(in times)	Revenue from Operations	Working capital \$	8.63	8.80	-2%	NA
9	Net profit ratio	Net Profit/(Loss) After Tax	Revenue from Operations	0.46	1.22	-62%	Note iii
10	Return on Capital employed	EBIT	Average capital employed	6.96	8.30	-16%	NA
11	Return on investment	Income from Investments	Time Weighted Average Investment	34.65	-7.88	540%	Note iv

\*\* Cost of Goods Sold = Cost of Material Consumed + Purchases of Stock in Trade + Changes in inventories of FG + Manufacturing and operating Expenses

\$ - Working Capital = Current Assets - Current Liabilities

### Notes:

- i) **Return on Equity Ratio** - Profit after tax has decreased during the current year FY 23-24 due to lower margins in competitive market.
- ii) **Trade payable Turnover Ratio** - Increase in ratio is on account of decrease in Average Trade Payables.

# NOTES FORMING PART OF THE FINANCIAL STATEMENTS

for the year ended 31<sup>st</sup> March, 2024

## 34.5 Analytical Ratio's: (Contd..)

iii) **Net Profit Ratio** - Profit after tax has decreased during the current year FY 23-24 due to decrease in revenue and lower profitability.

iv) **Return on Investment**- Increase in the ratio is due to increase in market value of investments in the current year.

## 34.6 Corporate Social Responsibility:

Sl.	Particulars	2023-24	2022-23
		Amount (₹)	Amount (₹)
(i)	Amount required to be spent by the Company during the year	23.25	NIL
(ii)	Amount of expenditure incurred	10.89	19.40
(iii)	shortfall at the end of the year	12.36	NIL
(iv)	total of previous years shortfall	NIL	NIL
(v)	reason of shortfall	Set off from Surplus of previous financial years	NIL
(vi)	nature of CSR Activities	Promoting Education, Police Welfare Fund, Tree Planitation ,Health Care, Police Welfare Fund Etc.	
(vii)	details of related party transactions, contribution to a trust controlled by the company in relation to CSR expenditure as per relevant Accounting Standard	NIL	NIL
(viii)	where a provision is made with respect to a liability incurred by entering into a contractual obligation, the movements in the provision during the year shall be shown separately	NIL	NIL

## 34.7 Capital Management

The company's capital management is intended to create value for shareholders by facilitating the meeting of long-term and short-term goals of the company.

The company determines the amount of capital required on the basis of annual operating plans and long-term product and other strategic investment plans. The funding requirements are met through equity and other long-term/short term borrowings.

The company's policy is aimed at combination of short term and long-term borrowings. The company monitors the capital structure on the basis of total debt to equity ratio and maturity profile of the overall debt portfolio of the company.

### Gearing Ratio

Particulars	As at	As at
	31.03.2024	31.03.2023
(a) Debt	22,590.32	19,772.17
(b) Cash & Cash Equivalent	17.59	628.00
(c) Net Debt (a) - (b)	22,572.73	19,144.17
(d) Total Equity	26,605.20	26,303.01
Capital Gearing ratio (c)/(d)	0.85	0.73

# NOTES FORMING PART OF THE FINANCIAL STATEMENTS

for the year ended 31<sup>st</sup> March, 2024

## 34.8 Income Taxes

### (i) Reconciliation of Tax Expense and Accounting profit multiplied by Applicable tax rate

Particulars	For the Year ended 31 March, 2024	For the Year ended 31 March, 2023
<b>(i) Tax expense recognized in Statement of Profit and loss (from continuing and discontinued operations)</b>		
Current Tax	152.54	319.73
Deferred Tax (including MAT Credit Entitlement)		
- Continuing operation	109.13	278.44
- Discontinuing operation	-	(40.95)
<b>Total</b>	<b>261.67</b>	<b>557.22</b>
<b>(ii) Effective tax Reconciliation</b>		
(a) Profit/(loss) before tax (from continuing and discontinued operations)	622.42	1597.33
(b) Applicable tax rate	34.944%	34.944%
(c) Tax expense on Net profit (a*b)	217.50	558.17
(d) Increase/(decrease) in tax expenses on account of:		
- Expenses not allowed under income tax	25.04	nil
- Due to decrease in rate of tax	nil	nil
- Others	19.13	(0.95)
<b>Total (d)</b>	<b>44.17</b>	<b>(0.95)</b>
(e) Tax Expense as per Statement of Profit and loss (c+d)	261.67	557.22

## 34.9 Post-Employment Benefits

### Contributions to Defined Contribution Plans

Particulars	For the Year ended 31 March, 2024	For the Year ended 31 March, 2023
Contribution to Provident and other funds	388.81	348.14
Contribution to Employee State Insurance	105.44	102.63
<b>Total</b>	<b>494.25</b>	<b>450.77</b>

### Defined Benefit Plans:

#### (i) Gratuity (Unfunded)

Particulars	As at 31 March, 2024	As at 31 March, 2023
<b>A Changes in Present Value of Defined Benefit Obligation</b>		
Opening defined benefit obligation	950.55	937.31
Interest cost	69.64	63.56
Current services cost	80.94	69.97
Benefits paid	(46.53)	(147.50)
Actuarial(gains)/losses on obligation	90.40	27.21
<b>Closing defined benefit obligation</b>	<b>1,145.00</b>	<b>950.55</b>
<b>B Changes in Fair Value of Plan Assets</b>		
Opening Fair value of plan assets		-
Adjustments to opening balance		
Expected Return		
Contributions	(46.53)	147.50
Benefits paid	(46.53)	(147.50)
Actuarial Gain/(loss)	-	-
<b>Closing fair value of plan assets</b>	<b>-</b>	<b>-</b>

# NOTES FORMING PART OF THE FINANCIAL STATEMENTS

for the year ended 31<sup>st</sup> March, 2024

## 34.9 Post-Employment Benefits (Contd..)

Particulars	As at	As at
	31 March, 2024	31 March, 2023
<b>C Expenses recognized in statement of profit and loss</b>		
Current Service Cost	80.94	69.97
Interest Cost on benefit obligation	69.64	63.56
Expected return on plan assets		-
<b>Total</b>	<b>150.58</b>	<b>133.53</b>
<b>D Expenses recognized in Other Comprehensive Income</b>		
Actuarial(gains)/losses on obligation	90.40	27.21
Return on plan assets (greater)/lesser than discount rate		-
<b>Total</b>	<b>90.40</b>	<b>27.21</b>
<b>E Actuarial Assumptions</b>		
Salary Escalation	0%	0%
Rate of Discounting	7.22%	7.51%
Mortality Rate (as % of IALM (2012-14) Ult. Mortality Table)	100%	100%
Disability Rate (as % of above mortality rate)	0%	0%
Withdrawal Rate	2% to 10%	2% to 10%
Normal Retirement Age	58 years	58 years
Average Future Service	17.71	18.16

### F. Sensitivity Analysis

The financial results are sensitive to the actuarial assumptions. The changes to the Defined Benefit Obligations for increase / decrease of 1% from assumed salary escalation, withdrawal and discount rates are given below:

Particulars	31 <sup>st</sup> March 2024	
	Increase	Decrease
Salary escalation	8.17%	(7.30%)
Withdrawal rate	4.19%	(4.61%)
Rate of Discounting	(6.36)%	7.19%

### (ii) Leave Encashment (unfunded)

Particulars	As at	As at
	31 <sup>st</sup> March 2024	31 <sup>st</sup> March, 2023
<b>A Changes in Present Value of Defined Benefit Obligation</b>		
Opening defined benefit obligation	111.46	105.33
Interest cost	7.99	7.05
Current services cost	2.28	36.44
Benefits paid	(10.15)	(19.15)
Actuarial(gains)/losses on obligation	(14.58)	(18.21)
<b>Closing defined benefit obligation</b>	<b>97.00</b>	<b>111.46</b>
<b>B Expenses recognized in statement of profit and loss</b>		
Current Service Cost	2.28	36.44
Interest Cost on benefit obligation	7.99	7.05
<b>Total</b>	<b>10.27</b>	<b>43.49</b>
<b>C Expenses recognized in Other Comprehensive Income</b>		
Actuarial(gains)/losses on obligation	(14.58)	(18.21)
<b>Total</b>	<b>(14.58)</b>	<b>(18.21)</b>



# NOTES FORMING PART OF THE FINANCIAL STATEMENTS

for the year ended 31<sup>st</sup> March, 2024

## 34.9 Post-Employment Benefits (Contd..)

Particulars	As at	As at
	31 <sup>st</sup> March 2024	31 <sup>st</sup> March, 2023
<b>D Actuarial Assumptions</b>		
Salary Escalation	0%	0%
Rate of Discounting	7.22%	7.51%
Mortality Rate (as % of IALM (2012-14) Ult. Mortality Table)	100%	100%
Disability Rate (as % of above mortality rate)	0%	0%
Attrition Rate	2.0% to 10.0%	2.0% to 10.0%
Normal Retirement Age	58 years	58 years
Leave Encashment Rate during employment	10%	10%
Leave Availment Rate	2%	2%

### E. Sensitivity Analysis

The financial results are sensitive to the actuarial assumptions. The changes to the Defined Benefit Obligations for increase / decrease of 1% from assumed salary escalation, Attrition and discount rates are given below:

Particulars	31 <sup>st</sup> March, 2024	
	Increase	Decrease
Salary escalation	4.40%	(4.10%)
Attrition rate	1.20%	(1.30%)
Rate of Discounting	(3.30%)	3.50%

## 34.10 Related Party Disclosures

Name of Related Parties	Nature of Relationship
a. Sri. L N Agarwal (Chairman & Managing Director)	Key Managerial Personnel
b. Sri. Paritosh Agarwal (Managing Director)	
c. Sri. E V S V Sarma (Company Secretary)	
d. Sri. B M Vijaya Kumar (CFO)	
e. Sri. Vedant Agarwal	Relatives of Key Managerial Personnel
f. Smt Sabita Jain	
g. M/s Jayman Dealers Pvt Ltd	Enterprises over which key managerial personnel and their relatives have significant influence
h. M/s SVP Distributors Pvt. Ltd	

### (i) Transactions with Key Managerial Personnel

(All amounts in ₹ Lakhs, unless otherwise stated)

Nature of transactions	For the Year ended 31 March, 2024	For the Year ended 31 March, 2023	Receivable/ (Payable) as on 31.03.2024	Receivable/ (Payable) as on 31.03.2023
<b>Remuneration:</b>				
Sri. L N Agarwal	78.10	86.09	(3.00)	(4.00)
Sri. Paritosh Agarwal	70.46	85.90	(2.35)	(3.85)
Sri. Vedant Agarwal	22.57	6.86	(0.98)	1.34
Sri. E V S V Sarma	21.23	21.18	1.67	(1.85)
Sri. P S Subramanyam	-	20.25	-	(1.27)
Sri. B M Vijaya Kumar	26.61	-	2.00	-
<b>Interest Expense:</b>				
Sri. L N Agarwal	47.65	47.65	-	(42.88)
Sri. Paritosh Agarwal	78.74	78.74	-	(70.86)
Smt Padmini Agarwal	87.25	87.25	-	(78.52)

# NOTES FORMING PART OF THE FINANCIAL STATEMENTS

for the year ended 31<sup>st</sup> March, 2024

## 34.10 Related Party Disclosures (Contd..)

(All amounts in ₹ Lakhs, unless otherwise stated)

Nature of transactions	For the Year ended 31 March, 2024	For the Year ended 31 March, 2023	Receivable/ (Payable) as on 31.03.2024	Receivable/ (Payable) as on 31.03.2023
<b>Unsecured Loan:</b>				
Sri. L N Agarwal	-	-	(680.68)	(680.68)
Sri. Paritosh Agarwal	-	-	(1124.82)	(1124.84)
Smt Padmini Agarwal	-	-	(1246.37)	(1246.37)

### (ii) Sitting Fees paid to Independent Directors:

(All amounts in ₹ Lakhs, unless otherwise stated)

Nature of transactions	For the year ended 31 March 2024	For the year ended 31 March 2023	Receivable/ (Payable) as on 31.03.2024	Receivable/ (Payable) as on 31.03.2023
Sri. R Surender Reddy	0.30	0.43	nil	nil
Sri. Navranglal Tibrewal	0.40	0.43	nil	nil
Sri. R S Agarwal	0.10	0.35	nil	nil
Sri. VVS Ravindra (Nominee Directors, IDBI Bank Ltd.)	-	0.33	nil	nil
Sri. Arvind Sadashiv Mokashi	0.23	-	nil	nil
Sri. Dhruv Vijai Singh	0.48	0.30	nil	nil
Smt Aruna Prasad	0.15	0.20	nil	nil

\*(Paid to IDBI Bank Ltd., as per their directions)\*

### (iii) Transaction with Relatives of Key Managerial Personnel

(All amounts in ₹ Lakhs, unless otherwise stated)

Nature of transactions	For the year ended 31 March 2024	For the year ended 31 March 2023	Receivable/ (Payable) as on 31.03.2024	Receivable/ (Payable) as on 31.03.2023
<b>Rent:</b>				
Smt. Sabita Jain	10.20	10.20	(2.30)	(2.30)

### (iv) Transaction with Enterprises over which key managerial personnel have significant influence:

(All amounts in ₹ Lakhs, unless otherwise stated)

Nature of transactions	For the Year ended 31 March, 2024	For the Year ended 31 March, 2023	Receivable/ (Payable) as on 31.03.2024	Receivable/ (Payable) as on 31.03.2023
<b>Interest:</b>				
M/s. Jayman Dealers Pvt Ltd.	31.13	33.99	(12.10)	(106.27)
M/s.SVP Distributors Pvt. Ltd	30.56	32.38	(12.03)	(102.97)
<b>Unsecured Loans:</b>				
<b>Inter corporate Deposits:</b>				
M/s Jayman Dealer Pvt Ltd.,	100.00	-	(300.00)	(400.00)
M/s SVP Distributors Pvt Ltd	150.00	-	(231.00)	(381.00)
<b>Purchase of Yarn:</b>				
M/s. Jayman Dealers Pvt Ltd	384.02	-	-	-
<b>Sale of Yarn:</b>				
M/s. Jayman Dealers Pvt Ltd	382.00	-	(55.58)	-
<b>Purchase of Cotton:</b>				
M/s. Jayman Dealers Pvt Ltd	654.98	979.12	(181.34)	(21.32)
<b>Rent:</b>				
M/s. Jayman Dealers Pvt Ltd	2.40	2.40	(0.65)	(0.22)

# NOTES FORMING PART OF THE FINANCIAL STATEMENTS

for the year ended 31<sup>st</sup> March, 2024

## 34.11 Earnings per share (Basic and diluted)

Particulars	For the Year ended 31 March, 2024	For the Year ended 31 March, 2023
(a) Profit/(loss) after tax from continuing operations (₹ in lakhs)	360.75	1,272.13
(b) Weighted average number of Equity shares during the year (face value of ₹ 10 each)	188.05	188.05
(c) Earnings per Equity Share from continuing operations - Basic & Diluted (in ₹)	1.92	6.76
(d) Profit/(loss) after tax from discontinued operations (₹ in lakhs)	-	(232.02)
(e) Weighted average number of Equity shares during the year (face value of ₹ 10 each)	188.05	188.05
(f) Earnings per Equity Share from discontinued operations - Basic & Diluted (in ₹)	-	(1.23)
(g) Earnings per Equity share (for discontinued & continuing operations) - Basic & Diluted (In ₹)	<b>1.92</b>	<b>5.53</b>

## 34.12 Non Current Assets Held for sale and discontinued operations

As required by the Ind AS 105, Non Current Assets held for Sale and Discontinued Operations, Some of the Assets of Garment division are lying in Asset held for sale and the same is expected to be sold during the coming financial year.

## 34.13 Financial Instruments

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

### Level 1 - Quoted prices in an active market:

This level of hierarchy includes financial assets that are measured by reference to quoted prices (unadjusted) in active markets for identical assets or liabilities. This category consists of Listed Equity shares.

### Level 2 - Valuation techniques with observable inputs:

This level of hierarchy includes financial assets and liabilities, measured using inputs other than quoted prices included within level 1 that are observable for the asset or liability, either directly (i.e., as prices) or indirectly (i.e., derived from prices).

### Level 3 - Valuation techniques with significant unobservable inputs:

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

## Financial Assets and Liabilities

Particulars	Carrying Amount			Fair Value Hierarchy			
	Amortised cost	FVTPL	FVTOCI	Total	Level 1	Level 2	Level 3
<b>As at 31<sup>st</sup> March 2024</b>							
<b>Financial Assets</b>							
Investments (Refer note below)			20.54	20.54	20.54		
Trade Receivables	17,952.05			17,952.05			
Cash and cash equivalents	17.59			17.59			
Bank balances other than (ii) above	879.63			879.63			
Loans	17.65			17.65			
Others (Current and Non Current)	3,256.81			3,256.81			

# NOTES FORMING PART OF THE FINANCIAL STATEMENTS

for the year ended 31<sup>st</sup> March, 2024

## 34.13 Financial Instruments (Contd..)

Particulars	Carrying Amount			Fair Value Hierarchy			
	Amortised cost	FVTPL	FVTOCI	Total	Level 1	Level 2	Level 3
<b>Financial Liabilities</b>							
Borrowings	22,590.32			22,590.32			
Trade Payables	17,646.12			17,646.12			
Others	1,436.06			1,436.06			
<b>As at 31<sup>st</sup> March 2023</b>							
<b>Financial Assets</b>							
Investments (Refer note below)			15.26	15.26	15.26		
Trade Receivables	13,957.09			13,957.09			
Cash and cash equivalents	628.00			628.00			
Bank balances other than (ii) above	1,570.42			1,570.42			
Loans	25.64			25.64			
Others	4,210.54			4,210.54			
<b>Financial Liabilities</b>							
Borrowings	19,772.17			19,772.17			
Trade Payables	13,134.85			13,134.85			
Others	1,909.67			1,909.67			

**Note:** Investments in equity instruments are measured at FVTOCI in accordance with paragraph 5.7.5 of Ind AS 109.

## 34.14 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 has a risk management policy which not only covers the foreign exchange risks, but also other risks associated with the financial assets and liabilities such as interest rate risks and credit risks. The risk management framework aims to:

1. Create a stable business planning environment by reducing the impact of currency and interest rate fluctuations on the company's business plan.
2. Achieve greater predictability to earnings by determining the financial value of the expected earnings in advance.

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 investments in equity shares.

#### a. Interest Rate Risk

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. Since the Company has only fixed interest-bearing debts, exposure to interest rate risk is minimal.

#### b. Foreign Currency Risk

Currency risk is the risk that the value of a financial instrument will fluctuate due to changes in foreign exchange rates. Currency risk arises when transactions are denominated in foreign currencies.

# NOTES FORMING PART OF THE FINANCIAL STATEMENTS

for the year ended 31<sup>st</sup> March, 2024

## 34.14 Financial Risk Management Objectives and Policies (Contd..)

The Company has transactional currency exposures arising from goods supplied or received that are denominated in a currency other than the functional currency. The foreign currencies in which these transactions are denominated are mainly in US Dollars (\$). The Company's trade receivable and trade payable balances at the end of the reporting period have similar exposures.

The following table demonstrates the sensitivity in the USD to the Indian Rupee with all other variables held constant. The impact on the company's profit before tax due to changes in the fair value of monetary assets and liabilities is given below:

Particulars	Change in Rate	(All amounts in ₹ Lakhs, unless otherwise stated)	
		For the year ended 31 <sup>st</sup> March 2024	For the year ended 31 <sup>st</sup> March 2023
USD	+ 0.50%	(19.57)	(10.49)
	- 0.50%	19.57	10.49

### c. Other price risk

Other price risk is the risk that the fair value or future cash flows of the Company's financial instruments will fluctuate because of changes in market prices (other than those arising from interest rate risk or currency risk) whether those changes are caused by factors specific to the individual financial instrument or its issuer or by factors affecting all similar financial instruments traded in the market.

The Company is exposed to price risk arising mainly from investments in Equity shares recognized at FVTOCI.

Sensitivity analysis of 1% change in price of security as on reporting date.

Particulars	(All amounts in ₹ Lakhs, unless otherwise stated)			
	Impact on Profit & Loss		Impact on OCI	
	2023-24	2022-23	2023-24	2022-23
Listed Equity shares (1% change in price)	nil	nil	0.21	0.15
<b>Total</b>	<b>nil</b>	<b>nil</b>	<b>0.21</b>	<b>0.15</b>

### (ii) Credit Risk:

Credit risk is the risk that counterparty will not meet its obligations under a financial instrument or customer contract, leading to a financial loss. The credit risk arises from its operation activity primarily from trade receivable and from its financial activity. Customer credit risk is controlled by analysis of credit limit and credit worthiness of the customer on a continuous basis to whom the credit has been granted.

Long outstanding receivable from customer are regularly monitored. The maximum exposure to credit risk at the reporting date is the carrying value of trade and other receivable.

### (iii) Liquidity Risk:

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.

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.

# NOTES FORMING PART OF THE FINANCIAL STATEMENTS

for the year ended 31<sup>st</sup> March, 2024

## 34.14 Financial Risk Management Objectives and Policies (Contd..)

The table below summarizes the maturity profile of the Company's financial liabilities based on contractual undiscounted payments:

(All amounts in ₹ Lakhs, unless otherwise stated)

Particulars	Total	On Demand	< 1 year	1 to 5 years	> 5 years
<b>As at 31 March 2023</b>					
Borrowings - Non-Current	6,555.91			6,555.91	-
Borrowings - Current	13,216.26	10,837.70	2,378.56		-
Trade Payables	13,134.85	13,134.85			-
Other financial liabilities	1,909.67	1,909.67			-
<b>As at 31 March 2024</b>					
Borrowings - Non-Current	6,812.43			6,812.43	
Borrowings - Current	15,777.89	14,069.98	1,707.91		
Trade Payables	17,646.12	17,646.12			
Other financial liabilities	1,436.06	1,436.06			

## 34.15 Operating Segments

The company's operating segments are established on the basis of those components of the company that are evaluated regularly by the Chairman & Managing Director (the 'Chief Operating Decision Maker as defined in Ind AS 108 - 'Operating Segments'), in deciding how to allocate resources and in assessing performance. These have been identified taking into account nature of products and services, the differing risks and returns and the internal business reporting systems.

During the year, the Company has changed the structure of its internal organization in a manner that caused the composition of its reportable segments to change from two principal operating and reporting segments Viz: Spinning & Denim (Fabrics) as reported till FY 2022-23 to Only One Operating and Reporting Segment i.e Textiles.

Therefore, there is only one operating and reporting segment namely, "Textiles"

### (a) Information about Products and Services

(All amounts in ₹ Lakhs, unless otherwise stated)

Products	Revenues
a. Yarn	30,377.77
b. Fabric	45,861.00
c. Sale of Waste	915.19
d. Job work income	1.70
e. Export Benefit entitlement	1,043.06
f. Packing & Forwarding collection charges	12.91
g. Scrap Sales	29.18
<b>Total Revenue from operations (from continuing &amp; discontinued operations)</b>	<b>78,240.81</b>

### (b) Information about geographical areas ₹

(All amounts in ₹ Lakhs, unless otherwise stated)

Geographical Location	Revenues	Non Current Assets other than financial instruments and deferred tax assets
(A) Within India	61,184.88	26,283.02
(B) Outside India		
- Bangladesh	12,415.03	
- Ethiopia	316.96	
- Guatemala	1,690.22	
- Kenya	38.71	
- Mauritius	417.23	
- South Korea	662.72	
- Madagascar	1,515.06	
<b>TOTAL</b>	<b>78,240.81</b>	

# NOTES FORMING PART OF THE FINANCIAL STATEMENTS

for the year ended 31<sup>st</sup> March, 2024

## 34.15 Operating Segments (Contd..)

### (c) Information about major customers

**Revenue from transactions with a single customer exceed 10% or more of entity revenues** – During the year under report and in the previous year there is no single customer having transactions with the Company's three operating segments exceeding 10% or more of the entity revenues.

## 34.16 Leases

The company takes on lease premises (offices/godowns) for operations and storage purposes. Accordingly, the Company recognizes a right-of-use asset and a lease liability for its leases, if the contract conveys the right to control the use of an identified asset.

(All amounts in ₹ Lakhs, unless otherwise stated)

Particulars	As at 31 <sup>st</sup> March 2024
Depreciation charge for right-of-use assets (pertaining to continuing and discontinued operations)	
(i) Land *	16.78
(ii) Non Factory Buildings	-
Interest expense on Lease liabilities (pertaining to continuing and discontinued operations)	0.18
Expense relating to Short term leases (pertaining to continuing and discontinued operations)	16.93
Additions to ROU assets	-
Carrying Amount of ROU assets at the end of the year	542.22

\*This pertains to upfront lease amount of ₹ 356.76 lakhs and ₹ 242.36 lakhs paid to Maharashtra Industrial Development Corporation (MIDC) towards factory land lease of Amaravati Unit -1 (Spinning Unit) and Amaravaxti Unit -2 (Weaving Unit) respectively for a period of 95 years.

### Maturity analysis of lease liabilities as of 31<sup>st</sup> March 2024

Particulars	Amount (₹ In lakhs)
Less than 1 year	-
1-5 years	-
> 5 years	-

### Maturity analysis of lease liabilities as of 31<sup>st</sup> March 2023

Particulars	Amount (₹ In lakhs)
Less than 1 year	9.84
1-5 years	-
> 5 years	-

# NOTES FORMING PART OF THE FINANCIAL STATEMENTS

for the year ended 31<sup>st</sup> March, 2024

## 34.17 Dues to Micro, Small and Medium Enterprises

The information as required to be disclosed w.r.t. Micro and Small Enterprises under the Micro, Small and Medium Enterprises Development Act, 2006 (Act) is as given below and the information mentioned under Trade Payable w.r.t. dues to Micro and Small Enterprises, has been determined to the extent such parties have been identified on the basis of information available with the Company and relied on by the Auditors :

(All amounts in ₹ Lakhs, unless otherwise stated)

Particulars	As at	As at
	31 March, 2024	31 March, 2023
(a) The principal amount remaining unpaid as at the end of the year.	2,786.91	60.74
(b) The amount of interest accrued and remaining unpaid at the end of the year	-	-
(c) Amount of interest paid by the Company in terms of Section 16, of (MSMED Act, 2006) along with the amounts of payments made beyond the appointed date during the year.	-	-
(d) Amount of interest due and payable for the period of delay in making payment without the interest specified under the (MSMED Act, 2006).	-	-
(e) The amount of further interest remaining due and payable in the succeeding years, until such date when the interest dues as above are actually paid to the small enterprise for the purpose of disallowance as a deductible expenditure under Section 23 of the (MSMED Act, 2006).	-	-

**34.18** Previous Year's figures have been reclassified, wherever necessary so as to conform with those of Current year.

as per our report of even date attached  
for **Brahmayya & Co.**

For and on behalf of Board of Directors

Chartered Accountants  
Firms Registration No.: 000513S

**(E.V.S.V. Sarma)**  
Company Secretary  
M.NO.A5220

**(L. N. Agarwal)**  
Chairman & Managing Director  
DIN: 00008721

**(K Shravan)**  
Partner  
Membership No. 215798

**(B M Vijaya Kumar)**  
Chief Financial Officer  
M.NO.F205473

**(Paritosh Agarwal)**  
Managing Director  
DIN: 00008738

Place: Hyderabad  
Date: 24.05.2024

**(Dhruv Vijai Singh)**  
Director  
DIN: 07180749



# NOTICE

**NOTICE** is hereby given that the 61<sup>st</sup> Annual General Meeting (AGM) of the Members of Suryalakshmi Cotton Mills Limited will be held on Thursday, August 22, 2024 at 11:00 A.M. through Video Conferencing (VC) or Other Audio Visual Means (OAVM) for which purpose the Registered Office of the Company situated at 6<sup>th</sup> Floor, Surya Towers, 105, S. P. Road, Secunderabad – 500 003 shall be deemed as the venue for the Meeting and the proceedings of the AGM shall be deemed to be held thereat, to transact the following business:

## ORDINARY BUSINESS:

- To receive, consider and adopt the audited statement of Profit and Loss for the year ended 31<sup>st</sup> March, 2024 and audited Balance Sheet as on that date and the reports of the Directors and Auditors thereon.
- To appoint Sri. R. Surender Reddy (DIN – 00083972) as a Director in place of Smt. Aruna Prasad (DIN - 07164087) who retires by rotation by a special resolution.

**“RESOLVED THAT** pursuant to the provisions of Section 152 & 161 and all other applicable provisions of the Companies Act, 2013 and the Companies (Appointment and Qualification of Directors) Rules, 2014 read with SEBI (LODR) Regulations, 2015, Sri. R. Surender Reddy (DIN: 00083972), aged 92 years, who was appointed as an Additional Director of the company with effect from 24/05/2024 by the Board of Directors pursuant to section 161 of the Companies Act, 2013 and as recommended by the Nomination and Remuneration committee and who holds office only up to the date of this Annual General meeting of the company be and is hereby appointed as a Non-Executive, Non- Independent Director of the Company, whose period of office will be liable to retirement of Director by rotation.”

## SPECIAL BUSINESS:

**ITEM 3: TO CONSIDER, AND IF THOUGHT FIT, TO PASS THE FOLLOWING RESOLUTION WITH OR WITHOUT MODIFICATION(S) AS A SPECIAL RESOLUTION:**

**“RESOLVED THAT** subject to the provisions of Sections 196, 197, 203 and 152 and other applicable provisions if any of the Companies Act, 2013 and Companies (Appointment and Remuneration of managerial personnel) rules, 2014 read with schedule V thereof and SEBI (LODR) Regulations, 2015 as amended upto date, and the consent of the Term Lenders, the consent of the Company be and is hereby

accorded to the re-appointment of Sri. L. N. Agarwal (DIN : 00008721), Managing Director for a period of 5 years from 22/06/2024 to 21/06/2029 on the following terms and conditions:

3. SALARY : ₹ 5,00,000/- per month

4. COMMISSION

At the rate of 2% of the Net Profit of the Company or 50% of annual salary whichever is lower.

5. PERQUISITES

In addition to the salary and commission as stated above Sri. L. N. Agarwal shall be entitled to the following perquisites.

## CATEGORY - A

### (i) HOUSING :

Rent free furnished residential accommodation with all facilities and amenities including such services as gas, electricity, water, etc., or HRA to the extent of 30% of the salary.

### (ii) MEDICAL REIMBURSEMENT :

Expenses incurred for self and his family subject to a ceiling of one month's salary per year or three months' salary in a period of three years.

### (iii) LEAVE TRAVEL CONCESSION :

For self and family once in a year incurred accordance with the Rules of the Company.

### (iv) CLUB FEES :

Fees of clubs subject to a maximum of two clubs, admission and life membership fees not being allowed.

### (v) PERSONAL ACCIDENT INSURANCE :

Of an amount the premium of which shall not exceed ₹ 4,000/- per annum.

## CATEGORY - B

- Payment of gratuity subject to an amount equal to half a month's salary for each completed year of service.

## CATEGORY - C

- The Company shall provide a Car with driver and a telephone at the residence.

- (ii) Car for use on Company's business and telephone and other communication facilities at residence will not be considered as perquisites.

**"RESOLVED FURTHER THAT** in the absence of or inadequacy of profits in any year Sri. L. N. Agarwal be paid the above remuneration as minimum remuneration subject to provisions of Schedule V of the Companies Act, 2013."

**ITEM 4: TO CONSIDER, AND IF THOUGHT FIT, TO PASS THE FOLLOWING RESOLUTION WITH OR WITHOUT MODIFICATION(S) AS A SPECIAL RESOLUTION:**

"RESOLVED THAT subject to the provisions of Section 149 & 152 and Schedule IV of the Companies Act, 2013 and the Companies (Appointment and Qualification of Directors) Rules, 2014 read with SEBI (Listing Obligations And Disclosure Requirements) Regulations, 2015, Smt. Aruna Prasad (DIN: 07164087), be and is hereby appointed as an Independent Director for a period of five consecutive years. i.e. from 22/08/2024 until 21/08/2029.

**RESOLVED FURTHER THAT** Smt Aruna Prasad, as an Independent Director shall not be liable for retirement by rotation during the tenure of her office."

**ITEM 5: TO CONSIDER, AND IF THOUGHT FIT, TO PASS THE FOLLOWING RESOLUTION WITH OR WITHOUT MODIFICATION(S) AS A SPECIAL RESOLUTION:**

**"RESOLVED THAT** the Company do hereby approve and ratify in terms of Section 180 and other applicable provisions if any, of the Companies Act, 2013, the mortgaging / charging by the Board of Directors of the Company (hereinafter referred to as Board) of all the immovable properties of the Company situated at Amanagallu, Ranga Reddy Dist., Registered Office, Secunderabad both in the state of Telangana, Amravati Unit at Amravati Dist., and Denim Division at Ramtek both in the State of Maharashtra in favour of SBICap Trustee, acting for itself and on behalf of SBI, Union Bank of India, and Punjab National Bank to secure the Term Loans on FIRST CHARGE PARI PASSU BASIS over the properties at Registered Office, Secunderabad, Amravati Unit and Denim Unit in Ramtek

in the state of Maharashtra and by way of SECOND CHARGE on immovable properties situated at Amanagallu in Telangana and to secure the Working Capital facilities by way of FIRST CHARGE over the immovable properties at Amanagallu and a SECOND CHARGE over the immovable properties at Registered Office, properties at Amravati and Ramtek in Maharashtra together with interest thereon at the respective agreed rates, compound interest, additional interest, liquidated damages, premia on prepayment or on redemption, cost, charges, expenses and other monies, payable by the Company vide its loan agreement(s) entered into by the Company to secure the Term Loan of ₹ 21 crores from SBI and Working Capital Limits of ₹ 224.35 crores from State Bank of India, Punjab National Bank, and Union Bank of India.

**"RESOLVED FURTHER THAT** the Company do hereby confirm and ratify the execution of the documents for creation of aforesaid mortgage / charge."

**ITEM 6: TO CONSIDER, AND IF THOUGHT FIT, TO PASS THE FOLLOWING RESOLUTION WITH OR WITHOUT MODIFICATION(S) AS AN ORDINARY RESOLUTION:**

**"RESOLVED THAT** the Company do hereby approve and ratify in terms of Section 148 of the Companies Act, 2013 and Rule 14 of the Companies (Audit & Auditors) Rules, 2014, the remuneration of ₹ 1,00,000/- (Rupees One Lac only) plus out of pocket expenses payable to M/S. S. Hariharan & Associates., (Firm Registration No. 100486), Cost Accountants for the cost audit to be conducted by them of the cost records of the Company for the financial year 2024-25."

By Order of the Board of Directors  
for **SURYALAKSHMI COTTON MILLS LIMITED**

**E. V. S. V. SARMA**

COMPANY SECRETARY

(M.No.- A5220)

Place : Secunderabad

Date : 24<sup>th</sup> May, 2024.

**NOTES :**

1. The register of members and share transfer books will be closed from Monday, August 12, 2024 to Thursday, August 22, 2024 (both days inclusive) for the purpose of Annual General Meeting.
2. An Explanatory Statement pursuant to Section 102 of the Companies Act, 2013 in respect of the Special Businesses specified above is annexed hereto.
3. **In view of the continuing Covid-19 pandemic, the Ministry of Corporate Affairs (“MCA”) has vide its circular dated 13<sup>th</sup> January, 2021 permitted the Companies to conduct their AGM’s in accordance with the earlier circulars through Video Conferencing (VC) / Other Audio Visual Means (OAVM), without the physical presence of the Members at a common venue and accordingly, in compliance with the provisions of the Act, SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 (“SEBI Listing Regulations”) and MCA Circulars, the AGM of the Company is being held through VC / OAVM.**
4. **The facility for appointment of proxies will therefore not be available for the AGM and hence the Proxy Form and Attendance Slip are not annexed to this Notice.**
5. Institutional / Corporate Members are required to send a scanned copy (PDF/JPG Format) of its Board or governing body Resolution/Authorization, etc., authorizing its representative to attend the AGM through VC / OAVM on its behalf and to vote through remote e-voting to the M/s. KFin Technologies Limited (Kfintech) the Registrar and Transfer Agents, by email through its registered email address to [evoting@kfintech.com](mailto:evoting@kfintech.com)
6. Since the AGM will be held through VC / OAVM, the Route Map is not annexed in this Notice.
7. In compliance with the aforesaid MCA Circulars and SEBI Circular dated May 12, 2020, Notice of the AGM along with the Annual Report 2023-24 is being sent only through electronic mode to those Members whose email addresses are registered with the Company or CDSL / NSDL (“Depositories”). Members may note that the Notice and Annual Report 2023-24 will also be available on the Company’s website [www.suryalakshmi.com](http://www.suryalakshmi.com), websites of the Stock Exchanges i.e. BSE Limited and National Stock Exchange of India Limited at [www.bseindia.com](http://www.bseindia.com) and [www.nseindia.com](http://www.nseindia.com) respectively, and on the website of Kfintech at [www.kfintech.com](http://www.kfintech.com).
8. The Notice calling the AGM has been uploaded on the website of the Company in the Investor Relations Section under Financials in the Annual Reports tab. The complete Annual Report is also available in the same section. The Notice can also be accessed from the websites of the Stock Exchanges i.e. BSE Ltd and National Stock Exchange of India Limited at [www.bseindia.com](http://www.bseindia.com) and [www.nseindia.com](http://www.nseindia.com) respectively and the AGM Notice is also available on the website of NSDL (agency for providing the Remote e-Voting facility) i.e. [www.evoting@kfintech.com](http://www.evoting@kfintech.com).
9. The attendance of the Members attending the AGM through VC/OAVM shall be counted for the purpose of reckoning the quorum under Section 103 of the Companies Act, 2013.
10. The Company has engaged the services of M/s. KFin Technologies Limited, Registrar and Transfer Agent as the authorised agency (Kfintech) for conducting of the e-AGM and providing e-voting facility.
11. Pursuant to the provisions of Section 108 of the Companies Act, 2013 read with Rule 20 of the Companies (Management and Administration) Rules, 2014 (as amended) and Regulation 44 of SEBI (Listing Obligations & Disclosure Requirements) Regulations, 2015 (as amended), and the Circulars issued by the Ministry of Corporate Affairs dated 8 April, 2020, 13<sup>th</sup> April, 2020, 5<sup>th</sup> May, 2020 and 13<sup>th</sup> January, 2021 the Company is providing facility for voting by electronic means for all its Members to enable them to cast their vote electronically and the business may be transacted through such e-voting.
12. The recorded transcript of the forthcoming AGM on Thursday, August 22, 2024, shall also be made available on the website of the Company [www.suryalakshmi.com](http://www.suryalakshmi.com) in the Investor Relations Section, as soon as possible after the Meeting is over.
13. Relevant documents referred to in the accompanying Notice calling the AGM are available on the website of the Company for inspection by the Members.
14. The SEBI has mandated the submission of the Permanent Account Number (PAN) by every participant in the securities market. Members holding shares in electronic form are, therefore, requested to submit their PAN to their depository participant(s). Members holding shares in physical form are required to submit their PAN details to the Registrar and Share Transfer Agents.

15. Members are requested to intimate changes, if any, pertaining to their name, postal address, email address, telephone/mobile numbers, mandates, nominations, power of attorney, bank details such as, name of the Bank and branch details, bank account number, MICR code, IFSC code, etc., to their DP's in case the shares are held by them in electronic form and to the Company's Registrars and Transfer Agents, KFin Technologies Limited in case the shares are held by them in physical form.
16. 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 11, 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 holding to dematerialized form. Members can contact the Company or KFin Technologies Limited for assistance in this regard.
17. The Companies Act, 2013 provides for the facility of nomination to the members in a Company. Accordingly, members can avail the facility of nomination in respect of their shares held either singly or jointly. Members desiring to avail this facility are requested to fill up the prescribed nomination form and send the same to Registered Office of the Company. The forms are available at the Registered Office.
18. During the year, amount of Un-claimed Dividend for the financial year 2015-16 has been deposited in the Investors Education and Protection Fund. Further, amount of Unclaimed Final Dividend for financial year 2016-17 is due for deposit to the Investors Education and Protection Fund on 2<sup>nd</sup> October, 2024.

<b>Dividend for the Year</b>	<b>Date of Declaration</b>	<b>Due for transfer</b>
2016-17	28/08/2017	02/10/2024

19. The Company transferred 8456 Equity Shares of the Company into the DEMAT Account of the IEPF Authority held with NSDL in terms of the provisions of section 124(6) of the Companies Act, 2013 and the IEPF Authority (Accounting, Audit, Transfer and Refund) Rules, 2016, as amended from time to time. These Equity Shares were the Shares of such Shareholders whose unclaimed/ unpaid dividend pertaining to financial year 2015-16 had been transferred into IEPF and who have not encashed their dividends for 7(Seven) subsequent financial years. Concerned Shareholders may still claim the shares or apply for refund to the IEPF Authority in Web Form No. IEPF-5 available on [www.iepf.gov.in](http://www.iepf.gov.in)
20. In case the Dividend has remained unclaimed in respect of financial years 2016-17 the Shareholders may approach the Company with their dividend warrants for revalidation with the Letter of Undertaking for issue of duplicate dividend warrants. The Company regularly sends letters/ emails to this effect to the concerned Shareholders.
21. To prevent fraudulent transactions, Members are advised to exercise due diligence and notify the Company of any change in address or demise of any member as soon as possible. Members are also advised not to leave their demat account(s) dormant for long. Periodic statement of holdings should be obtained from the concerned Depository Participant and holdings should be verified.
22. Pursuant to the requirements of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 on Corporate Governance, the information about the Directors proposed to be appointed/ re-appointed at the Annual General Meeting is given in the Annexure to the Notice.

#### **A. Instructions for attending the AGM:**

- Members will be able to attend the AGM through VC / OAVM or view the live webcast of AGM at <https://ris.kfintech.com/vc/login2vc.aspx> by using their remote e-voting login credentials and selecting the 'Event' for Company's AGM. Members who do not have the User ID and Password for e-voting or have forgotten the User ID and Password may retrieve the same by following the remote e-voting instructions mentioned in the Notice. Further, Members can also use the OTP based login for logging into the e-voting system.
- Facility of joining the AGM through VC / OAVM shall open 15 minutes before the time scheduled for the AGM and Members who may like to express their views or ask questions during the AGM may register themselves at <https://ris.kfintech.com/agmvcspeakerregistration>. Facility of joining AGM will be closed on expiry of 15 minutes from the schedule time of the AGM. Those Members who register themselves as speaker will only be allowed to express views/ask questions during the AGM. The Company reserves the right to restrict the number of speakers and time for each speaker depending upon the availability of time for the AGM.

3. Facility of joining the AGM through VC / OAVM shall be available for 1000 members on first come first served basis. However, the participation of members holding 2% or more shares, promoters, and Institutional Investors, directors, key managerial personnel, chairpersons of Audit Committee, Stakeholders Relationship Committee, Nomination and Remuneration Committee and Auditors are not restricted on first come first serve basis.
  4. Members who need technical assistance before or during the AGM, can contact Kfintech at <https://ris.kfintech.com/agmqq/agmqq/login.aspx>.
4. The procedure and instructions for e-voting are as follows:
    - a. Open your web browser during the remote e-voting period and navigate to "<https://evoting.kfintech.com>".
    - b. Enter the login credentials (i.e., user id and password) mentioned in the communication. Your Folio No. / DP ID No. / Client ID No. will be your User- ID. User - ID: For Members holding shares in Demat form For NSDL: 8 Character DP ID followed by 8 Digits Client ID For CDSL: 16 digits beneficiary ID User - ID: For Members holding shares in Physical Form: - Event Number followed by Folio No. registered with the Company Password: Your unique password is sent via e-mail forwarded through the electronic notice Captcha: Please enter the verification code i.e. the alphabets and numbers in the exact way as they are displayed for security reasons.
    - c. After entering these details appropriately, click on "LOGIN".
    - d. Members holding shares in Demat / Physical form will now reach Password Change menu wherein they are required to mandatorily change their login password in the new password field. The new password has to be minimum eight characters consisting of at least one upper case (A-Z), one lower case (a-z), one numeric value (0-9) and a special character (@, #,\$, etc.). Kindly note that this password can be used by the Demat holders for voting's in any other Company on which they are eligible to vote, provided that the other company opts for e-voting through Kfintech e-Voting platform. System will prompt you to change your password and update your contact details like mobile number, e-mail ID, etc. on first login. You may also enter the secret question and answer of your choice to retrieve your password in case you forget it. It is strongly recommended

## B. Instructions for e-voting

1. In compliance with the provisions of Section 108 of the Act read with Rules made there under and Regulation 44 of the Listing Regulations, the Company is offering e-voting facility to all Members of the Company. A person, whose name is recorded in the Register of Members or in the Register of Beneficial Owners (in case of electronic shareholding) maintained by the Depositories as on the cut-off date i.e. Friday, August 16, 2024 only shall be entitled to avail the facility of remote e-voting/e-voting at the AGM. Kfintech will be facilitating remote e-voting to enable the Members to cast their votes electronically. The Members can cast their vote online from 9:00 A.M. (IST) on Monday, August 19, 2024 to 5:00 P.M. (IST) on Wednesday, August 21, 2024. At the end of Remote e-voting period, the facility shall forthwith be blocked.
2. The Members who have cast their vote by remote e-voting prior to the AGM may also attend/ participate in the AGM through VC / OAVM but shall not be entitled to cast their vote again.
3. The Members present in the AGM through VC / OAVM facility and have not cast their vote on the Resolutions through remote e-voting, and are otherwise not barred from doing so, shall be eligible to vote through e-voting system during the AGM.

- not to share your password with any other person and take utmost care to keep your password confidential.
- e. You need to login again with the new credentials.
  - f. On successful login, system will prompt you to select the 'Event' i.e. 'Company Name'.
  - g. If you are holding shares in Demat form and had logged on to "https://evoting.kfintech.com" and have cast your vote earlier for any company, then your existing login ID and password are to be used.
  - h. On the voting page, you will see Resolution Description and against the same the option 'FOR / AGAINST / ABSTAIN' for voting. Enter the number of shares (which represents the number of votes) under 'FOR / AGAINST / ABSTAIN' or alternatively you may partially enter any number in 'FOR' and partially in 'AGAINST', but the total number in 'FOR / AGAINST' taken together should not exceed your total shareholding. If you do not wish to vote, please select 'ABSTAIN'.
  - i. After selecting the Resolution, you have decided to vote on, click on "SUBMIT". A confirmation box will be displayed. If you wish to confirm your vote, click on "OK", else to change your vote, click on "CANCEL" and accordingly modify your vote.
  - j. Once you 'CONFIRM' your vote on the Resolution whether partially or otherwise, you will not be allowed to modify your vote.
5. Corporate Members (i.e. other than Individuals, HUF, NRI, etc.) are required to send scanned copy (PDF / JPG format) of the relevant Board or governing body Resolution / Authorisation together with attested specimen signature of the duly authorised signatory(ies) who are authorised to vote, to '[evoting@kfintech.com](mailto:evoting@kfintech.com)' (Details are given in point 4 above). The file / scanned image of the Board Resolution / authority letter should be in the format viz. 'Corporate Name Event no.'
  6. The voting rights of the Members shall be in proportion to the number of shares held by them in the equity share capital of the Company as on the cut-off date being Friday, August 16, 2024. In case of joint holders, the Member whose name appears as the first holder in the order of names as per the Register of Members of the Company shall be entitled to vote at the AGM.
  7. 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 <https://evoting.kfintech.com/> to reset the password.
  8. The Board of Directors have appointed Sri. K. V. Chalama Reddy, Practising Company Secretary or in as the Scrutiniser to scrutinise the voting process in a fair and transparent manner. The Scrutiniser will submit his report to the Chairman or any person authorised by him after completion of the scrutiny and the results of voting will be announced after the AGM of the Company. Subject to receipt of requisite number of votes, the resolutions shall be deemed to be passed on the date of the AGM. The result of the voting will be submitted to the Stock Exchanges, where the shares of the Company are listed and posted on the website of the Company at [www.suryalakshmi.com](http://www.suryalakshmi.com) and also on the website of Kfintech at <https://evoting.kfintech.com/>.
  9. In case of any query pertaining to e-voting, please visit Help and FAQs section available at Kfintech's website <https://evoting.kfintech.com> or contact toll free no. 1800 4250 999.

## STATEMENT ANNEXED TO THE NOTICE PURSUANT TO SECTION 102 OF THE COMPANIES ACT, 2013.

### ITEM NO. 2: TO APPROVE APPOINTMENT OF SRI. R. SURENDER REDDY AS A DIRECTOR LIABLE TO RETIRE BY ROTATION.

The Members of the Company through a Postal Ballot had re-appointed Sri. R. Surender Reddy (DIN - 00083972) as an Independent Director of the Company for a second term of five consecutive years with effect from April 1, 2019 and accordingly he holds office up to 31/03/2024. As per the provisions of the Act, an Independent Director can only hold office up to two consecutive terms.

Sri. R. Surender Reddy's leadership, experience, expertise, contributions to the Company's strategy and operative business, support and guidance has been invaluable. In order to enable the Company to continue to be benefited with his guidance and counsel, the Nomination and Remuneration Committee and the Board of Directors recommend the appointment of Sri. R. Surender Reddy as a Director (Non-Executive Non-Independent) of the Company and Sri. R. Surender Reddy complies with the other requirements for appointment as a Director. As the members are aware, Smt. Aruna Prasad who is presently Non-Executive Non-Independent Director liable to retire by rotation is being appointed as an Independent Director. In the vacancy caused by her retirement, Sri. R. Surender Reddy is sought to be appointed as Non-Executive Non-Independent Director who is liable to retire by rotation under section 152(6)(e).

Sri. R. Surender Reddy possesses the expertise and skills in Leadership and General Management, Strategic and Business Planning, Accounting and Finance, Compliance and Risk Management. Sri. R. Surender Reddy is a Director on the Boards of prominent companies in India. The profile of Sri. R. Surender Reddy pursuant to Regulations 36 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 ("Listing Regulations") and Clause 1.2.5 Secretarial Standard - 2 on General Meetings is provided in the Annexure to this Notice. The Company has received declaration from Sri. R. Surender Reddy confirming that he is not disqualified from being appointed as Director in terms of Section 164 of the Companies Act, 2013 nor has been debarred from holding the office of director by virtue of any order from SEBI or any such authority and has given his consent to act as Director of the Company. The Company is required to obtain the approval of Members by way of a Special Resolution as required under Regulation 17(1A) of the Listing Regulations in view of his age being more than

75 years for his appointment as a Director on the Board of the Company.

No. of shares held by Sri. R. Surender Reddy as on 31/03/2024 in the Company is 28000.

None of the Directors / Key Managerial Personnel / their relatives except Sri. R. Surender Reddy is interested, financially or otherwise, in the Resolution as set out at item No. 2 of this Notice. The Board recommends his appointment on the Board.

### ITEM NO. 3: APPOINTMENT OF SRI. L. N. AGARWAL (DIN - 00008721) AS CHAIRMAN & MANAGING DIRECTOR

Sri. L. N. Agarwal (DIN - 00008721) was appointed as Chairman & Managing Director for a period of 5 years w.e.f. 22.06.2014 on a remuneration of ₹ 4 lakhs p.m. plus perquisites. His remuneration was revised to ₹ 5 lakhs p.m. plus perquisites from 22/06/2019 to 21/06/2024. His term of appointment comes to an end on 21<sup>st</sup> June, 2024. The Nomination and Remuneration Committee has recommended the reappointment of Sri. L. N. Agarwal for a period of 5 years and the Board has accordingly reappointed him at a remuneration of ₹ 5 lakhs p.m. and commission @ 2% plus perquisites w.e.f. 22.06.2024 subject to the approval of the Members in the General Meeting by a Special Resolution as Sri. L. N. Agarwal is aged more than 75 years. The Board recommends his reappointment to the members for their approval.

Further one of the amendments made by SEBI to its Listing Obligations and Disclosure Requirements Regulations, 2015 requires the approval of members by way of a Special Resolution for the payment of remuneration to the Executive Directors of the Company in excess of 5% net profits of the Listed Company (where there is more than one Executive Director).

The terms and conditions of appointment of Sri. L. N. Agarwal shall be open for inspection by the members at the Registered Office of the Company during normal business hours on any working day.

Sri. L. N. Agarwal, is the promoter founder of the Company and was also instrumental in floating the other companies and has vast knowledge of textile industry for more than 6 decades and his experience and guidance is considered vital to the company's growth and hence the Board recommends his reappointment inspite of the fact that he has attained the age of 75 years.

Sri. L. N. Agarwal and Sri. Paritosh Agarwal are interested in this resolution.

No other Director / Key Managerial Personnel / their relatives is interested in the resolution.

**Names of the companies in which he is a Director - NIL**

No. of shares held by Sri. L N Agarwal in the Company is 4839348.

**ITEM NO. 4: TO CONSIDER APPOINTMENT OF SMT. ARUNA PRASAD (DIN - 07164087) AS AN INDEPENDENT DIRECTOR.**

Smt. Aruna Prasad (DIN 07164087), aged 65 years, Practising Cost Accountant, presently is a Non-Executive Non-Independent Director liable to retire by rotation on the board of the Company. She is a qualified Cost Accountant with several years of professional experience based in Chennai.

The profile of Smt. Aruna Prasad pursuant to Regulations 36 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 ("Listing Regulations") and Clause 1.2.5 Secretarial Standard - 2 on General Meetings is provided in the Annexure to this Notice.

Sri. R. Surender Reddy has ceased to be an Independent Director on completion of his second-term of appointment with effect from 1<sup>st</sup> April, 2024 and the Nomination & Remuneration Committee and the Board of Directors in its meeting held on 24/05/2024 has recommended her appointment as an Independent Director for a period of five consecutive years from 22/08/2024 to 21/08/2029 subject to approval of the members in the ensuing AGM.

Smt. Aruna Prasad, as an Independent Director shall not be liable for retirement by rotation during the tenure of her office.

Smt. Aruna Prasad is independent of the management of the Company and in the opinion of the Board, fulfils the specified conditions for appointment as an Independent Director.

The Board recommends the appointment of Smt. Aruna Prasad to the members.

The Company has received declaration from Smt Aruna Prasad confirming that she is not disqualified from being appointed as Director in terms of Section 164 of the Companies Act, 2013 nor has been debarred from holding the office of director by virtue of any order from SEBI or any such authority and has given her consent to act as Director of the Company.

Names of the companies in which she is a Director is NIL.

No. of shares held by Smt. Aruna Prasad in the Company is NIL.

Except Smt. Aruna Prasad, no other Director / Key Managerial Personnel / their relatives is interested in the resolution.

**ITEM NO. 5: RATIFICATION OF CREATION OF MORTGAGE**

The Company has, with a view to facilitate banking operations reduced the number of banks by some banks taking over the existing liabilities of other banks. The resolutions seeks to authorize the creation of mortgage in favour of SBICap Trustee acting for itself and on behalf of other banks to secure the Term Loan / Working Capital facilities over the Company's properties as detailed in the above resolution.

The Board recommends the Resolution given at Item No. 5 of this notice for your approval as Special Resolution.

The Directors or Key Managerial Personnel or their relatives do not have any concern or interest, financial or otherwise in passing of the said Resolution, except to the extent of their shareholding in the Company.

**ITEM NO. 6: RATIFICATION OF THE REMUNERATION OF COST AUDITOR**

Section 148 of the Companies Act, 2013 read with Rule 14 of Companies (Audit & Auditors) Rules, 2014 provides for the appointment and the remuneration of the Cost Auditor for the audit of the cost records of the company by the Board and the ratification of the remuneration of the Cost Auditor by the members of the company. The appointment of M/S. S. Hariharan & Associates, has been approved by Board of Directors as Cost Auditor for carrying out cost audit for the year 2024-25 on a remuneration of ₹ 1,00,000/- plus out of pocket expenses. The ratification by the members to this remuneration is being sought in this resolution. The Board recommends the resolution for the approval of the members.

None of the Directors / Key Managerial Personnel / their relatives of the Company is interested in this resolution.

By Order of the Board of Directors  
**For SURYALAKSHMI COTTON MILLS LIMITED**

**E. V. S. V. SARMA**

COMPANY SECRETARY

(M.No.- A5220)

Place: Secunderabad

Date: 24<sup>th</sup> May, 2024.



## Details of Directors seeking appointment pursuant to Regulation 36 of the S&BI (Listing Obligations and Disclosure Requirements) Regulations, 2015 and Clause 1.2.5 Secretarial Standard - 2 on General Meetings.

Name of the Director	Sri. L. N. Agarwal
Director Identification Number	00008721
Date of Birth	08/09/1933
Qualification	Undergraduate
Expertise in Specific functional areas	Textile Technology developments / trends, cotton markets price, quality and procurement
Experience	61
Directorships held in other companies	Nil
Chairmanship /Membership of Committees held in other companies	Nil
Relationship with other Directors & KMP	Yes
Number of Equity Shares held in the Company	4839348
Number of Board meetings attended during last Financial Year	4
Terms & Conditions of Appointment	Chairman & Managing Director
Details of Remuneration sought to be paid	NIL
Remuneration last drawn by the Director (FY 2023-24)	₹ 78,09,600/-
Name of listed entities from which Director has resigned in the last three years	None

Name of the Director	Sri. R. Surender Reddy
Director Identification Number	00083972
Date of Birth	10/10/1931
Qualification	BA
Expertise in Specific functional areas	Leadership and General Management, Strategic and Business Planning, Accounting and Finance; Compliance and Risk Management
Experience	59
Directorships held in other companies	<ol style="list-style-type: none"> <li>Lakshmi Finance &amp; Industrial Corporation Ltd.</li> <li>Suryalata Spinning Mills Limited</li> <li>Bhagyanagar India Limited</li> <li>Surana Solar Limited</li> <li>Hyderabad Race Club.</li> <li>HRC Recreation Chambers</li> </ol>
Chairmanship /Membership of Committees held in other companies	<p><b>Audit Committee</b></p> <ol style="list-style-type: none"> <li>Bhagyanagar India Ltd., Member</li> <li>Surana Solar Ltd., Chairman</li> <li>Lakshmi Finance &amp; Industrial Corporation Ltd., Chairman</li> <li>Suryalata Spinning Mills Ltd., Chairman</li> <li>Hyderabad Race Club, Chairman</li> </ol> <p><b>Nomination &amp; Remuneration Committee</b></p> <ol style="list-style-type: none"> <li>Bhagyanagar India Ltd., Chairman</li> <li>Surana Solar Ltd., Chairman</li> <li>Lakshmi Finance &amp; Industrial Corporation Ltd., Member</li> </ol> <p><b>Stakeholder's Committee</b></p> <ol style="list-style-type: none"> <li>Lakshmi Finance &amp; Industrial Corporation Ltd., Member</li> </ol> <p><b>Corporate Social Responsibility Committee</b></p> <ol style="list-style-type: none"> <li>Suryalata Spinning Mills Ltd, Chairman</li> </ol>

<b>Name of the Director</b>	<b>Sri. R. Surender Reddy</b>
Relationship with other Directors & KMP	None
Number of Equity Shares held in the Company	28000
Number of Board meetings attended during last Financial Year	2
Terms & Conditions of Appointment	Non-Executive Non-Independent Director, liable to retire by rotation
Details of Remuneration sought to be paid	NIL
Remuneration last drawn by the Director (FY 2023-24)	NIL
Name of listed entities from which Director has resigned in the last three years	None

<b>Name of the Director</b>	<b>Smt. Aruna Prasad</b>
Director Identification Number	07164087
Date of Birth	20/01/1959
Qualification	B.Sc, FCMA
Expertise in Specific functional areas	Cost Accountant
Experience	Cost Auditor in Manufacturing sector, PSU, and Service Sector
Directorships held in other companies	NIL
Chairmanship /Membership of Committees held in other companies	NIL
Relationship with other Directors & KMP	None
Number of Equity Shares held in the Company	NIL
Number of Board meetings attended during last Financial Year	3
Terms & Conditions of Appointment	Non-Executive Independent Director
Details of Remuneration sought to be paid	NIL
Remuneration last drawn by the Director (FY 2023-24)	NIL
Name of listed entities from which Director has resigned in the last three years	None





**SURYALAKSHMI COTTON MILLS LIMITED**

105, 6<sup>th</sup> Floor, Surya Towers, S.P. Road  
Secunderabad - 500 003  
(CIN: L17120TG1962PLC000923)  
[www.suryalakshmi.com](http://www.suryalakshmi.com)