







Integration driving value

For a multi-line business operation like Suryalakshmi, integration works as a principal value driver. The more the integration, greater the value generated for customers, shareholders and the wider community of stakeholders.

Our integrated operations span yarn spinning, denim fabric and garment manufacture, catering to the aspirations of a wide cross-section of discerning customers globally.

Products that embellish life



Vision

Through an integrated system of tools, techniques and training, Suryalakshmi constantly thrives to achieve and maintain the highest quality parameters in the most versatile processes. Continuous improvement and development of its own processes are keys to the Company's survival and success over a period.



The mission of Suryalakshmi Cotton Mills is to empower the dominance of the organisation in the Indian market while we expand and develop a strong presence in the international market. Our products, operations and services, are globally benchmarked against the best.

Suryalakshmi captures the value-chain of textile industry from the manufacture of cotton yarn to denim fabric to garments. The Company has manufacturing facilities located in Hyderabad, Ramtek and Amanagullu comprising all three business divisions. Our product profile consists of a wide range of yarn, fabric and garments, with clientele comprising the best of brands in the country and globe.

X YARN

61,008

spindles of installed capacity

95%

capacity utilisation in 2013-14 42.5%

share of total revenue in 2013-14

12.768

spindles of additional capacity installed in last 5 years Polyster, Polyster Viscose, Polyster cotton yarns



40_{Mn}

metres annual installed capacity

89%

capacity utilisation in 2013-14 50.7%

share of total revenue in 2013-14 **15**yrs.

experience in denim manufacture International and global clients: Levis, Wrangler, POLO RL, DKNY, JC Penney, Walmart, Jones, UFO, Perry Ellis, Next, Marks & Spencers, C&A, Zara, George, Burtons etc.



GARMENTS

4,000

garments operating capacity per day 84%

capacity utilisation in 2013-14 6.80%

share of total revenue in 2013-14 20.30%

CAGR in revenues in last five years leading to 2013-14

Some of the brands we work with:

Levi Strauss, Otto, (Germany), Eagle (Germany), Landmark (UAE), Giovanni Galli (Portugal)

Driven by strategies and imagination





Suryalakshmi Cotton Mills Limited



Yarn	Denim			Garments
 Bangladesh Portugal Brazil Argentina Turkey 	6 USA 7 Canada 8 Peru 9 Guatemala 10 Venezuela 11 Columbia 12 Argentina	13 Chile 14 Mexico 15 UK 16 France 17 Spain 18 Portugal 19 Italy	 20 Africa 21 Egypt 22 Bangladesh 23 Vietnam 24 Sri Lanka 25 Indonesia 	26 Germany 27 Austria 28 UAE 29 Portugal

Message from the Chairman



Dear Shareholders,

Global economies are now on the road to recovery. This recovery is spearheaded by advanced economies like the US, Germany and the UK. The growth of advanced economies will create adequate export demand for the emerging markets with the right skills and capacities to cater to that demand. While such a scenario augurs well for the emerging bloc including India, structural bottlenecks to growth need to be removed with speed.

Although the performance of the Indian economy was disappointing in FY 2013-14, it is now geared for a higher growth trajectory. I will not go into the details of what caused the slowdown, because that is all too well known. On the contrary, I must emphasize on the fact that the government's clear focus on across-the-board reforms have generated an environment of optimism and strengthened business and investor sentiment.

The textile industry reflects a global manufacturing ecosystem where developed countries outsource their requirements to emerging economies for cost-effective production.

Owing to its focus on quality standards and cost rationalization, Suryalakshmi is preferred by multiple global brands.

However, it must be admitted that economic volatility, high input costs and overcapacity in the market impacted our operations in FY 2013-14. We achieved ₹ 71,288.50 Lacs of income from operations with a PAT of ₹ 1,171.20 Lacs. But I must reassure investors that Suryalakshmi has the commitment and the calibre to grow, despite challenges. We have embarked on an ambitious mission to achieve topline growth in garments, spinning and fabric sales across domestic and exports markets. We are planning to achieve a revenue target of ₹ 1000 crores, in the coming three years.

EXPANSION

The Company is setting up a spinning unit (26,000 spindles) at Amaravati, near Nagpur. The unit will manufacture value-added and fancy yarns, such as ring, lycra, slub and compact. The facility will be supported by state-of-the-art machines, such as Amsler Slub attachment



from Switzerland, Lycra attachment from Germany, Eli Twist for compact from Germany and Elite Compact from Switzerland. This yarn will be consumed internally and further exported. The project will avail tax savings and TUF subsidies from the Maharashtra Government in addition to interest subsidy from the Central Government.

FABRIC DIVISION

The Company aims to increase sales of fabrics both in domestic markets and overseas through value additions and introduction of new products. It has employed a designer/marketing person from Europe for this purpose. Denim consumption in India is only 0.3 pairs per person and presents huge untapped opportunities that the Company aims to capitalise.

GARMENTS DIVISION

The Company's Garment Division is one of the best in the country complying with rigorous quality parameters. It is audited and approved by Levi Strauss (largest international denim brand), SMETA (Sedex Members Ethical Trade Audit) protocol and listed on the SEDEX platform, a basic requirement for global clients. It is also audited as per BSCI (Business Social Compliance Initiative) protocol for specific German customers.

Suryalakshmi's talented team of experienced designers and experts have the imagination to create and improve designs for domestic and external markets. The Company's garment export volume has increased with innovative product offerings. Improving exports, robust domestic off-take and excise duty cuts on branded garments indicate an encouraging year ahead.

AMALGAMATION

The Company has strengthened its integration by amalgamating Suryalakshmi Cotton Mills and its 100% subsidiary Suryakiran Mills. It aims to utilise denim fabric from Suryalakshmi plants to make denim garments at Suryakiran. Its objective is to improve overall margins by lowering marketing and logistical costs through forward integration. It also aims to deliver more value added denim offerings in India.

PERFORMANCE ACROSS DIVISIONS

Suryalakshmi's domestic garments business has done very well and sales increased to ₹ 4102 lacs in FY 2013-14 from ₹ 3011 Lacs in FY 2012-13. In India, Suryalakshmi caters to the Aditya Birla Group garment brands, such as Allen Solly, Peter England, Levis' India.

Currently, we have achieved robust export sales from our US market and we will continue to consolidate our position in these markets. We are also expanding into European markets. On the export front, fabric sales generated ₹ 5988.57 lacs, accounting for 8.53% of the Company's revenue. Denim contributes 50.7% to revenues and generated ₹ 35580 lacs in 2013-14.

LOOKING AHEAD

The road ahead shows optimism and there are credible reasons for that. Our unit sales volumes are projected to rise in FY2014-15 due to a larger proportion of high-margin denim offerings like stretch fabric and coated denim combined with greater manufacturing efficiencies and a stronger marketing set up. We also aim to enhance our overseas client base for fabric sales.

From manufacturing fabrics, to making denim to establishing stronger ties with clients, we are leveraging every opportunity to shorten the sales cycle and increase our offerings to clients. While we are strengthening relationships with Suryakiran clients for our fabric division to increase fabric exports, we have also built a network of associates for the US market. We are happy to report that we have opened a market consultancy for Europe. We have established a huge customer base across key markets.

Suryalakshmi is recognized worldwide for its relentless focus on product quality and its commitment to extraordinary customer service. It will continue to upgrade its spinning processes by applying leading-edge automation in every aspect of the business and optimise operational costs.

At Suryalakshmi, we have been successful in all these years owing to the dedicated efforts of our people. I thank each and every member of our team for their contribution. Finally, I would also like to express my gratitude to all shareholders and the fraternity of stakeholders for their unwavering support.

L.N. Agarwal

Chairman and Managing Director

A legacy of excellence

Experience

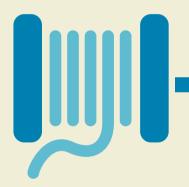
More than five decades of market prominence

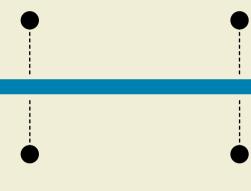
Established in 1962, with the vision to be one of the integrated textile manufacturers in the country. Our rich experience of over five decades makes us one of the trusted textile denim manufacturers in the country.

Scale

Over ₹ 222.23 crores of capital investment

In the past five years, we have invested more than ₹ 222.23 crores in our capacities to address the demand from growing markets across the globe. What makes our expansion story interesting is the fact that we have not just limited ourselves to one segment, but grew in all three.





Presence

Global relevance

Apart from having a strong presence in the country, our products reach more than 20 countries globally. The international clients comprise largely niche MNCs, who repose their trust in the quality of our products.

Integration

Three businesses. One Company

One of the distinctive characteristics that strengthen our business sustainability and growth is integration. From yarn to fabric to garment, Suryalakshmi's prudent product selection adds to our competitiveness, providing significant cost savings and higher profitability.

Customers

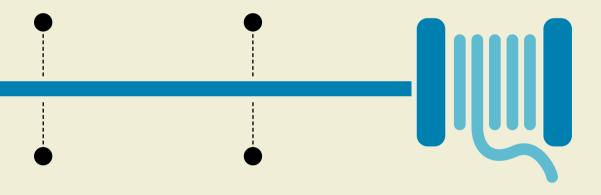
Powering 10+ international brands

More than 25% revenue of our fabric division is derived from large-scale, international clients. Our consistent quality standards and top-tier customer service has made us globally preferred.

Environment friendly

Zero emission

Our plants and processes possess efficient effluent management systems, ensuring zero discharge.



Infrastructure support

Technology that matters

Most of our equipment is supplied by international majors, such as Toyota, Muratec and Schlafhorst, among others.

Quality

International benchmarks

We possess product quality and environmental certifications, vindicating the value of our brand. From yarns that comprise 5% of uster to garments with AQL 1.5% system, our quality levels are the hallmark of our brand.



<**5**%

Quality rejections in fabrics in 2013-14

27

Countries of presence globally

29

Number of states of presence in India

Our strategy is to leverage our synergies and capabilities to approach high-growth markets. On the one hand, we are reinforcing our presence in domestic markets. On the other hand, we are embracing opportunities in international markets.

Our top-tier quality standards encourage prominent global brands to work with us. Some of the world's iconic fashion brands that we partner with are VF Corporation, Levi's, Wal-Mart, Perry Ellis, Jones International, M&S, C&A, ASDA, George, Next, Miss Sixty, Mango, Otto, Carrefour and Sainsbury, among others. The unmatched quality standards, supported by state-of-the art infrastructure, strengthen our competitive advantage.

Working with the best of brands in the denim industry, we also continue to elevate our customer experience. Our relentless focus on quality products and delivering in shortest period of time has positioned our company as a respected one in the industry.



23%

Increase in realisation in garment prices

25mw

Captive Power capacity as on 31st March, 2014

In the recent past, several players in India have set up new capacities, creating a situation of over-supply. New capacities have also come up in Bangladesh and Turkey, further adding to the woes of excess supply. While we are also investing in business growth, our strategy has been to align our expansions with the available market demand. We have restructured our product portfolio to ensure optimum capacity utilisation and enhance margins. Currently, our portfolio comprises more value-added products vis-a-vis dyed denims, coated denims, BCI Cotton denims, coloured denims, among others. We have strategically moved up the value chain, producing more high-margin products and reducing the overall share of low-margin products.

We have also stepped up our export presence by strengthening our global team. We have hired associates and market consultants in Europe and the US, geographies which hold good prospects on account of increasing demand. The experience and dynamism of new team members will help us further increase our market share in these regions.



9.27%

ROCE as on 31st March, 2014

5.54%

RONW as on 31st March, 2014

₹45cr

Cash profit as on 31st March, 2014

Financial sustainability is a part of our business philosophy and as we grow further, we continue to strengthen our fiscal discipline. Aligning our recent expansion plans, we expect our topline to reach ₹ 1000 crores in the next three years. As we continue to focus on our topline, we are streamlining our systems and processes to ensure higher efficiencies.

The extent of our integration is vindicated by the fact that over 97% of yarn produced is used for captive consumption for the manufacture of denim fabric. Garment Division sources its fabric requirements from the Denim Division. The integrated business model helps enhance realisations in all three business segments, strengthening our financial base.

Our captive power facility also helps us improve our cost per unit, with the 25 MW power plant at Ramtek, Nagpur. With more than 8.80 crore units of power generation, Suryalakshmi now has an optimal cost structure, ensuring financial sustainability.

These efforts have resulted in 14.3% CAGR growth in our revenues in the last five years. We have achieved a consistent growth in our cash profits at 13.7% CAGR and our net profits have grown at 28.09% CAGR during the same period. We will continue to focus on emerging opportunities across potential markets to drive long-term growth.

Overview of our business operations

Yarn

We are among the world's most respected cotton, polyester and blended yarns makers. With more than 61,000 spindles, our yarn division has the ability to deliver world-class products. The division is powered by cutting-edge technology, which enables on-time delivery to global clients.

Key highlights, 2013-14

- Earned ₹ 29,854.11 lacs revenue
- Recorded ₹ 720.84 lacs PBT
- Entered into long-term contracts with major suppliers
- Optimised operating costs with reduced power cost per unit, lower inventory levels and higher productivity
- Improved the overall input-output ratio and enhanced the yield ratio
- Reduced the waste generation to minimal levels, contributing to a greener and cleaner environment

Outlook

Despite the rising input costs of the textile industry, we are confident of sustaining our growth levels by leveraging our internal strengths, such as higher efficiencies, improving yield and efficient cost management. We also expect to improve our realisation levels by penetrating deeper into emerging markets.

In view of rising demand for value-added yarns, we are setting up additional capacity of more than 26,000 spindles at Ramtek in Nagpur district. The unit will help manufacture value-added and fancy yarns (such as ring, lycra, slub and compact). The facility will be supported by state-of-the-art machines, such as Amsler Slub attachment from Switzerland, Lycra attachment from Germany, Eli Twist for compact from Germany and Elite Compact from Switzerland.

Denim

Over the past two decades, we have expanded our state-of-the-art denim manufacturing unit capacity to more than 40 million metres annually. Our integrated unit is today the third largest single site in India. The unit is empowered by skilled workforce and contemporary equipment as well as certified by global qualitative and environmental standards.

Key highlights, 2013-14

- Revenue was recorded at ₹ 35.580.16 lacs
- Profit before tax was recorded at ₹ 1.980.56 lacs
- Conducted regular qualitative audits to highest product quality and minimal product waste
- Improved the existing waste recovery system to enhance the material utilisation
- Introduced value-added products, improving realisation per metre
- Partnered with more renowned international brands
- Increased share of value-added Denims

Partnering with brands

Levistrauss, VF, JC Penny, Peter England Splash, Forca

Outlook

India currently has a capacity to produce 1 billion meters of denim fabric per annum. India is the second-largest producers of denims after China. Of the total denims manufactured in India, 450 million metres are used in the domestic market and approximately 250 million metres is exported. International brands and retailers are gradually shifting their manufacturing base from traditional destinations like US, Mexico, Turkey and Italy to low-cost and high-quality destination like India. The Company is partnering with prestigious apparel customers like Levistrauss, Aditya Birla Nuvo Limited [Peter Englad, Allen Solly, Louis Philippe], Landmark group [Splash, Lifestyle – Forca etc. and others for longer term to ensure sustainable business.

Certified by the best

We have always evolved itself in a robust manner in terms of product development, technology and manpower skills to capture export opportunities. In order to enhance our export presence, social and environmental compliance is one of the important prerequisite.

All our plants are audited and approved by Levistraaus [largest international denim brand], audited and qualified as per SMETA [Sedex Members Ethical Trade Audit] protocol and listed on SEDEX platform (which is basic requirement for most of the European and UK Buyers) and also audited as per BSCI [Business Social Compliance Initiative] Protocol for special German Customers.

Strategies to mitigate risks

Potential Risks

Outdated design trends may cause demand fluctuations

Inadequate raw material availability affects business sustainability

Poor quality standards may affect brand repute

Volatility in power supply may cause fluctuation in production

Environmental risk

Overcapacities and fluctuations in sales volumes may impact business sustainability

Increasing competition may impact brand recall

Practices initiated to mitigate risk

- Our experienced and dedicated design team keeps abreast of evolving fashion trends and consumer needs. It then creates finishes and shades in line with emerging trends
- Using imagination and application in design adds value. Around 80% of our revenues come from value-adds in our garments, especially denim garments
- Our Ramtek unit in Nagpur is situated near cotton growing farmers
- We source large raw cotton from the Cotton Corporation of India, ensuring best rates and consistent supply
- We procure polyester from large organised manufacturers like Reliance Industries
- Technology upgrades with 100% of our looms of the sophisticated shuttleless variety helps us to maintain quality in our products and processes
- We buy our spinning equipment from LMW, Muratec Auto Coner and Luwa
- Our products are at par with Uster standards and are certified for Oeko Tex Standard Product Class II.
- Our plants are certified as per ISO 9001:2008
- Commissioned a 25 MW thermal power plant to provide the Company's captive needs as well as generate revenue from merchant sale to the state electricity grid
- The input requirements of the plant are met from nearby coal mines
- We invest continuously in environmental protection to reduce our carbon footprint
- The Company has set up a zero-discharge reverse osmosis plant and implemented re-cycle of treated effluents
- Our denim plant is certified by ISO 14001 by FQC for environmental standards
- We optimise our supply chain to ensure prompt delivery performance
- We are producing more high-value offerings to utilise excess capacities and approaching emerging markets to ensure steady sales volumes
- Multiple product divisions and strong customer relationships will help us outsmart competition

Sustainable stewardship

Suryalakshmi Cotton Mills Limited



patients were operated in the camp

At Suryalakshmi, we have always strived to achieve a fine a 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.

Suryalakshmi Cotton Mills Limited quarterly organises Surgery Camps for the welfare of patients residing in villages near Nagardhan, Maharashtra. The surgical camps are organised with the help of Yogiraj Swami Sitaramdasji Maharaj Hospital & Research Centre (YSSMHRC), Ramtek. A total 150 patients are operated in the camp. The Company has also helped establish a children's section in the hospital by contributing to equipment cost.

Directors' Report

To The Members

Your Directors are pleased to present their Fifty First Annual Report on the business and operations of the Company and the financial results for the year ended 31st March, 2014.

FINANCIAL RESULTS

(Figures in ₹ Lakhs)

		2013 - 2014	(Figure	2012-2013
Cross Profit hofore Interest & Depresiation				
Gross Profit before Interest & Depreciation	2.604.16	8,077.42	2 2 40 12	10,783.53
Less: Interest	3,694.16		3,348.13	
: Depreciation & Amortisation expense	3,209.13	6,903.29	2,909.71	6,257.84
Profit/(Loss) before prior year Adjustment		1,174.13		4,525.69
Exceptional Items *		(515.51)		281.92
Profit before tax for the year		1,689.64		4,243.77
Less: Provision for Income Tax for the year		343.00		850.00
Less: Deferred tax liability		175.44		357.12
Profit / Loss after tax		1,171.20		3,036.65
Add : Profit brought forward from last year		8,019.98		5,633.14
Less: Loss of Suryakiran International Ltd – pursuant to Scheme of amalgamation.		(279.93)		-
		8,911.25		8,669.79
Dividend on Preference Share Capital		10.00		-
Dividend on Equity Share Capital		174.27		290.45
Corporate Dividend Tax		31.31		49.36
Transferred to General Reserve		100.00		310.00
Profit transferred to Balance Sheet		8,595.67		8,019.98
		8,911.25		8,669.79

^{*} Exceptional item includes Sales Tax subsidy for the previous years ₹ 209.01 Lacs & MVAT of ₹ 306.50 lacs.

Note: Figures are regrouped based on Revised Schedule VI requirements.

OPERATIONS

The net sales for the year at ₹ 701.86 crores (including Suryakiran's sales) is marginally less compared to the previous year. The net profit after tax at ₹11.71 crores is lower than the profit of the previous year.

The main reason for lower profit has been the loss suffered in the Denim operations on account of a go-slow resorted to by the workers for 42 days and then a lock out declared by the Company which lasted for about 45 days leading to loss of production/sales to the extent of ₹ 70 Crores. The Denim market has been stagnant for most of the year with

no significant improvement in realizations. Export volumes have also not been very encouraging.

The Spinning operations also suffered due to the adverse market and high cost of power and disproportionate increase in raw material prices.

In the Power plant the operating losses have considerably declined due to increased efficiency and lower coal prices. The Power plant could have reported a better performance but for the unviable open access bilateral power sale prices in Maharashtra in view of high power transmission

charges imposed by the Power distribution authority. Power rates in Power exchanges were cheaper as open access transactions are discouraged by charging higher cross subsidy. The Company could not utilise the captive power for its own spinning division in Andhra Pradesh due to unavailability of Transmission Corridor. The Power distribution authorities have been repeatedly apprised of the prevailing power situation in Maharashtra through various Fora. The Coal linkage is still not made available despite several attempts in this direction.

The Company expects the performance of power plant to improve in near future, in view of upcoming textile units and industrial development in Maharashtra. The power plant's capacity utilisation in Maharashtra will also increase when the company's proposed spinning unit in Amaravati district of Maharashtra goes on stream.

DIVIDEND

The Directors are pleased to recommend a Dividend of 12% i.e. $\stackrel{?}{_{\sim}}$ 1.20 per share (previous year $\stackrel{?}{_{\sim}}$ 2.00 per share). The Director's have, keeping in mind, the heavy repayments during the year 2014 – 15 and also the need to conserve resources for future expansion lined up by the company recommended the dividend of $\stackrel{?}{_{\sim}}$ 1.20 per share.

CAPITAL EXPENDITURE

During the year under review the Company incurred capital expenditure of ₹ 10.94 Crore. With a view to ensure that the book values of the Company's assets properly reflect their real value, the Company has recently got its assets revalued. The written up value of the assets on revaluation amounting to ₹ 89.74 Crores was added to the cost of assets on 31st March, 2014 and the same will be written off as per the depreciation method followed by the company.

EXPORTS

The Exports at ₹ 80.64 crores is marginally lower than ₹ 81.80 Crores of last year.

The year did not witness any growth in exports as the global markets remained subdued and under pressure. While some American markets were sluggish, there was excess capacity build up in Turkey and some Asian countries including India leading to lower prices and increased competition.

MERGER

With a view to ensure complete forward integration of Denim into the garmenting facility of the subsidiary SKIL,

ensure sufficient marketing of SKIL products and to have greater flexibility in development of new markets for garments and to reap other administrative advantages and financial savings by way of carry forward of business losses of SKIL, the Boards of Directors of both the companies have proposed a scheme of amalgamation of the wholly owned subsidiary with the company. The Hon'ble High Court of A.P. sanctioned the scheme of amalgamation in April, 2014 and accordidngly with effect from 01.04.2013, the entire undertaking of the SKIL comprising all its assets and liabilities stand transferred to and vested in holding company namely Suryalakshmi Cotton Mills Limited. The Annual reports and accounts of SCML of this year includes the operations of Suryakiran from 01.04.2013.

FUTURE OUTLOOK

As part of the Company's growth plans the Company finalised a proposal for setting up a 26,000 spindle unit to manufacture fancy and value added yarns at Amaravathi, Maharashtra. MIDC has already allotted land. Most of the yarn produced in this unit is proposed to be used captively in Denim plant thus minimizing the dependence on outside yarn and also improving the profitability. Further power for this unit can be easily accessed from the company's captive power plant in the Denim division.

The Company plans to reach a turnover of ₹ 1,000 Crores on completion of the project. The profitability is expected to be better once the power plant operations stabilize and the new project goes on stream. The Company is continuing its aggressive approach to new markets and new customers with value added denims being constantly developed in the company. The Company is encouraged by the response from new markets in South America and Europe and the very positive response to its new varieties in women's/girl's products. More favourable government policies are expected to drive the Industrial growth.

DIRECTORS

Sri H L Ralhan (DIN: 00018362) retires by rotation and offers himself for re-appointment. In accordance with the provisions of the Companies Act, 2013 and SEBI guidelines

Sri R Surender Reddy (DIN: 00083972) is being appointed as an Independent Director for a term of 5 years who shall not be liable to retire by rotation.

The tenure of Sri L N Agarwal (DIN: 00008721) as Chairman and Managing Director comes to an end on 21st June, 2014 and is being re-appointed for a period of 5 years.

Mrs. Padmini Agarwal, (DIN: 01652449) W/o. Sri Paritosh Agarwal (DIN: 00008738) has been appointed as a Wholetime Director subject to the approval of Annual General Meeting from 27.05.2014 for a period of 5 years and shall be liable to retire by rotation.

CORPORATE GOVERNANCE

As per the revised Clause 49 of the Listing Agreement on Corporate Governance, Management Discussion and Analysis Report form part of the Annual Report. Further, a separate report on the Corporate Governance together with the Certificate from the Auditors of the Company regarding compliance of the Corporate Governance also forms part of the Annual Report.

DIRECTORS' RESPONSIBILITY STATEMENT

The Board of Directors of the Company confirms:

- that in the preparation of the annual accounts, the applicable accounting standards have been followed and there has been no material departure;
- that the selected accounting policies were applied consistently and the Directors 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 as at 31st March, 2014 and of the profit of the Company for the year ended on that date.
- that proper and sufficient care has been taken for the maintenance of adequate accounting records in accordance with the provisions of the Companies Act, 1956 for safeguarding the assets of the Company and for preventing and detecting fraud and other irregularities.
- 4. that the annual accounts have been prepared on a going concern basis.

AUDITORS

The Auditors M/s. Brahmayya & Co, retire at the ensuing Annual General Meeting and are eligible for reappointment.

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

The details as required under the Companies (Disclosure of Particulars in the Report of Board of Directors) Rules, 1988 are given at Annexure - I.

DEPOSITS

There are no overdue deposits as on 31st March, 2014.

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.

The information required under Section 217 (2A) of the Companies Act, 1956 read with the Companies (Particulars of Employees) Rules, 1975 is given in Annexure – II.

ACKNOWLEDGEMENTS

The Board of Directors are pleased to place on record their appreciation of the cooperation and support extended by All India Financial Institutions, 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

Date: 27.05.2014 L. N. Agarwal Place: Secunderabad Chairman & Managing Director

Annexure I to Directors' Report

Details as required under Companies (Disclosure of Particulars in the Report of Board of Directors) Rules, 1988 read with clause (e) of Subsection (1) of Section 217 of the Companies Act, 1956.

A. CONSERVATION OF ENERGY

(a) Energy conservation measures taken:

An energy audit was undertaken by a firm of consultants to improve upon the energy conservation measures. The recommendations from the audit were implemented. The Company's consumption of energy per unit of production is one of the lowest in the industry.

- (b) Additional investments and proposals, if any, being implemented for reduction of consumption of energy
- (c) Impact of the measures at (a) and (b) above for reduction of energy consumption and consequent impact on the cost of production of goods.
 - The above measures have reduced the cost of production.
- (d) Total energy consumption and energy consumption per unit of production as per Form A is given below:

FORM AForm for disclosure of particulars with respect to conservation of energy

		(Fi	igures in ₹ Lakhs)
Α.	POWER & FUEL CONSUMPTION	2013-2014	2012-2013
	1 ELECTRICITY		
	a) Purchased Units(000)	42,521	65,520
	Total amount (₹ lakhs)	2,445	3,974
	Rate/Unit(₹)	5.75	6.07
	b) Own Generation		
	i) Through Diesel Generator		
	Units(000)	95	34
	Unit per ltr. of Diesel Oil	2.72	2.93
	Cost/Unit(₹)	14.82	15.51
	ii) Through Steam turbine		
	Units(000)	88,030	34,477
	Unit per kg of Coal	0.93	*0.60
	Coal Cost/Unit(₹)	3.62	*6.70
	2 COAL (₹ in lakhs)	3,926	3,170
	3 FURNACE OIL	-	-
	4 INTERNAL GENERATORS	14	13
	5 OTHERS / LPG etc.,	132	128
В.	CONSUMPTION PER UNIT OF PRODUCTION		
	Electricity (No. of Units)		
	Per kg/Yarn	2.10	2.09
	Per metre/Fabric	1.77	1.71
	Furnace Oil	-	-
	Coal (specify Quality)	-	-
	Others (specify)	-	
	Grand Total	6,517	7,285

^{*} Includes Coal consumption during trial run period.

B. TECHNOLOGY ABSORPTION

(e) Efforts made in technology absorption as per Form B:

FORM - B

B. Form for disclosure of particulars with respect to absorption

Research and Development (R&D):

Specific areas in which R & D carried out by the Company. : 1. The Company is having R&D in introduction and development of value added products. Benefits derived as a result of the above R&D New value added products were developed. Future plan of action To further develop more value added 3. products and improve the quality of the products. Expenditure on R&D ₹ 40,063/-(i) Capital ₹ 15,66,241/-(ii) Recurring ₹ 16,06,304/-(iii) Total (iv) Total R&D expenditure as a percentage of total

Technology absorption, adaptation and innovation

turnover



Annexure I to Directors' Report

Suryalakshmi Cotton Mills Limited

C. Foreign Exchange Earnings and Outgo:

f) Activities relating to exports; initiatives taken to increase exports; development of new export markets for production and service and export plans.

						(Figures in ₹ Lakhs)
					2013 - 2014	2012 – 2013
g)	Tota	al for	eign exchange used and	:		
	(i)	Fore	eign Exchange Earned			
		FOE	3 Value of Exports	:	7,769	7,907
		CIF	Value of Exports	:	8,064	8,180
	(ii)	Fore	eign Exchange Used	:		
		a)	Commission on export sales :	:	156	101
		b)	Foreign Travel Expenses	:	17	16
		c)	Raw material	:	476	1,240
		d)	Plant / Machinery & Others:	:	81	231
		e)	Stores & Spares	:	1,437	1,334
		f)	Repayment of loans	:	500	332
		g)	Interest	:	170	179
		h)	Foreign Technical and Consultancy services and	:	72	47
		i)	Others		8	-

Annexure II to Directors' Report

Information pursuant to Section 217 (2A) of the Companies Act, 1956 read with Companies (particulars of employees) Rules, 1975 and forming part of the Directors' Report for the year ended 31st March, 2014.

Name	Age	Qualification	Date of Employment	Designation	Remuneration (₹ in Lacs)	Experience	Last Employment
Sri L. N. Agarwal	80	Under graduate	22.06.2009	Chairman & Managing Director	72.91	53 Years	Chairman & Managing Director,
							Suryalakshmi Cotton Mills Limited
Sri Paritosh K. Agarwal	41	Graduate	21.06.2010	Managing Director	65.59	21 Years	Executive Director,
							Suryalakshmi Cotton Mills Limited

Note:

Remuneration as shown above includes Salary, Commission, Company's contribution to Provident Fund, Reimbursement of Medical Expenses, Leave Travel Assistance and other perguisites.

Management Discussion and Analysis

INDUSTRY STRUCTURE, DEVELOPMENT AND PRODUCT WISE PERFORMANCE

The Company manufactures Cotton, Polyster and Blended Yarns in its Spinning Division at Amanagallu in Mahabubnagar District, Andhra Pradesh and Denim Fabric at its Denim Division at Village Nagardhan, near Ramtek, Maharashtra and a garment unit near Hyderabad. The Company also has a Captive Power Plant at Ramtek, Maharashtra.

Textile Industry has an overwhelming presence in the economic life of the country. It contributes about 14% to industrial production 4% to the GDP and 17% to the country's foreign exchange earnings, and is the largest employer, next only to agriculture providing direct employment to about 35 million people. The Indian textiles industry is extremely varied, with the hand-spun and hand-woven sector at one end of the spectrum, and the capital intensive, sophisticated mill sector at the other. The decentralized powerlooms / hosiery and knitting

sector form the largest section of the Textile sector. The yarn industry comprises 3102 mills (including SSI) with installed spindleage of about 48.66 million. Three Fourths of the production in the spinning industry is from the private sector and the balance from the Cooperative / Public Sector units. The total capacity for Denim in India is about one billion meters and there are about 30 players in the Denim market.

INDIAN TEXTILE INDUSTRY

The Indian textile industry is set for strong growth, buoyed by both strong domestic consumption as well as export demand. Abundant availability of raw materials such as cotton, wool, silk, jute and skilled workforce has made India a sourcing hub.

The industry includes production of flexible packaging material for industrial, agricultural and consumer goods. India's technical textile industry is an emerging area for investments with good growth opportunities.

Value Chain of the textile industry



Production of Yarn

The provisional estimates show that the spun yarn production has increased by 488 million kgs, an increase of 11.2 percentages during FY13. The productions of cotton varn and blended varn have registered positive growth rates but 100% non-cotton spun yarn has shown stagnation during the year. The estimates show that the Cotton yarn production has increased by 438 million Kg from the level of production of 3126 million Kg in FY12 to 3564 Million Kg in FY13, a 14% increment. Blended yarn production has been estimated to increase by 37 million kg and the 100% non-cotton yarn has been at 457 million Kg with no any increments during FY13. The share of cotton yarn production under all spun yarns has increased from 71.6% to 73.5%. Blends share has shown a marginal decrease while 100% non-cotton yarns have also shown a fall of 0.9 percentages.

Cotton yarn and cotton

Spinning mills seems confident this year as a surge in the demand for cotton yarn is expected in the export market

and domestic apparel and home furnishing sector. A good monsoon and a better crop size may help keep the price of cotton viable for the sector.

Direct yarn exports are likely to touch 1,500 million kg by FY 2014 from 1,107 million kg in FY 2013. There is an increasing anxiety in the industry due to recent developments in Chinese cotton policy since China is the major importer of cotton and cotton yarns from India.

At present, the price difference between Indian and Chinese cotton is high, with the Indian yarn selling at much lower rates. Prices of Indian cotton yarns after payment of duty and taxes in China are still very much lower than the Chinese domestic yarn prices.

Man-made fibres (MMF)

Considering future GDP growth of 8%, the domestic demand for man-made fibres/ filament yarns is estimated at 3.9 billion kg in FY15 and about 6 billion kg in FY20. Adjusting to this the likely exports and imports of MMF, the overall MMF requirement is estimated at 4.2 billion kg



Suryalakshmi Cotton Mills Limited



for FY15 and 6.48 billion kg for FY20. This implies capacity additions of about 1.8 billion kg (FY15) and 4.6 billion kg (FY20), which would require an investment of over $\ref{eq:property}$ 90 billion (approximately US\$ 2 billion) by FY15 and $\ref{eq:property}$ 230 billion (approximately US\$ 5.1 billion) by FY20.

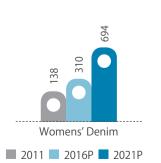
Denim industry

The Indian Denim manufacturing and consumption is growing at a healthy CAGR of 12-15% over the last decade and is expected to grow at similar compounded rates over next few years. The denim capacity build up in India is often in steep-steps i.e. large capacities are added in a short period of time. The current installed capacity of denim fabric production stands at about 1 billion meters per annum. If the capacity continues to grow at even 10% in coming years, India will cross the magical mark of 1.2 billion meters by 2015.

Presently Indian denim industry is facing a situation of over capacity as there is demand and supply mismatch. There is also a temporary pressure on prices. The current domestic consumption of Indian denim is approximately 450 million meters and export of denim fabric from India is approximately 200 million meters which implies that capacity utilisation is approximately 65%-70% at present.

In real terms the per capita consumption of denim in India is only .32 pair of jeans compared to 2 pairs of jeans/ person in US and Europe. However, because of the young demographic profile of the population wherein 50% of the population is in the age group of 15-35 years and increasing acceptance of jeans in the younger female segment, our denim consumption will steadily increase.







(Source: Technopak Analysis)

Graph not to scale



THE KEY GROWTH DRIVERS

Increase in per capita income: India's consumer spending is going through a fundamental shift. The per capita income is likely to increase by 10.4% to ₹ 74,920 in 2013-14 as the country becomes a \$1.7 trillion economy. So the strong demand for better lifestyle and high disposable income will act as growth drivers for the Company.

Positive retail market: Consumerism in India is witnessing unprecedented growth driven by favourable demographics, a young and working population, rising income levels, urbanization and growing brand orientation. This, in turn, is reflected in India's retail market, which in 2013, was US\$ 520 billion and is expected to grow at a CAGR of 13% to reach around US\$ 950 billion by 2018. Organized retail penetration, currently estimated at 7.5% is expected to clock a 19-20% p.a. growth to reach 10% by 2018.

Government Initiative: The Government of India has promoted a number of export promotion policies for the Textile sector in the Union Budget 2011-12 and the Foreign Trade Policy 2009-14. It has also allowed 100 per cent FDI in textiles under the automatic route.

Due to policy measures initiated by the Government in the recent past, the Indian textiles industry is in a stronger position than it was in the last six decades. The industry which was growing at 3-4 percent during the last six decades has now accelerated to an annual growth rate of 8-9 per cent in value terms.

OPPORTUNITIES AND THREATS, RISKS AND CONCERNS

The Government has addressed the slow down in textiles by proposing a debt restructuring package and also taking various initiatives. Favourable government policies are expected to derive the industrial revival and growth in the country in the near future.

INTERNAL CONTROL SYSTEMS AND THEIR ADEOUACY

The Company has an adequate internal control system commensurate with the size and complexity of the organization. The Company has undertaken a comprehensive review of all internal control systems to take care of the needs of the expanding size of the Company and also upgraded the IT support systems. A system of internal audit to meet the statutory requirement as well as to ensure proper implementation of management and accounting controls is in place. The Audit Committee periodically reviews the adequacy of the internal audit functions.



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

Survalakshmi Cotton Mills Limited

There are no material developments in the Human Resources area. The industrial relations have been generally satisfactory. The Company constantly reviews the man power requirements and has a properly equipped Department to take care of the requirements. The total number of people employed by the Company is 3454.

OPERATIONS

Discussion on financial performance

The net sales for the year at ₹ 701.86 crores (including Suryakiran's sales) is marginally less compared to the previous year. The net profit after tax at ₹ 11.71 crores is lower than the profit of the previous year.

The main reason for lower profit has been the loss suffered in the Denim operations on account of a go-slow resorted to by the workers for 42 days and then a lock out declared by the Company which lasted for about 45 days leading to loss of production/sales to the extent of ₹ 70 Crores. The Denim market has been stagnant for most of the year with no significant improvement in realizations. Export volumes have also not been very encouraging.

The Spinning operations also suffered due to the adverse market and high cost of power and disproportionate increase in raw material prices. In the Power plant the operating losses have considerably declined due to increased efficiency and lower coal prices. The Power plant could have reported a better performance but for the unviable open access bilateral power sale prices in Maharashtra in view of high power transmission charges imposed by the Power distribution authority. Power rates in Power exchanges were cheaper as open access transactions are discouraged by charging higher cross subsidy. The Company could not utilise the captive power for its own spinning division in Andhra Pradesh due to unavailability of Transmission Corridor. The Power distribution authorities have been repeatedly apprised of the prevailing power situation in Maharashtra through various Fora. The Coal linkage is still not made available despite several attempts in this direction.

The Company expects the performance of power plant to improve in near future, in view of upcoming textile units and industrial development in Maharashtra. The power plant's capacity utilisation in Maharashtra will also increase when the company's proposed spinning unit in Amaravati district of Maharashtra goes on stream.

NOTE

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

Readers may therefore appreciate the context in which these statements are made before making use of the same.

Corporate Governance Report

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, 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 as on 31st March, 2014 / Number of other Board of Directors or Committees of which Member / Chairman.

Name of the Director	Category	No. of other Directorships in Public Limited Companies	No. of other Board Committees of which Member	No. of other Board Committees of which Chairman
L. N. Agarwal	Chairman & Managing			
DIN 00008721	Director–Promoter/ Executive	1	Nil	Nil
Paritosh kumar Agarwal DIN 00008738	Managing Director – Promoter/ Executive	1	Nil	Nil
R. Surender Reddy DIN 00083972	Non-Executive – Independent	6	3	6
Dr. A. Nageswara Rao * DIN 00013295	Non-Executive – Independent	3	6	1
Navrang Lal Tibrewal DIN 00030151	Non-Executive – Independent	Nil	Nil	Nil
R. S. Agarwal DIN 00012594	Non-Executive – Independent	6	4	3
H. L. Ralhan DIN 00018362	Executive – Non-promoter	Nil	Nil	Nil
Kumar Neel Lohit DIN 06504417	IDBI Nominee Non-Executive Independent	Nil	Nil	Nil

^{*} Till his demise on 22.01.2014.

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 1st April, 2013 to 31st March, 2014	Attendance at the last Annual General Meeting held on 29/09/2014
L. N. Agarwal	4	Present
Paritosh K. Agarwal	4	Absent
R. Surender Reddy	4	Present
Dr. A. Nageswara Rao *	1	Absent
Navrang Lal Tibrewal	4	Absent
R. S. Agarwal	4	Present
H. L. Ralhan	1	Absent
K. Neel Lohit	4	Absent

^{*} Till his demise on 22/01/2014.



Reappointment of Directors

As required by Clause 49 of the Listing Agreement on Corporate Governance particulars of the Directors being reappointed are provided hereunder.

Sri L. N. Agarwal

Sri L N Agarwal, is the promoter founder of the Company and was also instrumental in floating the other companies viz., Suryavanshi Spinning Mills Limited, Suryajyothi Spinning Mills Limited and Suryalata Spinning Mills Limited and has vast knowledge of textile industry for more than 5 decades and his experience and guidance is considered vital to the company's growth and hence the Board recommends his reappointment in spite of the fact that he has attained the age of 70 years.

Sri L. N. Agarwal was appointed as Chairman & Managing Director for a period of 5 years w.e.f. 22.06.2009 on a remuneration of ₹ 2 lakhs p.m. plus perquisites. His remuneration was revised to ₹ 4 lakhs p.m. plus perquisites from 15/05/2010 to 21/06/2014. His term of appointment comes to an end on 21st June, 2014. The Nomination and Remuneration Committee has recommended the reappointment of Sri L. N. Agarwal for a period of 5 years at a remuneration of ₹ 4 lakhs plus perquisites per month w.e.f. 22.06.2014. The appointment by the Board is subject to the approval of the Members in the General meeting and also of the financial institutions.

Names of the companies in which he is a Director.

Suryavanshi Finance & Investment Private Limited.

No. of shares held by Sri L. N. Agarwal in the Company is 1364516.

Sri H. L. Ralhan

Sri H. L. Ralhan is a Textile Engineer by profession and has vast experience in Denim Industry. He was reappointed as a Director and Chief Executive Denim Division with effect from 30.01.2011. His present remuneration is ₹ 2,56,410/- p.m. plus perquisites. The Nomination & Remuneration Committee has recommended

his re-appointment as a Director liable to retire by rotation and revise his remuneration as detailed in the notice.

Names of the Companies in which he is a Director/Chairman – None.

No. of shares held by Sri H. L. Ralhan in the Company – 650.

Sri R. Surender Reddy

Sri R. Surender Reddy has wide experience in business and politics. He was a Member of Parliament for four terms and was also a Member of Legislative Assembly (Andhra Pradesh) for four terms. He was also on the Boards of Andhra Bank and A.P. State Financial Corporation. He has been the Chairman of Hyderabad Race Club for several years and is very well known in Corporate circles.

The recently enacted Companies Act, 2013 read with the amended Corporate Governance norms as prescribed by SEBI provide that a Listed Company shall appoint Independent Directors for a term of five consecutive years on the Board of a Company. The Independent Director shall also not be liable to retire by rotation during his tenure of 5 years and shall abide by the provisions set out in Schedule IV to the Companies Act, 2013.

Sri R. Surender Reddy satisfies the conditions prescribed in the Act and the Corporate Governance norms and the Board recommends his appointment to the members of the Company.

Names of the companies in which he is a Director.

- 1. Suryalata Spinning Mills Limited.
- 2. Hyderabad Race Club Ltd.
- 3. Suryavanshi Spinning Mills Ltd.
- 4. Surana Ventures Ltd.
- 5. Bhagyanagar India Ltd.
- 6. Lakshmi Finance & Industries Corpn. Ltd.
- '. Suryajyoti Spinning Mills Ltd

No. of shares held by Sri R Surender Reddy in the Company is 28000.

3. AUDIT COMMITTEE:

a. Brief description of terms of reference

- i. Oversight of Company's financial reporting process and disclosure of financial information.
- ii. Review of financial statements before submission to Board.
- iii. Review of adequacy of internal control systems and internal audit functions.
- iv. Review of Company's financial and risk management policies.

b. Composition, name of members and Chairperson

1. Sri R. Surender Reddy
 2. Sri N. L. Tibrewal
 3. Sri R. S. Agarwal
 4. Sri K. Neel Lohit
 Chairman, Non-Executive & Independent
 Member, Non-Executive & Independent
 Member, IDBI Nominee & Independent

c. Meetings and attendance during the year

During the financial year 31st March, 2014 - Four Audit Committee Meetings were held on 16.05.2013, 08.08.2013, 07.11.2013 & 13.02.2014

Name	No. of the Meetings attended
R. S. Agarwal	4
R. Surender Reddy	4
N. L. Tibrewal	4
K. Neel Lohit	4

4. REMUNERATION COMMITTEE

a) Brief description of terms of reference.

To formulate a remuneration policy and approve the remuneration or revision in the remuneration payable to the Executive Directors.

b) Composition, Name of members and Chairperson

1. Sri Navrang Lal Tibrewal
 2. Sri R. S. Agarwal
 3. Sri K. Neel Lohit
 Chairman – Non - Executive – Independent
 Member – Non - executive – Independent (IDBI Nominee Director)

c) Attendance during the year

During the financial year ended 31st March, 2014, one Remuneration Committee Meeting was held on 16.05.2013.

d) Remuneration policy

To periodically review the remuneration package of whole time Directors and recommend suitable revision to the Board.

e) Details of remuneration to all the Directors, as per format in main report.

Suryalakshmi Cotton Mills Limited

(During 01.04.2013 to 31.03.2014)

			•	·
Name	Designation	Salary & Perquisites (₹ in lacs)	Commission (₹in lacs)	Total (₹ in lacs)
L. N. Agarwal	Chairman & Managing Director	62.44	10.47	72.91
Paritosh K. Agarwal	Managing Director	55.12	10.47	65.59
H. L. Ralhan	Director & Chief Executive	34.41	-	34.41
	(Denim Division)			

Sitting Fees

Name	Designation	Amount (₹)
Sri R. Surender Reddy	Director	32500
Sri Navrang Lal Tibrewal	Director	30000
Dr. A. Nageswara Rao	Director	5000
Sri R. S. Agarwal	Director	30000
Sri Kumar Neel Lohit	Nominee – IDBI	30000

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

5. SHAREHOLDERS / INVESTORS GRIEVANCE COMMITTEE:

a) Name of Non-Executive Director heading the Committee

Sri Navrang Lal Tibrewal

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 for the 4th Quarter – 4 Nos.

No. of Complaints received for the Year ended 31st March, 2014 – 45 Nos.

d) Number not solved to the satisfaction of shareholders

NII

e) Number of pending share transfers.

NIL

6. GENERAL BODY MEETINGS:

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

Financial Year	Date	Venue	Time
2010-2011	29/09/2011	"Triveni" Hotel Kamat Lingapur, 1-10-44/2, Chikoti Gardens, Begumpet, Hyderabad 500 016.	10.30 AM
2011-2012	29/09/2012	"Triveni" Hotel Kamat Lingapur, 1-10-44/2, Chikoti Gardens, Begumpet, Hyderabad 500 016.	10.30 AM
2012-2013	28/09/2013	"Triveni" Hotel Kamat Lingapur, 1-10-44/2, Chikoti Gardens, Begumpet, Hyderabad 500 016.	10.30 AM

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

- 1. At the AGM held on 29/09/2011
 - i. Reappointment of Mr. H. L. Ralhan as Director and Chief Executive Denim Division.
- 2. At the AGM held on 29/09/2012
 - i. Revision in the remuneration payable to Mr H. L. Ralhan as Director and Chief executive Denim Division.
- 3. At the AGM held on 28/09/2013
 - i. Revision in the remuneration payable to Mr.H. L. Ralhan as Director and Chief and Executive Denim Division.

c) Court convened meetings:

Three meetings convened by Hon'ble High Court of A.P. vide its order dt.31.12.2013 of the Equity shareholders of the Company, Secured creditors and Unsecured Creditors (to whom the company owes ₹ 3 lacs and above) were held on 15.02.2014 at Rajdhani Hall, 1st floor, Lions Bhavan, Behind LIC & HDFC Bank, Near Paradise circle, S.D. Road, Secunderabad 500 003 to consider and approve the proposed scheme of amalgamation of the wholly owned subsidiary Suryakiran International Limited with the company in terms of the Scheme of amalgamation submitted by both the Companies.

7. DISCLOSURES

a) Disclosures on materially significant related party transactions i.e., transactions of the company of material nature, with its promoters, the directors or the management, their subsidiaries or relatives, etc., that may have potential conflict with the interests of Company at large.

Name of the party	Relationship	Nature of Transaction	Current Year Amount (₹ in lacs)
Shri L. N. Agarwal	Key Management	a) Remuneration	62.45
Chairman & Managing		b) Interest (Gross)	51.02
Director		c) Commission	10.47
		d) Purchase of Shares	9.56
Shri P. K. Agarwal Managing	Key Management	a) Remuneration	55.12
Director		b) Interest (Gross)	28.07
		c) Commission	10.47
		d) Purchase of Shares	20.05
Shri L. N. Agarwal (HUF)	Key Management	a) Interest (Gross)	20.16
Shri H. L. Ralhan Director	Key Management	a) Remuneration	34.41
Smt Sathyabhamabai	Wife of Shri L. N. Agarwal	a) Interest (Gross)	17.81
		b) Purchase of Shares	26.77
Smt Padmini Agarwal	Wife of Shri P. K. Agarwal	a) Remuneration	15.00
		b) Interest (Gross)	11.95
		c) Purchase of Shares	5.50
Kum Aparna Agarwal	Daughter of Shri P. K. Agarwal	a) Interest (Gross)	7.13
Master Vedanth Agarwal	Son of Shri P. K. Agarwal	a) Interest (Gross)	4.46
L. N. Agarwal Family Trust	Key Management	a) Interest (Gross)	1.39

Name of the party	Relationship	Nature of Transaction	Current Year Amount (₹ in lacs)
M/s. Suryalata Spinning Mills Ltd	Enterprise in which the relatives of Key Management personnel are interested	a) Sale of R.M.	336.54
M/s. Suryakiran International	Subsidiary	a) Sale of Fabric	-
Ltd.,		b) Sale of DEPB Lic.	-
		c) Purch. of FMS Lic	-
M/s. Suryajyothi Spinning	Enterprise in which the relatives of Key	a) Sale of Yarn	-
Mills Ltd	Management personnel are interested	b) Interest	28.00
		c) Sale of Industrial Waste	-
		d) Sale of RM	-
		e) Purchase of RM	-
		e) Advance for Purchase of RM	200.00
M/s. Suryavanshi Spinning Mills Ltd	Enterprise in which the relatives of Key Management personnel are interested	a) Sale of RM	-
		b) Advance for RM	50.00
M/s. Suryavanshi Industries Ltd	Enterprise in which the relatives of Key Management personnel are interested	a) Advance for Purchase of RM	-
		b) Purchase of RM(VSF)	-
		c) Cotton Purchases	-
M/s. Jayman Dealers Pvt Ltd.	Enterprise in which the relatives of Key Management personnel are interested	a) Sale of Fabric	458.73
		b) Interest (Gross)	29.99
		c) Rent	0.60
M/s. SVP Distributors Pvt. Ltd.	,	a) Interest (Gross)	75.28
	Management personnel are interested	b) Purchase of Shares	27.10

b) CEO / CFO Certification

In terms of Clause 49(V) of the Listing Agreement, the Certificate duly signed by Managing Director and Vice President (Finance) of the Company was placed before the Board of Directors along with the financial statements for the year ended 31st March, 2014, at its meeting held on 27.05.2014.

c) Particulars of Cost Auditor

Name : Ms. K Aruna Prasad

Cost Accountant Membership No:

11816

"Krishna", Plot 802/2, D.No.28, 64th Street,

10th Sector, K.K. Nagar, Chennai 600 078 (TN)

: 27/09/2013

Due date of filing Cost Audit Report for the year

2012 - 13

Actual date of filing the : 20/09/2013

report

The Cost Audit Report for the relevant financial year viz 2013-14 will be filed within the prescribed time.

Details of non-compliance by the Company, penalties, 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

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

Mandatory requirements: All complied with.

Non-mandatory requirements:

- The Board: The Board is headed by an Executive Chairman.
- ii) Remuneration Committee: Please refer to the Clause 4 above.
- iii) 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.

- iv) Audit qualifications: There are no audit qualifications in the report.
- v) Training of Board members: The Company shall work out a plan for training its Board members.
- vi) Mechanism for evaluating non-executive Board members: Not yet evolved.
- vii) Whistle Blower Policy: Not yet established.

e) Shares held by Non-Executive Directors.

١.	Sri R. Surender Reddy	28,000
2.	Dr. Akkineni Nageswara Rao	666
3.	Sri N. L. Tibrewal	Nil
4.	Sri R. S. Agarwal	765
5.	Sri K. Neel Lohit	Nil

8. 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 www. suryalakshmi.com

b) Quarterly results are normally published in which newspapers

The Quarterly results are usually published in Business Line, Economic Times and Praja Shakti.

c) Any website, where displayed

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.

f) Corporate Identification Number (CIN):

L17120TG1962PLC000923

9. GENERAL SHAREHOLDER INFORMATION

a) AGM: Date, Time and Venue

Date : August 4, 2014
Time : 10.00 a.m.

Venue: KLN Prasad Auditorium, 3rd Floor, Federation

House, 11-6-841, FAPCCI Marg, Red Hills,

Hyderabad 500 004.



Financial Year

1st April to 31st March following

Survalakshmi Cotton Mills Limited

c) Date of Book Closure

28th July, 2014 to 4th August, 2014 (both days inclusive)

d) Dividend Payment Date

On or after August 12, 2014

e) Listing on Stock Exchanges & Stock Code

The Company's Shares are listed in the following Stock Exchanges.

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

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.

	National Stock	Exchange	The Stock Exchange, Mumbai				
Month	Share Price (₹)		Share F	Price (₹)	Sensex		
	High	Low	High	Low	High	Low	
April, 2013	68.50	57.50	67.65	57.35	19,622.68	18,144.22	
May, 2013	66.40	52.40	68.45	53.50	20,443.62	19,451.26	
June, 2013	56.00	51.02	55.95	49.00	19,860.19	18,467.16	
July, 2013	54.95	43.05	54.70	44.00	20.351.06	19.126.82	
August, 2013	48.95	42.00	49.10	40.45	19,569.20	17,448.71	
September, 2013	59.00	45.00	58.60	44.00	20,739.69	18,166.17	
October, 2013	55.80	45.00	54.00	40.40	21,205.44	19,264.72	
November, 2013	59.00	44.20	57.95	44.00	21,321.53	20,137.67	
December, 2013	50.00	45.15	50.00	44.80	21,483.74	20,568.70	
January, 2014	50.90	43.00	52.05	44.10	21,409.66	20,343.78	
February, 2014	51.95	38.10	51.70	36.05	21,140.51	19,963.12	
March, 2014	45.00	38.00	44.25	41.00	22,467.21	20,920.98	

g) Registrar & Transfer Agents

Karvy Computershare Private Limited Plot No.17 to 24, Vittal Rao Nagar, Madhapur, Hyderabad 500 081 (A.P.) India Ph # 91 040 44655208

h) 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.

i) Shareholding pattern as on 31st March, 2014

Particulars	No. of Shares	% of Holding
Promoters	9326889	64.22
Indian Public	3818640	26.31
Bodies Corporate	1165229	8.02
Banks & Financial Institutions	152857	1.05
Mutual Funds	2800	0.02
FII's	0	0.00
Non Resident Indians	55875	0.38
	14522290	100

Distribution of shareholding

Nominal Value		Holders		Amount
Nominal value	Number	% to Total	In₹	% to Total
Upto 5000	5667	85.28	7428460	5.12
5001 – 10000	475	7.15	3767000	2.59
10001 – 20000	223	3.36	3452240	2.38
20001 – 30000	77	1.16	1958690	1.35
30001 – 40000	41	0.62	1492120	1.03
40001 – 50000	26	0.39	1215960	0.84
50001 – 100000	60	0.90	4097400	2.82
100001 and above	76	1.14	121811030	83.87
Total	6645	100.00	145222900	100.00

j) Dematerialisation of shares and liquidity

The Company's shares are available for dematerialisation on both the Depositories i.e, National Securities Depository Limited (NSDL) and Central Depository Services (India) Limited (CDSL) 14369157 shares amounting to 98.95 % of the Capital have been dematerialised by investors as on 31st March, 2014.

ISIN: INE713B01026

Address of Registrars for Dematerialistion of Shares. Karvy Computershare Private Limited Plot No.17 to 24, Vittal Rao Nagar, Madhapur, Hyderabad 500 081 (A.P.) India Ph # 91 040 44655208

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

NOT APPLICABLE as the Company has not issued any of the above instruments.

l) Plant Locations

Yarn Division

Amanagallu

Mahabubnagar Dist.

Telangana - 509 321

Denim Division & Power Plant

Ramtek Mauda Road

Village Nagardhan, Tehsil Ramtek, Nagpur.

Maharashtra - 440 010

Garment Division

Tummaluru village, Maheswaram Mandal R.R. District, Telangana - 501 359

m) 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. Karvy Computershare Private Limited Plot No.17 to 24, Vittal Rao Nagar, Madhapur, Hyderabad 500 081 (A.P.) India Ph # 91 040 44655208

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

The Company Secretary,
Suryalakshmi Cotton Mills Limited,
6th Floor, Surya Towers, 105, S.P.Road,
Secunderabad – 500 003.

Phone No(s): 040 - 27819856 / 57 & / 30571600 / 1622

Fax No: 040 - 27846854. Email ID: cs@suryalakshmi.com

The above report has been approved by the Board of Directors in their meeting held on 27.05.2014

Declaration

As provided under Clause 49 of the Listing Agreement with the Stock Exchanges, all Board members and Senior Management Personnel have affirmed compliance with Suryalakshmi Cotton Mills Limited Code of Conduct for the year ended 31st March, 2014.

for SURYALAKSHMI COTTON MILLS LIMITED

Place: Secunderabad Date: 27.05.2014.

L. N. AGARWAL

Chairman and Managing Director

Auditors' Certificate on compliance of Corporate Governance

To the members of SURYALAKSHMI COTTON MILLS LIMITED, HYDERABAD.

We have examined the compliance of conditions of Corporate Governance by SURYALAKSHMI COTTON MILLS LIMITED, SECUNDERABAD, A.P. for the year ended on 31st March, 2014, as stipulated in Clause 49 of the Listing Agreement of the said Company with stock exchanges in India.

The compliance of conditions of Corporate Governance is the responsibility of the management. Our examination has been limited to a review of the procedures and implementation thereof adopted by the Company for ensuring 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.

In our opinion and to the best of our information and according to the explanations given to us and based on the representations made by the Directors and the Management, we certify that the Company has complied with the conditions of Corporate Governance as stipulated in the above mentioned Listing Agreement.

We 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 Brahmayya & Co., Chartered Accountants

Firm Registration No: 000513S

K. S. Rao

Partner Membership No.015850

Place: Secunderabad Date: 27.05.2014

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Independent Auditors' Report

To the Members of SURYALAKSHMI COTTON MILLS LIMITED, SECUNDERABAD.

REPORT ON THE FINANCIAL STATEMENTS:

We have audited the accompanying financial statements of SURYALAKSHMI COTTON MILLS LIMITED, SECUNDERABAD ("the Company"), which comprise the Balance Sheet as at 31st March, 2014, and the Statement of Profit and Loss and Cash Flow Statement for the year then ended, and a summary of significant accounting policies and other explanatory information.

MANAGEMENT'S RESPONSIBILITY FOR THE FINANCIAL STATEMENTS:

Management is responsible for the preparation of these financial statements that give a true and fair view of the financial position, financial performance and cash flows of the Company in accordance with the Accounting Standards referred to in sub-section (3C) of section 211 of the Companies Act, 1956 ("the Act"). This responsibility includes the design, implementation and maintenance of internal control relevant to the preparation and presentation of the financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error.

AUDITOR'S RESPONSIBILITY:

Our responsibility is to express an opinion on these financial statements based on our audit. We conducted our audit in accordance with the Standards on Auditing issued by the Institute of Chartered Accountants of India. Those Standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error.

In making those risk assessments, the auditor considers internal control relevant to the Company's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of the accounting estimates made by management, as well as evaluating the overall presentation of the financial statements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

OPINION:

In our opinion and to the best of our information and according to the explanations given to us, the financial statements give the information required by the Act in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India:

- a. in the case of the Balance Sheet, of the state of affairs of the Company as at 31st March, 2014;
- b. in the case of the Statement of Profit and Loss, of the profit for the year ended on that date; and
- c. in the case of the Cash Flow Statement, of the cash flows for the year ended on that date

REPORT ON OTHER LEGAL AND REGULATORY REQUIREMENTS:

- As required by the Companies (Auditor's Report) Order, 2003 ("the Order") issued by the Central Government of India in terms of sub-section (4A) of section 227 of the Act, we give in the Annexure a statement on the matters specified in paragraphs 4 and 5 of the Order.
- 2. As required by section 227(3) of the Act, we report that:
 - we have obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purpose of our audit;
 - in our opinion proper books of account as required by law have been kept by the Company so far as appears from our examination of those books;
 - the Balance Sheet, Statement of Profit and Loss, and Cash Flow Statement dealt with by this Report are in agreement with the books of account;

- in our opinion, the Balance Sheet, Statement of Profit and Loss, and Cash Flow Statement comply with the Accounting Standards referred to in subsection (3C) of section 211 of the Companies Act, 1956;
- On the basis of written representations received from the directors as on 31st March, 2014, and taken on record by the Board of Directors, none of the directors is disqualified as on March 31, 2014, from being appointed as a director in terms of clause (g) of sub-section (1) of section 274 of the Companies Act, 1956.

Since the Central Government has not issued any notification as to the rate at which the cess is to be paid under section 441 A of the Companies Act, 1956 nor has it issued any Rules under the said section, prescribing the manner in which such cess is to be paid, no cess is due and payable by the Company.

for Brahmayya & Co.,

Chartered Accountants Firm's Registration Number: 000513S

> (K.S.RAO) **Partner**

Membership Number: 015850

Place: Secunderabad Date: 27.05.2014

Annexure

Re: SURYALAKSHMI COTTON MILLS LIMITED, SECUNDERABAD.

Referred to in paragraph 1 of our report of even date,

- a) The Company has maintained proper records showing full particulars, including
 - quantitative details and situation of fixed assets.
 - b) As explained to us, the management has physically verified most of the fixed assets during the year and there is a regular programme of verification which, in our opinion, is reasonable having regard to the size of the Company and the nature of the assets. No material discrepancies were noticed on such verification.
 - c) The plant and machinery disposed off during the year by the company is not substantial and hence, it has not affected the going concern status of the Company.
- 2) a) The inventory has been physically verified during the year by the management. In our opinion, the frequency of verification is reasonable.
- b) In our opinion, the procedures of physical verification of inventories followed by the management are reasonable and adequate in relation to the size of the company and the nature of its business.
- The Company is maintaining proper records of inventory. The discrepancies noticed on physical verification between the physical stocks and book records were not material.
- 3) a) The Company has not granted any loans, secured or unsecured to Companies, firms or other parties covered in the register maintained under Section 301 of the Companies Act, 1956.
 - b) In view of our comment in paragraph 3(a) above, 4(iii) (b),(c) & (d) of the aforesaid order are not applicable to the Company.
 - c) During the year, the Company had taken unsecured loans from 9 parties covered in the register maintained under section 301 of the Companies Act, 1956 and the maximum amount involved during the year was ₹8.11 Crores.
 - d) In our opinion the rate of interest and other terms and conditions on which loans have been taken from the other parties listed in the register maintained under section 301 of the Companies Act, 1956 are not prima facie prejudicial to the interest of the Company.

- e) The Company is regular in payment of the principal amount and interest thereon as stipulated.
- 4. In our opinion and according to the information and explanations given to us, there are adequate internal control systems commensurate with the size of the Company and the nature of its business with regard to purchase of inventory and fixed assets and with regard to sale of goods and services. During the course of our audit, we have not observed any continuing failure to correct major weaknesses in internal control system.
- In our opinion and according to the information and explanations given to us, we are of the opinion that the particulars of contracts or arrangements referred to in section 301 of the Companies Act, 1956 have been entered in the register to be maintained under that section.
 - b) In our opinion and according to the information and explanations given to us, the transactions made in pursuance of contracts or arrangements entered in the register maintained under section 301 of the Companies Act,1956 have been made at prices which are reasonable having regard to prevailing market prices at the relevant time.
- 6. In our opinion and according to the information and explanations given to us, the Company has complied with the provisions of Sections 58A, 58AA and other relevant provisions of the Companies Act, 1956 and the Companies (Acceptance of Deposits) Rules, 1975 with regard to the deposits accepted from the public.
- In our opinion, the Company has an internal audit system commensurate with its size and nature of its business.
- 8. We have broadly reviewed the books of account relating to materials, labour and other items of cost maintained by the company pursuant to the Rules made by the Central Government for the maintenance of cost records under section 209(1)(d) of the Companies Act, 1956 in respect of yarn and fabric and are of the opinion that prima facie the prescribed accounts and records have been made and maintained.
- . a) According to the records the Company is regular in depositing with appropriate authorities undisputed statutory dues including Provident Fund, Investor Education and Protection Fund, Employees' State Insurance, Income-tax, Sales Tax, Wealth Tax, Service Tax, Custom Duty, Excise Duty, Cess and other material statutory dues applicable to it.

- b) According to the information and explanations given to us, no undisputed amounts payable in respect of Income-Tax, Wealth Tax, Service Tax, Sales Tax, Customs Duty, Excise Duty and Cess were in arrears, as at 31st March, 2014 for a period of more than six months from the date they became payable.
- c) According to the records of the Company and the information and explanations given to us, the dues of Sales Tax, Income Tax, Custom Duty, Wealth Tax, Service Tax, Excise Duty, Cess, which have not been deposited on account of any dispute are as follows:

Nature of amount	Amount (₹ in Lakhs)#	Period to which the amount relates	Forum where dispute is pending
Excise Duty	32.89	2005-06	CESTAT, Mumbai
TPS #	3307.33	2004-05	Jt.DGFT, Hyderabad
Customs Duty #	559.37	2004-05	DRI, Hyderabad
Excise Duty	10.26	2011-12 & 2012-13	CESTAT, Bangaluru
Customs Duty	61.49	2009	Hon'ble High Court of Judicature of A.P.

net of pre-deposit paid in getting the stay/appeal admitted

- 10. The Company has no accumulated losses as at the end of the financial year. The Company has not incurred any cash losses during the financial year covered by our audit and the immediately preceding financial year.
- 11. In our opinion and according to the information and explanations given to us, the Company has not defaulted in repayment of dues to any financial institutions and banks.
- 12. The Company has not granted any loans and advances on the basis of security by way of pledge of shares, debentures and other securities.
- 13. The Company is not a chit fund or a nidhi/mutual benefit fund/society. Therefore, the provisions of clause 4(xiii) of the Companies (Auditor's Report) Order, 2003 are not applicable to the Company.
- 14. The Company is not dealing or trading in shares, securities, debentures and other investments. Therefore, the provisions of clause 4(xiv) of the Companies (Auditor's Report) Order, 2003 are not applicable to the Company.
- 15. According to the information and explanations given to us, the Company has not given any guarantee for loans taken by others from banks or financial institutions.

- 16. In our opinion and according to the information and explanations given to us the term loans were applied for the purpose for which the loans were raised.
- 17. In our opinion and according to the information and explanations given to us the funds raised on short-term basis have not been used for long-term investment.
- 18. During the year, the Company has not made any preferential allotment of shares to parties and Companies covered in the Register maintained under section 301 of the Companies Act, 1956.
- 19. During the year, the Company has not issued any debentures and therefore the question of creating security or charge in respect thereof does not arise.
- 20. During the year, the Company has not made any public issue and therefore the question of disclosing the end use of money raised by public issue does not arise.
- 21. Based upon the audit procedures performed and according to the information and explanations given to us, we report that no fraud on or by the Company has been noticed or reported during the year.

for Brahmayya & Co.,

Chartered Accountants Firm's Registration Number: 000513S

(K.S.RAO)

Partner

Membership Number: 015850

Place: Secunderabad Date: 27.05.2014

Balance Sheet as at 31st March, 2014

(Figures in ₹ La					(Figures in ₹ Lakhs)
Dar	ticula		Note No.	As at	As at
Гаі	ticuia	15	Note No.	31st March, 2014	31st March, 2013
I.	EQI	UITY AND LIABILITIES			
	1	Shareholders' funds			
		(a) Share capital	1	1,829.53	1,629.53
		(b) Reserves and surplus	2	28,965.25	19,101.07
				30,794.78	20,730.60
	2	Non-current liabilities			
		(a) Long-term borrowings	3	15,029.81	17,870.08
		(b) Deferred tax liabilities (Net)		3,020.75	2,845.31
		(c) Long-term provisions	4	388.62	268.26
				18,439.18	20,983.65
	3	Current liabilities			
		(a) Short-term borrowings	5	13,317.35	12,749.87
		(b) Trade payables		5,163.22	4,459.67
		(c) Other current liabilities	6	7,025.62	6,025.49
		(d) Short-term provisions	7	724.28	800.19
				26,230.47	24,035.23
	Tot			75,464.43	65,749.48
II.		SETS			
	Nor	n-current assets			
	(a)	Fixed assets	8		
		(i) Tangible assets		45,118.52	36,040.70
		(ii) Intangible assets		88.90	62.49
		(iii) Capital work-in-progress		21.75	123.75
		Non-current investments	9	0.00	447.97
	(c)	Long-term loans and advances	10	419.67	422.06
	(d)	Other Non Current Asset	11	85.36	0.00
	_			45,734.20	37,096.97
		rent assets	10		
	(a)	Current investments	12	9.95	9.19
		Inventories	13	11,074.98	10,448.24
	(c)	Trade receivables	14	10,961.20	11,855.29
	(d)		15	883.23	1,287.26
	(e)	Short-term loans and advances	16	3,092.82	2,092.98
	(f)	Other current assets	17	3,708.05	2,959.55
	_			29,730.23	28,652.51
	Tot	al		75,464.43	65,749.48

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

per Our Report of even date

for Brahmayya & Co.,

Chartered Accountants

Firm Registration No.000513S

K.S.Rao

Partner Membership No.015850

Place: Secunderabad Date: 27.05.2014 **E.V.S.V. Sarma**Company Secretary

P.S.SubramanyamVice President (Finance)

For and on behalf of the Board

L. N. Agarwal

Chairman & Managing Director

P.K. Agarwal Managing Director

Suryalakshmi Cotton Mills Limited

Statement of Profit and loss for the year ended 31st March, 2014

				(Figures in ₹ Lakhs)
Part	iculars	Note No.	Current Year 31st March, 2014	Previous Year 31st March, 2013
l.	Revenue from operations	18	70,185.76	70,544.34
II.	Other income	19	1,102.74	779.46
III.	Total Revenue (I + II)		71,288.50	71,323.80
IV.	Expenses:			
	Cost of materials consumed	20	42,689.11	41,866.34
	Changes in inventories of finished goods work-in-progress and Stock-in-Trade	21	(530.20)	112.10
	Employee benefits expense	22	4,786.22	3,501.10
	Finance costs	23	3,694.16	3,348.13
	Depreciation and amortization expense	24	3,209.13	2,909.71
	Other expenses	25	16,265.95	15060.73
	Total expenses		70,114.37	66798.11
V.	Profit before exceptional items and tax		1,174.13	4525.69
VI.	Exceptional Items (Add / Less)		(515.51)	281.92
VII.	Profit before tax		1,689.64	4243.77
VIII.	Tax expense:			
	(1) Current tax		343.00	850.00
	(2) Deferred tax		175.44	357.12
	Sub-Total - Tax expense :		518.44	1,207.12
IX.	Profit for the period, after tax		1,171.20	3,036.65
Χ.	Earnings per equity share:			
	(1) Basic		7.98	20.91
	(2) Diluted		7.98	20.91

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

per Our Report of even date

for Brahmayya & Co.,

Chartered Accountants

Firm Registration No.000513S

K.S.Rao

Partner

Membership No.015850

Place: Secunderabad Date: 27.05.2014 E.V.S.V. Sarma

Company Secretary

P.S.Subramanyam

Vice President (Finance)

For and on behalf of the Board

L. N. Agarwal

Chairman & Managing Director

P.K. Agarwal

Managing Director

(Figures in ₹ Lakhs)

Darticulare	As at 31st Ma	arch, 2014	As at 31st March, 2013	
Particulars	Number	Amount	Number	Amount
NOTE 1 SHARE CAPITAL:				
Authorised				
Equity Shares of ₹10 each	30,000,000	3,000.00	25,000,000	2,500.00
0.1% Cumulative Redeemable Preference shares of ₹100 each	672,000	672.00	672,000	672.00
5% Non Cumulative Redeemable Preference shares of ₹100 each	200,000	200.00	-	-
	30,872,000	3,872.00	25,672,000	3,172.00
Issued				
Equity Shares of ₹10 each	21,051,556	2,105.16	21,051,556	2,105.16
0.1% Cumulative Redeemable Preference shares of ₹100 each	672,000	672.00	672,000	672.00
5% Non Cumulative Redeemable Preference shares of ₹100 each	200,000	200.00	-	-
	21,923,556	2,977.16	21,723,556	2,777.16
Subscribed & Paid up				
Equity Shares of ₹10 each	14,522,290	1,452.23	14,522,290	1,452.23
5% Non Cumulative Redeemable Preference shares of ₹100 each	200,000	200.00	-	-
	14,722,290	1,652.23	14,522,290	1,452.23
Forfeited Shares :		177.30	-	177.30
Total	14,722,290	1,829.53	14,522,290	1,629.53

- (a) During the financial year, the Authorised Capital of the Company has increased pursuant to the Scheme of Amalgamation a) 5,000,000 Equity Shares of ₹10 each, b) 200,000 5% Non-Cumulative Redeemable Preference Shares of ₹100 each
- (b) 8,032,267/- Equity shares of ₹10 each are allotted as fully paid up by way of Bonus shares by capitalisation of reserves.
- (c) During the financial year, the Company has issued 200,000 5% Non Cumulative Redeemable Preference Shares of ₹100 each as issued, subscribed and paid up, as per the Scheme of Amalgamation, to the preference shareholders of erstwhile Suryakiran International Ltd. The same will be redeemed on 21st December, 2021.
- (d) Disclosure pursuant to Note no. 6(A)(d) of Part I of Schedule VI to the Companies Act, 1956

As at 31st March, 2013

Notes forming part of the Financial Statement as at 31st March, 2014

Particulars	Equity Shares		0.1% Cum. F		5% Non-Cum. Redeemable Preference Shares	
	31st March,	31st March,	31st March,	31st March,	•	31st March,
	2014	2013	2014	2013	2014	2013
Shares outstanding at the beginning of the year	14,522,290	14,522,290	-	400,000	-	-
Shares Issued during the year	-	-	-	-	200,000	-
Shares redeemed / bought back during the year	-	-	-	400,000	-	-
Shares outstanding at the end of the year	14,522,290	14,522,290	-	-	200,000	-

(e) Disclosure pursuant to Note no. 6(A)(g) of Part I of Schedule VI to the Companies Act, 1956 (if more than 5%)

As at 31st March, 2014

_		713 40 3 130 1	viarcii, 2011	713 41 313		
Name of Shareholder		No. of	% of Holding	No. of	% of Holding	
		Shares held		Shares held		
a)	Equity Shares:					
	Smt. Satyabhama Bai	3,023,032	20.82%	3,023,03	2 20.82%	
	Sri Paritosh Agarwal	1,478,472	10.18%	1,478,47	10.189	
	Sri L N Agarwal	1,364,516	9.40%	1,364,51	6 9.40%	
	Master Vedanth Agarwal	1,065,356	7.34%	1,065,35	7.34%	
	Smt. Padmini Agarwal	971,815	6.69%	971,81	5 6.69%	
b)	Preference Shares:					
	Sri Paritosh Agarwal	75,000	37.50%		-	
	Sri L N Agarwal	125,000	62.50%		-	
				(1	Figures in ₹ Lakhs	
ticulars				As at	As a	
Cuic	313		31st N	March, 2014	31st March, 201	
E 2	RESERVES & SURPLUS:					
Car	oital Redemption Reserve					
	the commencement of the year			2.09	2.0	
At 1	the commencement of the year sing Balance			2.09		
At 1	•					
At to	sing Balance curities Premium Account				2.09	
At 1 Clo Sec	sing Balance			2.09	2.09 6,854.5	
At 1 Clo Sec At 1 Clo	sing Balance curities Premium Account the commencement of the year			2.09 6,854.51	2.0 ¹ 6,854.5	
At to Cloo Second At to Cloo Rev	using Balance curities Premium Account the commencement of the year using Balance			2.09 6,854.51	2.09 6,854.5	
At 1 Clo Sec At 1 Clo Rev At 1	rising Balance curities Premium Account the commencement of the year using Balance valuation Reserve			2.09 6,854.51	2.0 ¹ 6,854.5	
At 1 Clo Sec At 1 Clo Rev At 1 (+)	rising Balance curities Premium Account the commencement of the year using Balance valuation Reserve the commencement of the year			2.09 6,854.51 6,854.51	2.09 6,854.5	
At 1 Clo Sec At 1 Clo Rev At 1 (+)	using Balance curities Premium Account the commencement of the year using Balance valuation Reserve the commencement of the year Current Year Transfer			2.09 6,854.51 6,854.51 - 8,974.14	2.0 ¹ 6,854.5	
At 1 Clo Sec At 1 Clo Rev At 1 (+) Clo	rising Balance curities Premium Account the commencement of the year using Balance valuation Reserve the commencement of the year Current Year Transfer using Balance			2.09 6,854.51 6,854.51 - 8,974.14	2.09 2.09 6,854.5 6,854.5	

			(Figures in ₹ Lakhs)
Par	ticulars	As at	As at
NO	TE 2 DECEDIVES & CUIDDILIS	31st March, 2014	31st March, 2013
	TE 2 RESERVES & SURPLUS :		
e.	Export Allowance Reserve	2.67	2.47
	At the commencement of the year Closing Balance	2.67 2.67	2.67
f.	Preference Capital Redemption Reserve	2.07	2.07
١.	At the commencement of the year	671.60	671.60
	Closing Balance	671.60	671.60
a	Special capital incentive	071.00	071.00
g.	At the commencement of the year	30.00	30.00
	Closing Balance	30.00	30.00
h.	General Reserve	30.00	30.00
111.	At the commencement of the year	3,410.81	3,100.81
	(+) Current Year Transfer	100.00	310.00
	Closing Balance	3,510.81	3,410.81
i.	-	3,310.01	3,410.01
1.	Amalgamation / Capital Reserve # At the commencement of the year		
	(+) Current Year Transfer	214.35	-
			-
:	Closing Balance	214.35	-
j.	Surplus At the common compart of the year	0.010.00	F 622 14
	At the commencement of the year	8,019.98	5,633.14
	(+) For the current year	1,171.20	3,036.65
	(+) Loss of SKIL adjusted - Persuant to Scheme of Amalgamation	279.93	200.45
	(-) Proposed Dividend on Equity Shares	174.27	290.45
	(-) Proposed Dividend on Preference Shares	10.00	-
	(-) Corporate Dividend Tax	31.31	49.36
	(-) Transfer to General Reserve	100.00	310.00
_	Closing Balance	8,595.67	8,019.98
Tot	al	28,965.25	19,101.07

[#] Persuant to Scheme of Amalgamation, the excess of Equity Share Capital ₹ 445.78 Lacs, & Security Premium account ₹434.58, totaling to ₹ 880.36 Lacs, of erstwhile Suryakiran International Ltd. over Investment by the Company amounting to ₹666.01 Lacs in SKIL, i.e., ₹214.35 Lacs is considered as Amalgamation / Capital Reserve.

Survalakshmi Cotton Mills Limited

				(Figures in ₹ Lakhs)
Dari	ticula	ve.	As at	As at
Pari	liCuia		31st March, 2014	31st March, 2013
NO	TE 3	A. LONG TERM BORROWINGS :		
Sec	ured			
a)	(I)	Term loans		
		from banks (Under TUFS)		
	(a)	IDBI Bank Ltd 1 (10.20+3.00 Crores)	39.19	47.44
	(b)	IDBI Bank Ltd 2 (Rupee Tied)	304.77	368.93
	(c)	IDBI Bank Ltd TUF Scheme-II (70 Crores)	1,116.75	2,464.00
	(d)	IDBI Bank Ltd 3 (FCL converted)	33.13	40.49
	(e)	State Bank of India - TUFS - I (30 Crores)	593.75	1,149.00
	(f)	State Bank of India - TUFS - II (45 Crores)	889.50	1,722.00
	(g)	State Bank of Mysore - TUFS	205.00	487.00
	(h)	Andhra Bank	770.83	983.55
	(i)	State Bank of Travancore	3,107.63	3,507.72
	(j)	State Bank of Hyderabad - TUFS	953.02	1,253.02
	k)	State Bank Of India - TUFS	375.50	-
	(ii)	Foreign Currency Loans:		
		(a) IDBI Bank Ltd ECB (USD 9 Million)	3,977.97	4,116.10
			12,367.04	16,139.25

Note:

- The Loans referred at (a) to (d), (f) to (j) and (ii)(a) above are secured by mortgage of (present & future) movable and immovable properties of the Company on first charge pari passu basis & second pari passu charge on the current assets of the Company with existing term lenders and guaranteed by two Directors of the Company in their personal capacities.
- The Loan referred to in (e) above is secured by hypothecation of specified plant and machinery as per the scheme and guaranteed by two Directors of the Company.
- The Loan referred at (k) above is secured by mortgage of present and future movable and immovable properties of the Company's Garment Division and guaranteed by two Directors of the Company.

Terms of Repayment:

Part	ticula	rs	Sanction Date	Rate of Interest	Quarterly Instalments
(i)	a.	IDBI-1	04.12.1997	12.90%	15
	b.	IDBI-2	28.09.1995	10.25%	15
	C.	IDBI Tuf Scheme -II	15.12.2005	10.25%	7
	d.	IDBI-3	28.09.1995	14.25%	15
	e.	SBI-TUF Scheme-1	12.08.2005	14.20%	8
	f.	SBI-TUF Scheme-II	25.01.2006	14.20%	8
	g.	SBM-TUF Scheme	28.04.2006	13.90%	8
	h.	Andhra Bank - TUF Scheme	04.09.2010	13.75%	19
	i.	SBT	22.06.2011	14.25%	27
	j.	SBH under TUF Scheme	13.07.2011	13.50%	16
	k.	SBITUFS	14.11.2005	18.00%	7
(ii)	(a).	IDBI Bank (ECB)	12.07.2011	6 MONTH LIBOR +300 BASIC POINTS	16

Particulars	As at 31st March, 2014	As at 31st March, 2013
Other loans and advances		
b) Vehicle Hire Purchase Loan	1.86	22.17
from ICICI Bank & HDFC Bank		
Hire Purchase Loan above are secured by hypothecation of the		
respective as set and guaranteed by one of the Directors of the Company and continuous description description		
Terms of Repayment: Monthly instalments	1.86	22.17
c) Unsecured		
Other Long Term Borrowings		
(I) Deposits		
From others Fixed deposits	-	2.00
(II) Loans and advances from related parties		
Unsecured Loan from Directors	814.93	678.50
Fixed Deposits from related parties	687.00	290.00
Inter-corporate Deposits	1,022.54	573.00
	2,524.47	1,543.50
d) Deferred Sales Tax Liability	136.44	165.16
Total (a+b+c+d)	15,029.81	17,870.08

The Salestax deferment liability amounting to ₹136.44 lakhs shown under unsecured loans above, is due for repayment as under.

Year	Amount ₹ Lakhs	Repayment of Year
2001-2002	22.28	01.04.2015
2002-2003	20.52	01.04.2016
2003-2004	7.85	01.04.2017
2004-2005	3.27	01.04.2018
2006-2007	5.14	01.04.2020
2007-2008	0.41	01.04.2021
2008-2009	19.56	01.04.2022
2009-2010	57.40	01.04.2023
Total	136.44	

		(Figures in ₹ Lakhs)
Particulars	As at	As at
	31st March, 2014	31st March, 2013
NOTE 4 LONG TERM PROVISIONS:		
(a) Provision for employee benefits		
Gratuity (unfunded)	304.46	198.90
Leave Encashment (unfunded)	84.16	69.36
Total	388.62	268.26

				(Figures in ₹ Lakhs)
Dark	icula	rc	As at	As at
ган	icuia		31st March, 2014	31st March, 2013
NO	TE 5	SHORT TERM BORROWINGS :		
Sec	ured			
(a)	Loa	ns repayable on demand from banks		
	(1)	State Bank of India		
		Cash Credit	6,996.31	5,154.25
		Packing Credit	100.68	1,992.72
		SLC	1,264.65	1,499.08
	(11)	State Bank of Hyderabad		
		Cash Credit	505.83	499.95
		Packing Credit	408.47	324.83
		SLC	290.16	300.00
		WCDL	600.00	600.00
	()	State Bank of Mysore		
		Cash Credit	263.71	536.90
		STL	1,000.01	500.00
	(IV)	IDBI Bank Ltd.		
		Cash Credit	966.72	466.97
		STL	850.00	800.00
			13,246.54	12,674.70

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

(b) Other loans and advances		
Vehicle Hire Purchase Loan	20.31	30.42
from ICICI Bank & HDFC Bank		
	20.31	30.42
Unsecured		
(a) Loans and advances		
Fixed Deposits from related parties	50.50	44.75
	50.50	44.75
Total	13,317.35	12,749.87

				
Particu	lars		As at 31st March, 2014	As at 31st March, 2013
NOTE	6 OTH	IER CURRENT LIABILITIES :		
(a) Cu	ırrent	maturities of long-term debt		
(i)	Ter	m Loan under TUFS from Bank		
	(a)	IDBI Bank Ltd 1	8.25	8.25
	(b)	IDBI Bank Ltd 2	64.16	64.16
	(c)	IDBI Bank Ltd TUF Scheme-II	1,347.25	1,300.00
	(d)	IDBI Bank Ltd 3	7.36	7.36
	(e)	State Bank of India - TUFS - I	555.25	536.00
	(f)	State Bank of India - TUFS - II	832.50	804.00
	(g)	State Bank of Mysore - TUFS	231.00	204.00
	(h)	Andhra Bank	212.71	212.71
	(i)	State Bank of Travancore	400.00	280.00
	(j)	State Bank of Hyderabad - TUFS	300.00	300.00
	(k)	State Bank Of India -TUFS	268.00	-
(ii)) For	eign Currency Loans :		
	(a)	IDBI Bank Ltd ECB (USD 9 Million)	570.35	445.13
			4,796.83	4,161.61
	(b)	Interest accrued but not due on borrowings	260.36	162.26
	(c)	Unpaid dividends	12.62	12.47
	(d)	Creditors for Capital purchases	190.81	417.45
	(e)	Other payables	1,280.58	1,053.06
	(f)	Other payables - Statutory dues	126.12	126.55
	(g)	Advances received against sales	329.57	62.21
	(h)	Sales tax deferment payable	28.73	29.88
			2,228.79	1,863.88
Total			7,025.62	6,025.49
				(Figures in ₹ Lakhs)
Particu	larc		As at	As at
Faiticulais		31st March, 2014	31st March, 2013	
NOTE:	7 SHC	PRT TERM PROVISIONS :		
(a) Pr	ovisio	n for employee benefits		
		Reimbursements	269.24	223.35
		ution to PF & ESI	24.22	16.66
Gr	atuity	(Funded)	49.54	36.70
		ayable	153.97	156.93
		Specify nature)		
		d Preference Shares dividend	10.00	-
		d Equity Shares dividend	174.27	290.45
	•	te Dividend Tax	31.32	49.36

(Figures in ₹ Lakhs)

11.72

724.28

26.74

800.19

Total

Provision for Income Tax (Net)

NOTE 8 FIXED ASSETS:

Corporate Overview

Statutory Reports

			Gro	Gross Block					Accumulated	Accumulated Depreciation			Net Block	ock
Particulars	Balance as at 1 April 2013 SCML	Transfer from SKIL	Additions	Revaluations	Disposals / Adjustments	Balance as at 31 Mar 2014	Balance as at 1 April 2013	Transfer from SKIL	Adjustment due to revaluations	Depreciation charge for the period	On disposals / Adjustments	Balance as at 31 Mar 2014	Balance as at 31 Mar 2014	Balance as at 1 April 2013
a Tangible Assets														
Land	445.24	53.04	0.27	2,310.15		2,808.70		1	•	1	'	•	2,808.70	445.24
Buildings:														
Factory Buildings	5,904.76	537.01	127.62	2,897.32		9,466.71	1,421.05	108.16	698.93	217.34		2,445.48	7,021.23	4,483.71
Non-Factory Buildings	1,970.66	493.52	29.74	1,816.42		4,310.34	272.37	43.18	354.79	40.47		710.81	3,599.53	1,698.29
Township	665.59	•	19.06	250.58		935.23	43.77	•	228.66	10.94		283.37	651.86	621.82
Plant and Equipment:														
Workshop Equipment	7.87	•	0.13			8:00	2.74	,		0.42		3.16	4.84	5.13
Plant and Machinery	41,222.80	1,331.08	933.17	10,184.01	4.87	53,666.19	17,304.91	384.47	7,201.96	2,544.40	1.63	27,434.11	26,232.08	23,917.89
Testing Equipment	343.42	•	0.40			343.82	124.94	•		14.78		139.72	204.10	218.48
Electrical Installations	4,236.21	239.38	17.73			4,493.32	938.74	70.62		205.74		1,215.10	3,278.22	3,297.47
Weighing Machines	32.61	,	0.45			33.06	16.35	1		1.29		17.64	15.42	16.26
Water Works	456.76	8.44	0.24			465.44	48.30	0.70		6.78		55.74	409.66	408.46
Furniture and Fixtures	288.19	73.17	22.51			383.87	162.24	27.25		20.72		210.21	173.66	125.95
Vehicles	209.10	5.84	•		•	214.94	59.50	1.85		18.75		80.10	134.84	149.60
Data Processing	225.17	23.86	8.55			257.58	101.51	17.31		27.46		146.28	111.30	123.66
Equipment														
Power Lines *	556.56	•	•			556.56	27.82	٠		99:55		83.48	473.08	528.74
Total	56,564.94	2,765.34	1,159.87	17,458.48	4.87	77,943.76	20,524.24	653.54	8,484.34	3,164.75	1.63	32,825.24	45,118.52	36,040.70
b Intangible Assets														
Computer software	65'66	7.89	36.58		•	144.06	37.10	2.13		15.93		55.16	88.90	65.49
Total	65'66	7.89	36.58			144.06	37.10	2.13	•	15.93	•	55.16	88.90	65.49
: Capital Work In Progress	123.75		1,094.45		1,196.45	21.75				'		•	21.75	123.75
Total	123.75	•	1,094.45		1,196.45	21.75	•	•		•	•	•	21.75	123.75
Total (a+b+c)	56,788.28	2,773.23	2,290.90	17,458.48	1,201.33	78,109.57	20,561.34	655.67	8,484.34	3,180.68	1.63	32,880.40	45,229.17	36,226.94
Less : Internal Transfers			1,196.45		1,196.45	•								
Total	56,788.28	2,773.23	1,094.45	17,458.48	4.87	78,109.57	20,561.34	655.67	8,484.34	3,180.68	1.63	32,880.40	45,229.17	36,226.94
Previous Year	52,278.30		4,539.70	,	29.72	56,788.28	17,667.67			2,909.71	16.04	20,561.34	36,226.94	34.610.63

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

	(Figures in ₹ Lakhs)
Particulars	As at As at 31st March, 2014 31st March, 2013
NOTE 9 NON-CURRENT INVESTMENTS :	
At Cost - Non-Trade - Unquoted :	
Investment in Subsidiary Company	
22,69,860 Equity shares @ ₹10/- each in	- 447.97
Suryakiran International Limited	
	- 447.97

(Aggregate amount of unquoted investments - NIL (Previous Year ₹ 4,47,97,200/-)

(Figures in	₹ Lakhs
-------------	---------

Particulars		As at 31st March, 2014	As at 31st March, 2013
NOTE 10 LONG TE	ERM LOANS AND ADVANCES :		
a. Deposits Recov	verable	419.57	421.96
(Unsecured cor	nsidered good)		
(Telephone, AP	SEB Electricity, Coal Deposit & other deposits)		
b. Security Depos	iit	0.10	0.10
(Secured, consi	dered good)		
(NSC pledged a	as security for ₹10,000/- with Sales Tax Dept.)		
		419.67	422.06

(Figures in ₹ Lakhs)

Particulars	As at 31st March, 2014	As at 31st March, 2013
NOTE 11 OTHER NON CURRENT ASSET		
Product Development Expenditure	113.81	-
Less: Written Off during the year	28.45	
	85.36	-

Suryalakshmi Cotton Mills Limited

		(Figures in ₹ Lakhs)
Particulars	As at 31st March, 2014	As at 31st March, 2013
NOTE 12 CURRENT INVESTMENTS : (At Cost - Traded - Quoted)	313t March, 2014	315t March, 2013
Investment in Equity instruments		
1,02,100 Equity Shares of ₹ 10/- each	105.19	105.19
in Suryavanshi Spinning Mills Ltd.		
Less: Provision for dimunition in the value of Investments	95.24	96.00
	9.95	9.19

(Aggregate market value of Quoted investments - ₹ 9.95 Lakhs (Previous Year ₹ 9.19 Lakhs)

		(Figures in ₹ Lakhs)
Particulars	As at	As at
raticulais	31st March, 2014	31st March, 2013
NOTE 13 INVENTORIES :		
(Valued and certified by the Management)		
(Value at lower of cost and net realisable value, unless otherwise stated)		
a. Raw Materials	3,525.75	4,089.78
b. Stores and spares	1,425.99	1,652.73
c. Finished goods	3,406.51	2,948.15
d. Work-in-progress	2,706.74	1,749.09
e. Others - Cotton & PV Waste (at realisable value)	9.99	8.49
Total	11,074.98	10,448.24
Details of Raw Materials :		
Cotton	2760.62	3,323.51
Yarn	447.51	576.00
Polyster Staple Fibre	64.02	122.44
Viscose Staple Fibre	40.10	67.83
Fabric	213.50	-
Total	3,525.75	4,089.78

As at 31st March, 2014 As at 31st March, 2013 NOTE 14 TRADE RECEIVABLES : Receivables for a period exceeding six months Unsecured, considered good 293,90 503,22 Unsecured, considered good 0.00 -60,27 Receivables for a period less than six months 10,667,30 11,352,07 Total 10,667,30 11,352,07 Total 10,961,20 11,855,29 Ferticulars As at 31st March, 2014 31st March, 2013 NOTE 15 CASH AND CASH EQUIVALENTS : Figures in T Lakhs) NOTE 15 CASH AND CASH EQUIVALENTS : 31st March, 2014 31st March, 2013 NOTE 15 CASH AND CASH EQUIVALENTS : 446,81 31st March, 2014 31st March, 2013 NOTE 15 CASH AND CASH EQUIVALENTS : 19,25 11,37		As at	As at
Receivables for a period exceeding six months 293.00 503.22 Unsecured, considered good 293.90 503.22 Less: Provision for doubtful debts 0.00 60.27 Receivables for a period less than six months 10667.30 11,352.07 Total 10,667.30 11,352.07 Total 10,961.20 11,855.20 **Figures in ₹ Lakhs **Particulars As at 31st March, 2014 31st March, 2014 **Particulars As at 31st March, 2014 31st March, 2014 **Particulars As at 31st March, 2014 31st March, 2014 ***Particulars 197.36 446.81 B. Balances with Banks 197.36 446.81 B. Cash on hand 19.25 11.37 C. Balance with Banks against Dividends payments 19.25 11.37 C. Balance with Banks against Margin Money / Guarantees 439.81 30.31 B. Fixed Deposits 214.11 51.30 B. Fixed Deposits 31st March, 2014 12.81 B. Post office Savings Bank 0.01 </td <td>Particulars</td> <td></td> <td></td>	Particulars		
Unsecured, considered good 293,90 503,22 Unsecured, considered doubtful 0.00 60,27 Less: Provision for doubtful debts 203.00 503,22 Receivables for a period less than six months Unsecured, considered good 10667,30 11,352,07 Total 10,667,30 11,352,07 Total 10,961,20 11,855,29 NOTE 15 CASH AND CASH EQUIVALENTS: "Figures in ₹ Lakhs NOTE 15 CASH AND CASH EQUIVALENTS: "Figures in ₹ Lakhs NOTE 15 CASH AND CASH EQUIVALENTS: "Figures in ₹ Lakhs NOTE 15 CASH AND CASH EQUIVALENTS: "Figures in ₹ Lakhs NOTE 15 CASH AND CASH EQUIVALENTS: "Figures in ₹ Lakhs NOTE 15 CASH AND CASH EQUIVALENTS: "Figures in ₹ Lakhs NOTE 15 CASH AND CASH EQUIVALENTS: "Figures in ₹ Lakhs NOTE 15 CASH AND CASH EQUIVALENTS: "Figures in ₹ Lakhs D. Cash on hand 19.25 11.37 C. Balance with Banks against Dividends payments 19.25 11.37 C. Balance with Banks against Dividends payments	NOTE 14 TRADE RECEIVABLES :		
Unsecured, considered doubtful 0.00 60.27 Less: Provision for doubtful debts 0.00 -60.27 Receivables for a period less than six months 10567.30 11,352.07 Unsecured, considered good 10,667.30 11,352.07 Total 10,961.20 11,855.29 Figures in ₹ Lakhs Particulars As at 31st March, 2014 31st March, 2013 NOTE 15 CASH AND CASH EQUIVALENTS: a. Balances with Banks 197.36 446.81 b. Cash on hand 192.55 11.37 c. Balance with Banks against Dividends payments 12.68 12.53 d. Balance with Banks against Margin Money / Guarantees 439.81 303.51 e. Fixed Deposits 214.12 513.03 f. Post office Savings Bank 0.01 0.01 Total 883.23 1,287.26 Particulars 4s at 31st March, 2014 31st March, 2013 NOTE 16 SHORT-TERM LOANS AND ADVANCES: (Unsecured considered good) 6 439.85 185.47 b. Advances for Capital purchases 439	Receivables for a period exceeding six months		
Position	Unsecured, considered good	293.90	503.22
Particulars	Unsecured, considered doubtful	0.00	60.27
Receivables for a period less than six months 10667.30 11,352.07 Total 10,667.30 11,352.07 Total 10,961.20 11,855.29 "Family Label Section of State Sec	Less: Provision for doubtful debts	0.00	-60.27
Disserting considered good 10667.30 11,352.07		293.90	503.22
Total 10,667.30 11,352.07 Total 10,961.20 11,855.29	Receivables for a period less than six months		
Total 10,961.20	Unsecured, considered good	10667.30	11,352.07
Particulars As at 31st March, 2014 NOTE 15 CASH AND CASH EQUIVALENTS: a. Balances with Banks With Scheduled Banks b. Cash on hand 19,25 11,37 c. Balance with Banks against Dividends payments 12,68 12,53 d. Balance with Banks against Margin Money / Guarantees 439,81 303,51 e. Fixed Deposits 214,12 513,03 f. Post office Savings Bank 0,01 0,01 Total: (Figures in ₹ Lakhs) (Figures in ₹ Lakhs) (Figures in ₹ Lakhs) NOTE 16 SHORT-TERM LOANS AND ADVANCES: (Unsecured considered good) a. Advances for Capital purchases b. Advances for Staff 33,02,28 2,092,98 Disclosure pursuant to Note no.R (iv) of Part I of Schedule VI to the Companies Act, 1956 Other officers of the Company * 23,60 16,31		10,667.30	11,352.07
Particulars As at 31st March, 2014 As at 31st March, 2013 NOTE 15 CASH AND CASH EQUIVALENTS: a. Balances with Banks 197.36 446.81 b. Cash on hand 19.25 11.37 c. Balance with Banks against Dividends payments 12.68 12.53 d. Balance with Banks against Margin Money / Guarantees 439.81 303.51 e. Fixed Deposits 214.12 513.03 f. Post office Savings Bank 0.01 0.01 Total: 883.23 1,287.26 (Figures in ₹ Lakhs) NOTE 16 SHORT-TERM LOANS AND ADVANCES: (Unsecured considered good) a. Advances for Capital purchases 439.85 185.47 b. Advances for Capital purchases 439.85 185.47 b. Advances for purchases of Raw Material & Stores 1,327.03 644.31 c. Advances to Staff 39.02 26.27 d. Other Advances 1,286.93 1,236.93 Disclosure pursuant to Note no.	Total	10,961.20	11,855.29
Particulars 31st March, 2014 31st March, 2013 NOTE 15 CASH AND CASH EQUIVALENTS: a. Balances with Banks 197.36 446.81 b. Cash on hand 19.25 11.37 c. Balance with Banks against Dividends payments 12.68 12.53 d. Balance with Banks against Margin Money / Guarantees 439.81 303.51 e. Fixed Deposits 214.12 513.03 f. Post office Savings Bank 0.01 0.01 Total: (Figures in ₹ Lakhs) Particulars As at 31st March, 2014 31st March, 2013 NOTE 16 SHORT-TERM LOANS AND ADVANCES: (Unsecured considered good) a. Advances for Capital purchases 439.85 185.47 b. Advances for purchases of Raw Material & Stores 1,327.03 644.31 c. Advances to Staff 3,092.83 2,092.98 Disclosure pursuant to Note no.R (i			(Figures in ₹ Lakhs)
NOTE 15 CASH AND CASH EQUIVALENTS: a. Balances with Banks	Doublesdaye	As at	As at
a. Balances with Banks With Scheduled Banks 197.36 446.81 b. Cash on hand 19.25 11.37 c. Balance with Banks against Dividends payments 12.68 12.53 d. Balance with Banks against Margin Money / Guarantees 439.81 303.51 e. Fixed Deposits 214.12 513.03 f. Post office Savings Bank 0.01 0.01 Total: (Figures in ₹ Lakhs) Particulars As at 31st March, 2014 31st March, 2014 NOTE 16 SHORT-TERM LOANS AND ADVANCES: (Unsecured considered good) a. Advances for Capital purchases 439.85 185.47 b. Advances for purchases of Raw Material & Stores 1,327.03 644.31 c. Advances to Staff 39.02 26.27 d. Other Advances 1,286.93 1,236.93 Disclosure pursuant to Note no.R (iv) of Part I of Schedule VI to the Companies Act, 1956 Other officers of the Company* 23.60 16.31	Particulars	31st March, 2014	31st March, 2013
With Scheduled Banks 197.36 446.81 b. Cash on hand 19.25 11.37 c. Balance with Banks against Dividends payments 12.68 12.53 d. Balance with Banks against Margin Money / Guarantees 439.81 303.51 e. Fixed Deposits 214.12 513.03 f. Post office Savings Bank 0.01 0.01 Total: 883.23 1,287.26 (Figures in ₹ Lakhs) Particulars As at 31st March, 2014 31st March, 2013 NOTE 16 SHORT-TERM LOANS AND ADVANCES: (Unsecured considered good) a. Advances for Capital purchases 439.85 185.47 b. Advances for purchases of Raw Material & Stores 1,327.03 644.31 c. Advances to Staff 39.02 26.27 d. Other Advances 1,286.93 1,236.93 Jisclosure pursuant to Note no.R (iv) of Part I of Schedule VI to the Companies Act, 1956 Other officers of the Company* 23.60 16.31	NOTE 15 CASH AND CASH EQUIVALENTS:		
b. Cash on hand C. Balance with Banks against Dividends payments d. Balance with Banks against Margin Money / Guarantees e. Fixed Deposits f. Post office Savings Bank Particulars As at 31st March, 2014 NOTE 16 SHORT-TERM LOANS AND ADVANCES: (Unsecured considered good) a. Advances for Capital purchases b. Advances for purchases of Raw Material & Stores C. Advances to Staff d. Other Advances Disclosure pursuant to Note no.R (iv) of Part I of Schedule VI to the Companies Act, 1956 Other officers of the Company* 12.68 12.53 12.68 12.53 12.68 12.53 12.68 12.53 12.68 12.53 12.68 12.68 12.53 12.68 12.68 12.68 12.53 12.68 12.68 12.53 12.68 12.68 12.68 12.68 12.68 12.53 12.68	a. Balances with Banks		
c. Balance with Banks against Dividends payments 12.68 12.53 d. Balance with Banks against Margin Money / Guarantees 439.81 303.51 e. Fixed Deposits 214.12 513.03 f. Post office Savings Bank 0.01 0.01 Total: 883.23 1,287.26 NOTE 16 SHORT-TERM LOANS AND ADVANCES: (Unsecured considered good) a. Advances for Capital purchases 439.85 185.47 b. Advances for purchases of Raw Material & Stores 1,327.03 644.31 c. Advances to Staff 39.02 26.27 d. Other Advances 1,286.93 1,236.93 Disclosure pursuant to Note no.R (iv) of Part I of Schedule VI to the Companies Act, 1956 Other officers of the Company* 23.60 16.31	With Scheduled Banks	197.36	446.81
d. Balance with Banks against Margin Money / Guarantees 439.81 303.51 e. Fixed Deposits 214.12 513.03 f. Post office Savings Bank 0.01 0.01 Total: 883.23 1,287.26 Particulars As at 31st March, 2014 31st March, 2014 NOTE 16 SHORT-TERM LOANS AND ADVANCES: (Unsecured considered good) a. Advances for Capital purchases 439.85 185.47 b. Advances for purchases of Raw Material & Stores 1,327.03 644.31 c. Advances to Staff 39.02 26.27 d. Other Advances 1,286.93 1,236.93 Disclosure pursuant to Note no.R (iv) of Part I of Schedule VI to the Companies Act, 1956 Other officers of the Company * 23.60 16.31	b. Cash on hand	19.25	11.37
e. Fixed Deposits f. Post office Savings Bank O.01 Total: (Figures in ₹ Lakhs) Particulars As at 31st March, 2014 NOTE 16 SHORT-TERM LOANS AND ADVANCES: (Unsecured considered good) a. Advances for Capital purchases b. Advances for purchases of Raw Material & Stores 1,327.03 644.31 c. Advances to Staff 3.092.83 0.092.83 Disclosure pursuant to Note no.R (iv) of Part I of Schedule VI to the Companies Act, 1956 Other officers of the Company* 214.12 513.03 (Figures in ₹ Lakhs) (Figures in ₹ Lakhs) 48 at 31st March, 2014 31st March, 2013 As at 31st March, 2013 As at 31st March, 2013 As at 49.85 185.47 439.85 185.47 540.01	c. Balance with Banks against Dividends payments	12.68	12.53
f. Post office Savings Bank Total: (Figures in ₹ Lakhs) Ras at 31st March, 2014 NOTE 16 SHORT-TERM LOANS AND ADVANCES: (Unsecured considered good) a. Advances for Capital purchases Advances for purchases of Raw Material & Stores c. Advances to Staff d. Other Advances Disclosure pursuant to Note no.R (iv) of Part I of Schedule VI to the Companies Act, 1956 Other officers of the Company* (Figures in ₹ Lakhs) As at 31st March, 2014 31st March, 2013 As at 49.85 185.47	d. Balance with Banks against Margin Money / Guarantees	439.81	303.51
Total: Result	e. Fixed Deposits	214.12	513.03
Particulars As at 31st March, 2014 NOTE 16 SHORT-TERM LOANS AND ADVANCES: (Unsecured considered good) a. Advances for Capital purchases 439.85 b. Advances for purchases of Raw Material & Stores 1,327.03 644.31 c. Advances to Staff 39.02 26.27 d. Other Advances Disclosure pursuant to Note no.R (iv) of Part I of Schedule VI to the Companies Act, 1956 Other officers of the Company* 23.60 16.31	f. Post office Savings Bank	0.01	0.01
Particulars As at 31st March, 2014 NOTE 16 SHORT-TERM LOANS AND ADVANCES: (Unsecured considered good) a. Advances for Capital purchases b. Advances for purchases of Raw Material & Stores c. Advances to Staff d. Other Advances Disclosure pursuant to Note no.R (iv) of Part I of Schedule VI to the Companies Act, 1956 Other officers of the Company * As at 31st March, 2013 185.47 b. Advances for Capital purchases 1,327.03 644.31 c. Advances to Staff 39.02 26.27 d. Other Advances 23.69 3,092.83 2,092.98	Total:	883.23	1,287.26
NOTE 16 SHORT-TERM LOANS AND ADVANCES: (Unsecured considered good) a. Advances for Capital purchases b. Advances for purchases of Raw Material & Stores c. Advances to Staff d. Other Advances Disclosure pursuant to Note no.R (iv) of Part I of Schedule VI to the Companies Act, 1956 Other officers of the Company * 31st March, 2014 31st March, 2013 31st March, 2014 31st March, 2013 31st March, 2013 31st March, 2013		Acat	
NOTE 16 SHORT-TERM LOANS AND ADVANCES: (Unsecured considered good) a. Advances for Capital purchases b. Advances for purchases of Raw Material & Stores c. Advances to Staff d. Other Advances Disclosure pursuant to Note no.R (iv) of Part I of Schedule VI to the Companies Act, 1956 Other officers of the Company * 23.60 185.47 439.85 185.47 644.31 26.27 39.02 26.27 3,092.83 2,092.98	Particulars		
b. Advances for purchases of Raw Material & Stores c. Advances to Staff 39.02 26.27 d. Other Advances 3,092.83 2,092.98 Disclosure pursuant to Note no.R (iv) of Part I of Schedule VI to the Companies Act, 1956 Other officers of the Company * 23.60 16.31		3 13¢ March, 2017	515CMarch, 2015
c. Advances to Staff 39.02 26.27 d. Other Advances 1,286.93 1,236.93 3,092.83 2,092.98 Disclosure pursuant to Note no.R (iv) of Part I of Schedule VI to the Companies Act, 1956 Other officers of the Company * 23.60 16.31	a. Advances for Capital purchases	439.85	185.47
d. Other Advances1,286.931,236.933,092.832,092.98Disclosure pursuant to Note no.R (iv) of Part I of Schedule VI to the Companies Act, 1956Other officers of the Company *23.6016.31	b. Advances for purchases of Raw Material & Stores	1,327.03	644.31
3,092.83 2,092.98 Disclosure pursuant to Note no.R (iv) of Part I of Schedule VI to the Companies Act, 1956 Other officers of the Company * 23.60 16.31	c. Advances to Staff	39.02	26.27
Disclosure pursuant to Note no.R (iv) of Part I of Schedule VI to the Companies Act, 1956 Other officers of the Company * 23.60 16.31	d. Other Advances	1,286.93	1,236.93
Other officers of the Company * 23.60 16.31		3,092.83	2,092.98
	Disclosure pursuant to Note no.R (iv) of Part I of Schedule VI to the Compar	nies Act, 1956	
23.60 16.31	Other officers of the Company *	23.60	16.31
		23.60	16.31

(Figures in ₹ Lakhs)

		(Figures in ₹ Lakhs)
Particulars	As at	As at
raticulais	31st March, 2014	31st March, 2013
NOTE 17 OTHER CURRENT ASSETS :		
TED Refund receivable	304.77	548.34
Interest subsidy receivable	309.41	389.18
Deposits recoverable	2.59	0.56
Claims/Other Receivable	2,053.95	1,417.93
Export Benefit Entitlement Receivable	577.42	257.93
Pre-paid expenses	186.68	134.27
Excise Duty Refund Receivable	207.87	166.16
Balance With Central Excise Department	0.96	1.64
Accrued interest	64.40	43.54
	3,708.05	2,959.55

		(Figures in ₹ Lakhs)
Particulars	Current Year	Previous Year
ratticulais	31st March, 2014	31st March, 2013
NOTE 18 SALE OF PRODUCTS:		
Yarn	30,536.79	29,433.16
Fabric	33,537.94	40,766.40
Power	4,177.61	2,036.70
Garment	4,751.49	-
Waste	448.95	470.48
Total Sales:	73,452.78	72,706.74
Less:		
Excise duty	61.52	125.70
Inter Division sale - Power	3,205.50	2,036.70
Total	70,185.76	70,544.34

		(Figures in ₹ Lakhs)
Particulars	As at	As at
Particulars	31st March, 2014	31st March, 2013
NOTE 19 OTHER INCOME:		
Interest Income	83.37	72.11
Export Benefit entitlement	850.03	633.92
Excess provisions written back	37.89	23.34
Packing & Forwarding collection charges	9.20	10.84
Scrap Sales	43.89	29.11
Profit on sale of Assets	-	0.26
Credit Balance Written Back	2.31	-
Rent Received	0.12	-
Increase in Value of Investments	0.76	-
Miscellaneous Receipts	75.17	9.88
Total	1102.74	779.46

			(Figure	s in ₹ Lakhs)
Particulars	C	urrent Year	Pi	revious Year
- articulars	31st <i>N</i>	1arch, 2014	31st N	March, 2013
NOTE 20 COST OF MATERIALS CONSUMED:				
Opening Stock		4,089.78		4,088.70
Opening Stock of SKIL - Persuant to Scheme of Amalgamation		133.06		-
Add: Purchases		41,992.02		42,399.59
		46,214.86		46,488.29
Less: Value of raw materials sold		-		532.17
Less: Closing Stock		3,525.75		4,089.78
Total Cost of materials consumed :		42,689.11		41,866.34
Imported and Indigeneous Raw Materials consumed:				
Indigeneous	99.15%	42,326.66	96.40%	40,357.88
Imported	0.85%	362.45	3.60%	1,508.46
Total:	100%	42,689.11	100%	41,866.34
Details of Raw Material Consumed :				
Cotton		13,367.76		13,920.30
Yarn		7,747.26		8,055.57
Polyster Staple Fibre		19,325.75		17,842.82
Viscose Staple Fibre		2,204.70		2,047.65
Fabric		43.64		-
Total:		42,689.11		41,866.34

Suryalakshmi Cotton Mills Limited

Staff welfare expenses

Total

Notes forming part of the Financial Statement as at 31st March, 2014

		(Figures in ₹ Lakhs)
Particulars	Current Year	Previous Year
	31st March, 2014	31st March, 2013
NOTE 21 CHANGES IN INVENTORIES OF FINISHED GOODS, WORK-IN-PROGRESS AND STOCK-IN-TRADE		
(Increase)/Decrease in Stocks		
Opening Stocks:		
Yarn	835.94	742.91
Fabric	2,112.21	2,062.71
Work-in-process	1,749.09	1,998.82
Cotton Waste	8.49	13.39
	4,705.73	-
Opening Stocks of SKIL - Persuant to Scheme of Amalgamation		
Work-in-process	655.91	-
Garments	231.41	-
	5,593.05	4,817.83
Closing Stocks:		
Yarn	912.23	835.94
Fabric	2,351.85	2,112.21
Work-in-process	2,706.75	1,749.09
Cotton Waste	9.99	8.49
Garments	142.43	-
	6,123.25	4,705.73
(Increase)/Decrease in Stocks	(530.20)	112.10
		(Figures in ₹ Lakhs)
	Current Year	Previous Year
Particulars	31st March, 2014	31st March, 2013
NOTE 22 EMPLOYEE BENEFITS EXPENSE:		
(a) Salaries and incentives	4,140.59	3,006.05
(b) Contributions to Provident Fund	224.04	178.61
(c) Gratuity fund contributions	153.84	92.20
(d) Contributions to Employee State Insurance	43.84	24.63

199.61

3,501.10

223.91

4,786.22

		(Figures in ₹ Lakhs)
Particulars	Current Year 31st March, 2014	Previous Year 31st March, 2013
NOTE 23 FINANCE COST :		
Interest expense	3,459.54	3,075.30
Other borrowing costs	199.35	223.88
Net loss on foreign currency transactions & translation	35.27	48.95
Total	3,694.16	3,348.13

		(Figures in ₹ Lakhs)
Particulars	Current Year	Previous Year
raticulais	31st March, 2014	31st March, 2013
NOTE 24 DEPRECIATION AND AMORTISATION EXPENSE:		
Depreciation	3,180.68	2,909.71
Amortisation expense	28.45	
Total	3,209.13	2,909.71

			(Figures	in ₹ Lakhs)
	C	urrent Year	Pr	evious Year
	31st N	larch, 2014	31st <i>N</i>	larch, 2013
NOTE 25 OTHER EXPENSES:				
Stores & spare parts consumption :				
Consumable Stores	1,473.80		843.27	
Dyes and Chemicals	3,751.36		3,634.68	
Packing Material Consumed	619.43	5,844.59	494.77	4,972.72
Power & Fuel:				
Electricity Charges	2,512.75		3,787.55	
Fuel Consumed	3,836.76	6,349.51	2,912.25	6,699.80
Rent		12.63		8.28
Security Charges		40.04		26.02
Rates & Taxes		686.90		656.54
Printing & Stationery		30.19		24.31
Postage, Telegrams & Telephones		45.74		39.56
Travelling & Conveyance		164.37		138.53
Directors' Sitting fees & Travelling expenses		6.22		7.08
Advertisements		11.53		15.11
Expenses on Sales		770.60		553.75
Commission on Sales		224.05		185.28
Insurance		105.55		80.63
Legal & Professional Charges		86.95		38.54

			(Figure:	s in ₹ Lakhs)
	-	Current Year		revious Year
	31st N	1arch, 2014	31st N	March, 2013
NOTE 25 OTHER EXPENSES : (Contd.)				
Payments to auditors :				
As auditor:	2.70		2.25	
for taxation matters	0.73		0.56	
for Certification	1.63	5.06	1.47	4.28
Repairs to: Buildings	43.88		44.27	
Machinery	883.22		815.79	
Other Assets	40.06	967.16	23.36	883.42
Vehicle Maintenance		56.34		40.25
Miscellaneous Expenses		453.23		332.80
Donations		19.21		19.35
Loss on sale of assets		3.14		4.15
Bad debts and Debit Balances written off		0.32		4.97
Diminution in the Value of Investments		-		3.06
Other Manufacturing expenses		194.72		125.75
Managerial remuneration		187.90		196.55
Total		16,265.95		15,060.73
Imported and Indigeneous Stores & spare parts consumption :				
Indigeneous	72.88%	4,259.46	75.98%	3,778.41
Imported	27.12%	1,585.13	24.02%	1,194.31
Total	100%	5,844.59	100%	4,972.72

NOTE NO. 26

Notes forming part of Balance Sheet as at 31st March, 2014 and Statement of Profit and Loss for the year ended on that date.

- A Scheme of arrangement (referred to as "Scheme of Amalgamation" in notes forming part of accounts) under Section 391 to 394 of the Companies Act,1956 for merger of Company's wholly owned subsidiary, "Suryakiran International Limited", a garment manufacturing company, with the Company, sanctioned by the Hon'ble High Court of Andhra Pradesh on 16th April,2014, with appointed date as April 01, 2013.
- 2 Consequently Suryakiran International Limited (SKIL), stands merged with the Company and transferred to and vested with the Company as a going concern with effect from 1st April, 2013, the appointed date. The accounting policies of both transferee and transferor companies are uniform and hence, the assets and liabilities of SKIL, are combined with the Company, on a line-by-line basis by adding together the book value of like items.

The Scheme of Amalgamation provides for the the transfer of the assets and liabilities of SKIL, the legal proceedings, employees and employees related benefits and all contracts and agreements in relation to transferor Company (SKIL), to the Company. As per the Scheme of Amalgamation, 5% Non Cumulative Redeemable Preference Shares of ₹100 each of SKIL were cancelled and in lieu of these shares, the Company has issued 5% Non Cumulative Redeemable Preference Shares of ₹100 each to the Preference shareholders on the same terms and conditions, which are redeemable on 21st December, 2021.

Accordingly, the following assets and liabilities have been transferred to and vested in the Company as on the appointed date of 1st April, 2013.

Particulars	₹ in Lakl	ns	₹ in Lakhs
Fixed Assets : Gross Block	2773.23		
Depreciation	655.67		
Net Block			2117.56
Long Term Loans and Advances			15.15
Current Assets, Loans & Advances			
Inventories	1197.90		
Trade Receivables	452.99		
Cash & Bank Balances	97.98		
Short Term Loans & Advances	26.91		
Other Current Assets	110.39	1886.17	
Less: Current Liabilities & Provisions:			
Short Term Borrowings	93.88		
Trade Payables	1765.11		
Other Current Liabilities and provisions	430.60	2289.59	
Net Current Assets :			(403.42)
Other Non-Current Assets: Product Development Expenditure:			113.81
			1843.10
Less: Long Term Loans and provisions:			
Long Term Borrowings		1016.25	
Long Term Provisions		26.42	1042.67

Particulars	₹ in Lakhs	₹ in Lakhs
Net Worth (Balancing Figure) :		800.43
As per the scheme of Amalgamation, the reduction in net worth is effected as follows:		
Equity Share Capital :	445.78	
5% Non Cumulative Redeemable Preference Shares of ₹100 each	200.00	
Securities Premium Account	434.58	
Surplus	(279.93)	
		800.43

Persuant to the Scheme of Amalgamation approved by the Hon'ble High Court of Andhra Pradesh, Suryakiran International Limited (SKIL) has been merged with the Company with retrospective effect from 1st April,2013, the appointed date. The Amalgamation has been accounted as Amalgamation in the nature of merger in accordance with the terms of the Order. The excess of Equity Share Capital (₹445.78 Lacs) & Security Premium (₹ 434.58 Lacs) of SKIL over the investment by the Company (₹666.01 Lacs) of ₹214.35 Lacs has been shown as Amalgamation Reserve of the Company. Since the merger order was received prior to the issuance of the financial statements, though recorded subsequent to March 31, 2014, the financial results of the above undertaking for the period 01.04.2013 to 31st March, 2014, have been included in the year ended 31st March, 2014 of the Company.

3 The Company carried out a revaluation of its assets, i.e., Land, Buildings and Plant & Machinery in its Denim Division at Ramtek and Spinning Division at Amanagallu, by an approved valuer. Revaluation of Power Plant assets was not done, as it was relatively new Plant. The written up value of the assets on revaluation amounting to ₹174.58 Crores was added to the cost of the assets / Gross Block as on 31st March, 2014. The depreciation of ₹84.84 Crores on written up value of Gross Block has been added to depreciation, and the net increase in depreciated value ₹89.74 Crores, is considered as revaluation reserve and the same will be written off as per the depreciation method followed by the company.

				(Figures in ₹ Lakhs)
Par	ticula	ars	As at 31st March, 2014	As at 31st March, 2013
4	Cor	ntingent Liabilities not provided for		
	a)	Contracts to be executed on capital accounts.	4,450.65	3,986.81
	b)	Against Foreign & Inland Letters of Credit	0.00	152.57
	c)	Against Bank Guarantees	1,595.04	1,432.76
	d)	Against Bills discounted	1,298.42	1,592.18
	e)	Demand from Central Excise Department in connection with the clearance of the goods disputed by the Company and allowed by the Commissioner Appeals, Nagpur in Company's favour. However the department has preferred an appeal against the Commissioner's order, and the same was dismissed.	-	78.50

			(Figures in ₹ Lakhs)
Particula	ars	As at 31st March, 2014	As at 31st March, 2013
f)	Demand against Reversal of Excise duty on Finished goods and Cenvat Credit involved in the stock of inputs while opting for the Central Excise Notification No.30/2004. Company's appeal was allowed by Appellate Commissioner of Customs & Central Excise, Nagpur. However, the Central Excise Department has filed an appeal against the above Order with CESTAT	32.89	32.89
g)	Disputed demand from sales tax department on subjecting the turnover of unit at Maharashtra to tax along with the turnover of Andhra Pradesh and set off. The Company has filed appeal before STAT(A.P), Hyderabad against the revised demand issued by the DC(CT), Begumpet Division, Hyderabad.	28.82	28.82
h)	Disputed demand from Central Excise department on clearance of unbranded garments without payment of duty. The Company has filed appeal before CESTAT, Bangalore	11.43	0.00
i)	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 Andhra Pradesh at Hyderabad.	61.49	0.00

- 5 The legal proceedings againt M/s.Rajvir Industries Ltd., for the recovery of the balance outstanding in the books of the company of ₹236.93 lakhs (Previous year ₹236.93 lakhs) are pending.
- 6 Three cases have been filed against the Company for amounts totaling to ₹1348 lakhs in respect of three cheques allegedly issued by the company. These claims are being resisted on the plea that these cheques have been misused and in the absence of any legally enforceable debt or liability the company has been advised that the complaints are not maintainable and no liability is likely to arise.
- 7 (i) Rajvir Industries Ltd., has filed an application before the Hon,ble High court of Andhra Pradesh for modification of the Order of the High Court in the scheme of arrangement for transfer of the liability of ₹ 1000 lakhs to the company. The application has been dismissed with costs by the High Court and the applicant has preferred an appeal before the High Court which is pending.

- (ii) Rajvir Industries Limited (RIL) had also filed criminal complaint against the Company, certain Directors, Sr. Executives and the Auditor of the company in the above matter which however was quashed by the Hon'ble High Court of A.P. RIL has preferred a special leave petition before the Hon'ble Supreme Court which is pending.
- 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. Apart from this a penalty of ₹ 25 lakhs each on CMD and MD and ₹ 5 lakhs on some other Directors of the company has been imposed. The High Court of Andhra Pradesh has granted an interim stay of the dismissal of the appeal by the Company. The Company in compliance with the orders of the High Court has paid ₹500 lakhs to DGFT, Hyderabad. (The Company has already paid ₹500 lakhs to DRI in the same matter). A show cause notice on the same issue was issued by DRI. The Company has been advised that no liability is likely to arise under the notice as the allegations are unfounded and the company is taking adequate steps to defend itself.

Suryalakshmi Cotton Mills Limited

			(Figures in ₹ Lakhs)
Dar	ticulars	Current year	Previous year
rai	ticulais	31st March, 2014	31st March, 2013
9	Expenditure in Foreign Currency during the year on account of:		
	i) Interest	169.84	178.79
	ii) Principal repayment	499.60	331.61
	iii) Commission on Export Sales	155.82	101.31
	iv) Foreign Travel (Excluding tickets purchased in India)	17.19	16.28
	v) Foreign Technical & Consultancy services	72.21	46.76
	vi) Others	8.33	0.00
Tot	al	922.98	674.74

			(Figures III C Lukiis)
Par	ticulars	Current year	Previous year
ı aı	inculars .	31st March, 2014	31st March, 2013
10	Value of Imports calculated on CIF basis in respect of:		
	i) Plant and Machinery - Imported (CIF Value)	81.30	230.61
	ii) Rawmaterials (CIF Value)	476.28	1239.53
	iii) Stores and Spares (CIF Value)	1436.77	1334.16
Tot	a	1994.35	2804.30

			(Figures in ₹ Lakhs)
	Particulars	Current year 31st March, 2014	Previous year 31st March, 2013
11	Earnings in Foreign Exchange		
	FOB Value of Exports	7769.24	7907.18

			(Figures in ₹ Lakhs)
Dart	iculars	Current year	Previous year
rait	iculais	31st March, 2014	31st March, 2013
12	Composition of Net Deferred Tax Liability		
	Liabilities		
	Depreciation	4,481.76	3939.16
	Miscellaneous Expenditure	27.69	0.00
	Total	4509.45	3939.16
	Assets		
	Carried forward losses / Depreciation	83.68	74.55
	Provision for Doubtful Debts & Others	19.55	19.55
	Provision for Gratuity	114.85	76.44
	Provision for Leave encashment & other employee benefits	77.26	73.42
	Total	295.35	243.96
	Deferred Tax Liability (Net)	4214.10	3695.20
	Less: MAT Credit entitlement (to be set off against tax liability of	1193.35	849.89
	AY2014-15		
	Deferred Tax Liability (Net) after MAT Credit adjustment	3020.75	2845.31

			(Figures in ₹ Lakhs)
		Current Year	Previous Year
		31st March, 2014	31st March, 2013
In	formation About Business Segments :		
1	Segment Revenue		
	Spinning	29873.38	29383.91
	Denim	36482.71	41195.02
	Power Plant	4179.28	2036.70
	Garment	4751.49	0.00
	Total	75286.86	72615.63
	Less: Inter Division Power sale	3205.50	2036.70
	Less: Inter Division Sale - Yarn	19.28	34.59
	Less : Inter Division Sale - Fabric	1876.32	0.00
	Net Sales	70185.76	70544.34
2	Segment Results	70183.70	70344.34
_	Spinning	1782.34	2549.94
	. 3		
	Denim	3644.81	5724.84
	Power Plant	(214.05)	(682.88
	Garment	170.69	0.00
	Total	5383.80	7591.90
3	Interest	3694.16	3348.13
4	Profit / Loss Before Tax	1689.64	4243.7
5	Other Information		
	Segment Assets		
	Spinning	20177.72	18429.22
	Denim	37616.39	33491.76
	Power Project	13808.53	13828.50
	Garment	3778.21	0.00
	Total	75380.84	65749.48
6	Segment Liabilities		
	Spinning	2476.85	2449.84
	Denim	4823.01	3932.60
	Power Project	750.58	979.69
	Garment	427.51	0.00
	Total	8477.95	7362.13
7	Capital Expenditure	0477.93	7302.13
/	· · · · · ·	111 10	2/1 1/
	Spinning Denim	111.19	341.14
		301.86	319.00
	Power Project	761.20	12793.52
	Garment	22.20	0.00
	Total	1196.45	13453.66
8	Depreciation & Amortisation Expense		
	Spinning	707.05	700.2
	Denim	1709.68	1866.30
	Power Project	654.20	343.18
	Garment	138.20	0.00
	Total	3209.13	2909.71

14 Related Party Disclosure

Related party disclosure as required by AS-18 "Related party disclosure" are given under:

a) Transactions during the year

(Figures in ₹ Lakhs)

		(Figures in ₹ Lakhs)		
Name of the party	Relationship	Nature of Transaction	Current Year 31st March, 2014	Previous Year 31st March, 2013
Shri L N Agarwal	Key Management	a) Remuneration	62.45	65.07
Chairman & Managing Director		b) Interest (Gross)	51.02	11.92
Chairman & Managing Director		c) Commission	10.47	24.00
		d) Purchase of Shares	9.56	
Shri P K Agarwal	Key Management	a) Remuneration	55.12	54.69
Managing Director	ney Management	b) Interest (Gross)	28.07	3.05
		c) Commission	10.47	21.00
		d) Purchase of Shares	20.05	21.00
Chril N. Aganual (HIIIF)	Koy Managament	-		6.04
Shri L N Agarwal (HUF)	Key Management	a) Interest (Gross)	20.16	6.04
Shri H L Ralhan Director	Key Management	a) Remuneration	34.41	31.79
Smt. Sabita Jain	Daughter of Shri LN Agarwal	Rent	4.20	0.00
Smt Sathyabhamabai	Wife of Shri L N Agarwal	a) Interest (Gross)	17.81	2.97
		b) Purchase of Shares	26.77	-
Smt Padmini Agarwal	Wife of Shri P K Agarwal	a) Remuneration	15.00	0
		b) Interest (Gross)	11.95	2.52
		c) Purchase of Shares	5.50	-
Kum Aparna Agarwal	Daughter of Shri P K Agarwal	a) Interest (Gross)	7.13	7.95
Master Vedanth Agarwal	Son of Shri P K Agarwal	a) Interest (Gross)	4.46	1.48
L N Agarwal Family Trust	Enterprise in which the relatives of Key Management personnel are interested	a) Interest (Gross)	1.39	0.43
P K Agarwal HUF	Enterprise in which the relatives of Key Management personnel are interested	a) Interest (Gross)	0.01	0.00
M/s Suryalata Spinning Mills Ltd	Enterprise in which the relatives of Key Management personnel are interested	a) Sale of R.M./Yarn	336.54	97.86
		b) Advance for R.M.	-	100.00
		c) Interest	-	0.50
M/s Suryakiran International Ltd.,	Subsidiary	a) Sale of Fabric	-	1240.16
		b) Sale of DEPB Lic.	_	5.50
		c) Purch. of FMS Lic	_	9.33
M/s Suryajyothi Spinning Mills	Enterprise in which the	a) Industrial waste sale	_	1.02
Ltd	relatives of Key Management personnel are interested	b) Interest	28.00	17.40
		c) Sale of RM	20.00	61.99
		d) Purchase of RM		62.95
		e) Advance for R.M.	200.00	500.00
MA/- C	Fortamental in ordinal than			
M/s Suryavanshi Spinning Mills Ltd	Enterprise in which the relatives of Key Management personnel are interested	a) Sale of R.M.	-	257.23
		b) Advance for R.M.	50.00	-
M/s Suryavanshi Industries Ltd	Enterprise in which the relatives of Key Management personnel are interested	a) Advance for R.M.	-	100.00
		b) Purchase of VSF	-	41.24
M/s. Jayman Dealers Pvt Ltd.	Enterprise in which the relatives of Key Management	a) Interest (Gross)	29.99	4.80
	personnel are interested	b) Rent	0.60	0.60

b)	Payable as at 31-03-2014			(Figures in ₹ Lakhs)	
	Name of the party	Relationship	Nature of Transaction	Current Year 31st March, 2014	Previous Year 31st March, 2013
	M/s.SVP Distributors Pvt. Ltd.	Enterprise in which the	a) Interest (Gross)	75.28	44.39
		relatives of Key Management personnel are interested	b) Purchase of Shares	27.10	-
	Shri L N Agarwal	Key Management	a) Remuneration (Net)	0.00	2.95
	Chairman & Managing Director		b) Interest (net)	45.92	10.73
			c) Unsecured Loan	495.50	505.00
			d) Commission	10.47	16.58
	Shri P K Agarwal	Key Management	a) Remuneration (Net)	0.55	3.55
	Managing Director		b) Interest (net)	25.27	2.74
			c) Unsecured Loan	318.00	173.50
Sł			d) Commission	10.47	14.51
	Shri L N Agarwal (HUF)	Key Management	a) Interest (net)	18.14	5.44
			b) Deposits	199.00	126.00
Smt. Sabita Jain Smt Sathyabhamaba	Shri H L Ralhan Director	Key Management	Remuneration (Net)	2.06	1.56
		Daughter of Shri LN Agarwal	Rent	1.89	0
	Smt Sathyabhamabai	Wife of Shri L N Agarwal	a) Interest (net)	16.03	2.68
			b) Deposits	214.00	44.00
	Smt Padmini Agarwal	Wife of Shri P K Agarwal	a) Interest (net)	10.75	2.26
			b) Deposits	154.00	50.00
Kum Aparna Agarwal Master Vedanth Agarwal L N Agarwal Family Trust P K Agarwal (HUF) M/s. Jayman Dealers Pvt Ltd. M/s.SVP Distributors Pvt. Ltd			c) Remuneration	1.09	0.00
	Kum Aparna Agarwal	Daughter of Shri P K Agarwal	a) Interest (net)	6.41	7.16
		6 60 10 11	b) Deposits	100.00	78.75
	Master Vedanth Agarwal	Son of Shri P K Agarwal	a) Interest (net)	4.01	1.33
	1 N A 1 T 1 T 1	F	b) Deposits	49.00	27.00
	L N Agarwal Family Trust	Enterprise in which the	a) Interest (net)	1.25	0.39
	D I/ A /	relatives of Key Management	b) Deposits	16.50	9.00
	P K Agarwai (HUF)	Enterprise in which the relatives of Key Management personnel are interested	a) Interest (net) b) Deposits	0.01 5.00	0.00
	M/s. Jayman Dealers Pvt Ltd.	Enterprise in which the	a) Interest (net)	26.99	4.32
	,	relatives of Key Management	b) Deposits	383.00	48.00
		personnel are interested	c) Rent	0.60	0.60
	M/s.SVP Distributors Pvt. Ltd.	Enterprise in which the	a) Interest (net)	67.75	39.95
		relatives of Key Management personnel are interested	b) Deposits	607.50	475.00
c)	Receivable as at 31-03-2014				
	M/s Suryakiran International Ltd.,	Subsidiary Company	Sale of Fabric	-	1561.64
	M/s Suryavanshi Spinning Mills	Enterprise in which the	Sale of R.M.	-	50.59
	Ltd	relatives of Key Management personnel are interested	Advance for RM	50.00	-
	Suryajyoti Spinning Mills Ltd	Enterprise in which the	Interest (Net)	2.14	2.41
		relatives of Key Management personnel are interested	Sale of RM	-	0.07
		-	Advance for RM	200.00	
	M/s. Suryalata Spinning Mills Ltd	Enterprise in which the relatives of Key Management personnel are interested	Sale of Yarn	36.54	0
	M/s. Jayman Dealers Pvt Ltd.	Enterprise in which the relatives of Key Management personnel are interested	Sale of Fabric	458.73	0

15 Employee Benefits: Gratuity

Suryalakshmi Cotton Mills Limited

Consequent to the adoption of Accounting Standard on Employees Benefits (AS-15) (Revised 2005) issued by the Institute of Chartered Accountants of India, the following disclosures have been made as required by the Standard for Actuarial valuation of Gratuity

101	Actuarial valuation of Gratuity		(Figures in ₹ Lakhs)
		2013-14	2012-13
1	Table showing changes in present value of obligations		
	Present value of obligations as at beginning of year	352.36	265.17
	Interest cost	28.19	21.21
	Current Service Cost	27.51	21.75
	Benefits Paid	(29.02)	(23.19)
	Actuarial gain / (Loss) on obligations	92.00	53.10
	Present value of obligations as at end of year	471.05	338.04
2	Table showing changes in the fair value of plan assets		
	Fair value of plan assets at beginning of year	92.44	77.76
	Expected return on plan assets	9.17	8.05
	Contributions	37.00	29.82
	Benefits Paid	21.56	(23.19)
	Actuarial gain / (Loss) on Plan assets	Nil	Nil
	Fair value of plan assets at the end of year	117.05	92.44
3	Table showing fair value of plan assets		
	Fair value of plan assets at beginning of year	92.44	77.77
	Actual return on plan assets	9.17	8.05
	Contributions	37.00	29.82
	Benefits Paid	(21.56)	(23.19)
	Fair value of plan assets at the end of year	117.05	92.44
	Funded status	354.00	245.60
	Excess of Actual over estimated return on plan assets	Nil	Nil
	(Actual rate of return = Estimated rate of return as		
	ARD falls on 31st March)		
4	Assumptions		
	Discount rate	8%	8%
	Salary Escalation	4%	4%

Employee Benefits: Actuarial valuation of Leave encashment

Consequent to the adoption of Accounting Standard on Employees Benefits (AS-15) (Revised 2005) issued by the Institute of Chartered Accountants of India, the following disclosures have been made as required by the Standard for Actuarial valuation of Leave encashment.

(F	iq	ur	es	in	₹	Lal	k	hs))

		()
	2013-14	2012-13
Profit & Loss Account		
Current Service cost	5.45	3.62
Interest Cost on benefit obligation	6.56	4.58
Expected return on plan assets	Nil	Nil
Net Actuarial (gain). Loss recognised in the year	32.85	30.93
Past service cost	Nil	Nil
Net Benefit expense	44.86	39.13

	As at 31st March,	As at 31st March,
	2014	2013
Actual return on Plan assets		
Balance Sheet		
Details of provision for Leave		
Change in the present value of the defined benefit obligation are as follows:		
Opening defined benefit obligation	82.06	57.21
Interest Cost	6.56	4.58
Current Service cost	5.45	3.62
Benefits Paid	(42.76)	(26.97)
Actuarial (gains) / losses on obligation	32.85	30.93
Closing defined benefit obligation	84.16	69.36
The principal assumptions used in determining leave and post employment medical benefit		
Obligations for the company's plans are shown below:		
Assumptions	%	%
Salary Rise	4	4
Discount rate	8	8

16 Basic Earnings per share as per Accounting Standard No.20

(Figures in ₹ Lakhs)

		,
	Current year	Previous Year
Profit after Tax	1171.20	3036.65
Weighted average Number of Equity Shares	145.22	145.22
Diluted Number of Equity Shares	145.22	145.22
Basic Earnings per share	7.98	20.91
Diluted Earnings per share	7.98	20.91

- 17 In the opinion of the Board, the current assets and loans & advances have a value on realisation in the ordinary course of business atleast equal to the amount at which they are stated.
- 18 Vide Notification No.30/09.07.2004 of the Central Excise Department we can opt for zero rate of duty by not taking Cenvat credit on Inputs and vide Tariff rate and under Notification No.29/09.07.2004 of Central Excise Department option can be exercised for payment of duty on Final products by taking credit on inputs and capital items. Accordingly in case of Denim Fabric and Cotton yarn the Company has opted for Zero rate of duty and not availed Cenvat credit on the purchase of inputs and capital items, where as in case of Polyster yarn we have taken cenvat credit on part of the rawmaterial which are used for production of polyster yarn meant for export, and cleared the material for export on payment of duty.
- 19 There was a major fire accident in spinning department of denim division at Ramtek, Nagpur 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 ₹2609 lakhs from the Insurance Company including salvage. The part claim of ₹490 lakhs which is still to be settled by the Insurance Company is shown under Claims receivable.
- 20 Consequent to giving effect to the Scheme of Amalgamation, the figures relating to the current financial year ended 31st March, 2014 of the Company, include the 12 months figures of Suryakiran International Ltd; the transfer Company, which is transferred & vested with the Company and hence, the previous year figures are not comparable.
- 21 Previous Year Figures: Figures for the previous year have been regrouped / reclassified wherever necessary to correspond with the current year's classification.
- **22** Except when otherwise stated, the figures are presented in Rupees Lakhs.

NOTE NO. 26 SIGNIFICANT ACCOUNING POLICIES:

1 Accounting Convention:

The financial statements are prepared under historical cost convention and on accrual basis in accordance with the generally accepted accounting principles.

2 Fixed Assets:

Fixed Assets are stated at cost net of depreciation provided in the statements. Cost of acquisition of Fixed Assets is inclusive of all direct and indirect expenditure up to the date of commercial use.

Depreciation is provided on straight line method in accordance with the rates prescribed under Schedule XIV of the Companies Act, 1956

Inventories:

Rawmaterial and Stores and Spares valued at cost on weighted average basis. Stock-in-process and Finished Goods are valued at lower of cost or net realisable value.

The Excise Duty payable on finished / Saleable goods is accounted for on clearence of goods from the factory premises.

4 Investments:

Investments are stated at cost and diminution / increase in the value, which is permanent in nature, is provided for.

5 Contingent Liabilities and Provisions:

All Contingent liabilities are indicated by way of a note and will be paid / provided on crystalisation.

6 Retirement Benefits:

Provident Fund contribution is charged to the Profit and Loss Account as and when the contributions are due In respect of Gratuity, the Company has covered the gratuity liability by obtaining the group gratuity policy. The premium charged by Life Insurance Corporation of India is paid as stipulated and charged to Profit and Loss Account. Leave encashment provision was made as per actuarial valuation.

Foreign Exchange Transactions:

a) Export Sales are intially accounted at the exchange rate prevailing on the date of documentation/

invoicing and the same is adjusted with the difference in the rate of exchange arising on actual receipt of proceeds in foreign exchange.

- b) Earnings in foreign currency other than export sales are accounted for at the rate of conversion on the date of realisation
- c) Imports of material / capital equipment are accounted at the rates at which the actual payments are made.
- d) Assets and liabilities arising out of foreign exchange transactions are translated at the rates of exchange ruling on the date of Balance Sheet and are suitably adjusted to the appropriate Revenue/Capital account.

8 Impairment of Assets:

An asset is treated as impaired when the carrying cost of asset exceeds its recoverable value. An impairment loss is charged to Profit and Loss Account in the year in which an asset is identified as impaired. The impairment loss recognised in prior accounting periods, is reversed if there has been a change in the estimate of recoverable amount.

9 Sales:

Sales represents the amount receivable for goods sold including excise duty and sales tax thereon. Incentives on export sales are recognised as income on accrual basis.

10 Provision for taxation:

Provision for taxation for the year is based on tax liability computed in accordance with relevant tax rates and tax laws as at the Balance Sheet date. Provision for deferred tax is made for all timing differences arising between taxable income and accounting income at rates that have been enacted or substantively enacted as at the Balance Sheet date. Deferred tax assets are recognised only if there is a reasonable certainity that they will be realised and are reviewed for the appropriateness of their respective carrying value at each Balance Sheet date.

Signatures to Notes 1 to 26

per Our Report of even date for **Brahmayya & Co.**, Chartered Accountants Firm Registration No.000513S

K.S.Rao

Partner Membership No.015850

Place: Secunderabad Date: 27.05.2014 E.V.S.V. Sarma Company Secretary P.S.Subramanyam Vice President (Finance) For and on behalf of the Board

L. N. Agarwal
Chairman & Managing Director
P.K. Agarwal
Managing Director



Cash Flow Statement for the year ended 31st March, 2014

Suryalakshmi Cotton Mills Limited

		(Figures in ₹ Lakhs)
Particulars	2013-14	2012-13
A. CASH FLOW FROM OPERATING ACTIVITIES		
Net : Profit/(Loss) Before Tax	1,689.64	4,243.77
Adjustment for		
Add: Depreciation & Amortisation expense	3,209.13	2,909.71
Finance costs	3,694.16	3,348.13
Debit balance written off	0.32	4.97
Loss on sale of assets	3.14	4.15
Dimunition / (Increase) in Value of Current investments	(0.76)	3.06
	8,595.63	10,513.79
Less: Interest Income	83.37	72.11
: Excess provision written back	37.89	23.34
Profit on sale of assets	0	0.26
	121.26	95.71
Operating profit before working capital changes	8,474.37	10,418.08
Adjustment for changes in :		
Decrease / (Increase) in Inventories	571.16	(91.97)
(Increase) in Trade Receivables	1,384.79	(1,392.02)
(Increase)/Decrease in Long Term Loans and advances	17.53	(152.63)
(Increase)/Decrease in Short Term Loans and advances	(972.94)	366.42
(Increase)/Decrease in Other Current Assets	(618.58)	(5.82)
Increase/(Decrease) in Trade & other payables	(785.81)	1,089.74
Cash generated from Operations	8,070.53	10,231.80
Income tax (Net)	(360.89)	(994.33)
Net cash generated from operating activites (A)	7,709.64	9,237.47
B. CASH FLOW FROM INVESTING ACTIVITIES:		
Inflow:		
Sale of fixed assets	0.10	9.79
Interest received	63.72	61.08
Outflow:		
Acquisition of fixed assets	(1,094.45)	(4,539.70)
Purchase of Current investments	(218.03)	300.14
Net cash used in Investing activites (B)	(1,248.66)	(4,168.69)

Cash Flow Statement for the year ended 31st March, 2014

-14	2012-13
-	(400.00)

(Figures in ₹ Lakhs)

Particulars	2013-14	2012-13
C. CASH FLOW FROM FINANCING ACTIVITES		
Inflow:		
Redemption of Preference Share Capital	-	(400.00)
Proceeds from Term Loans	381.13	2,184.72
(Decrease)/Increase in bank borrowings	477.95	401.38
Proceeds from Hire purchase loan	-	54.69
Proceeds from other unsecured borrowings	1,144.72	1,013.00
Repayment of Term Loan	(4,422.87)	(3,744.47)
Repayment of Hire Purchase loan	(30.42)	(36.58)
Repayment of other unsecured borrowings	(566.23)	(109.88)
Finance costs paid	(3,607.61)	(3,324.35)
Dividend paid	(290.30)	(361.28)
Dividend Distribution Tax paid	(49.36)	(58.98)
Net cash generated in Financing Activities (C)	(6,962.99)	(4,381.75)
Net (Decrease)/Increase in cash and cash equivalents (A+B+C)	(502.01)	687.03
Cash/Cash Equivalents at the Beginning of the year- SCML	1,287.26	600.23
Cash/Cash Equivalents at the Beginning of the year - SKIL	97.98	-
Cash/Cash Equivalents at the end of the period	883.23	1,287.26

per Our Report of even date for Brahmayya & Co., **Chartered Accountants** Firm Registration No.000513S

K.S.Rao

Partner Membership No.015850

Place: Secunderabad Date: 27.05.2014

E.V.S.V. Sarma **Company Secretary** P.S.Subramanyam Vice President (Finance) For and on behalf of the Board

L. N. Agarwal

Chairman & Managing Director

P.K. Agarwal Managing Director

National ECS / Electronic Clearing Service (ECS) for payment of dividend

To the shareholders

The Company has introduced NECS / Electronic Clearing Service (ECS) for payment of dividend. This would facilitate shareholders to obtain the dividend electronically and the payment would consequently be faster and loss of dividend instrument in postal transit would be eliminated.

Under this method, the Company would issue payment instructions to the Clearing House of Reserve Bank of India through the bankers of the Company. The Clearing House would furnish to the service branches of the destination banks branchwise credit reports indicating the beneficiary details such as names of the branches where the accounts are maintained, the names of the beneficiaries, account type, account numbers and the respective amounts. The service branch would in turn pass on the advices to the concerned branches of their bank, which would credit the beneficiary's accounts on the appointed date. An advice of remittance would be sent by the Company to the shareholders opting for electronic transfer. Considering the benefits derived in NECS/ECS for payment of dividend, shareholders are advised to avail this facility. Securities & Exchange Board of India and the Department of Company Affairs, Government of India, have made it mandatory on the part of the companies to offer NECS/ECS facility, wherever the said facility is available.

Presently, NECS/ECS facility is available at sixteen centres of the Reserve Bank of India viz., Ahmedabad, Bangalore,

Kolkata, Chandigarh, Chennai, Guwahati, Hyderabad, Jaipur, Kanpur, Mumbai, Nagpur, New Delhi, Patna, Pune and Thiruvananthapuram. This facility is available only for payment upto a maximum amount of `5 lacs.

Shareholders holding shares in physical form wishing to participate in this scheme may please fill in the NECS/ ECS Mandate Form printed overleaf in legible English, sign and return the same to the Company immediately at its Registered Office/ Registrar & Transfer Agent. Please note that the information provided by you should be accurate and complete in all respects and duly certified by your bankers.

In lieu of the bank certification, you may attach a blank cancelled cheque or a photocopy of a cheque for verification of the particulars provided by you in the NECS/ECS Mandate Form.

The shareholders holding shares in electronic form in the depository system are requested to forward the NECS/ECS particulars to their depository participant for incorporation in their records. The depository would forward the required information to the Company at the time of payment of Dividend.

In case you require any clarification / assistance, please feel free to contact the Company.

E.V.S.V. Sarma Company Secretary

Notes	

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Corporate Information

Board of Directors

SRI L.N. AGARWAL

Chairman and Managing Director

SRI PARITOSH K. AGARWAL

Managing Director

SRI R. SURENDER REDDY

SRI NAVRANG LAL TIBREWAL

SRI R.S. AGARWAL

SRI K.NEEL LOHIT

Nominee - IDBI Bank Limited

SRI H L RALHAN

Director and Chief Executive (Denim Division)

SMT PADMINI AGARWAL

Whole-time Director

Company Secretary

SRI E.V.S.V.SARMA

Vice-President (Finance)

SRI P.S.SUBRAMANYAM

Auditors

M/S.BRAHMAYYA & CO HYDERABAD

BANKERS

State Bank of India

Industrial Finance Branch Hyderabad

State Bank of Hyderabad Commercial Branch

Secunderabad

State Bank of Mysore

Industrial Finance Branch

Ameerpet Hyderabad

IDBI Bank Limited

Saidapet, Chennai

Andhra Bank

Somajiguda

Hyderabad

State Bank of Travancore Koti, Hyderabad

Registered Office

6th Floor, Surya Towers, 105, S.P.Road Secunderabad - 500 003

Phone Nos: (040) 27819856/57, 30571600 Fax No: (040)

27846854

Website: www.suryalakshmi.com

Factories

YARN DIVISION

Amanagallu, Mahabubnagar District Andhra Pradesh - 509 321

DENIM DIVISION

Village Nagardhan, Tehsil Ramtek Nagpur, Maharashtra - 440 010

GARMENTS DIVISION

Tummaluru village, Maheswaram Mandal Ranga Reddy District, Telangana - 501359

POWER PLANT

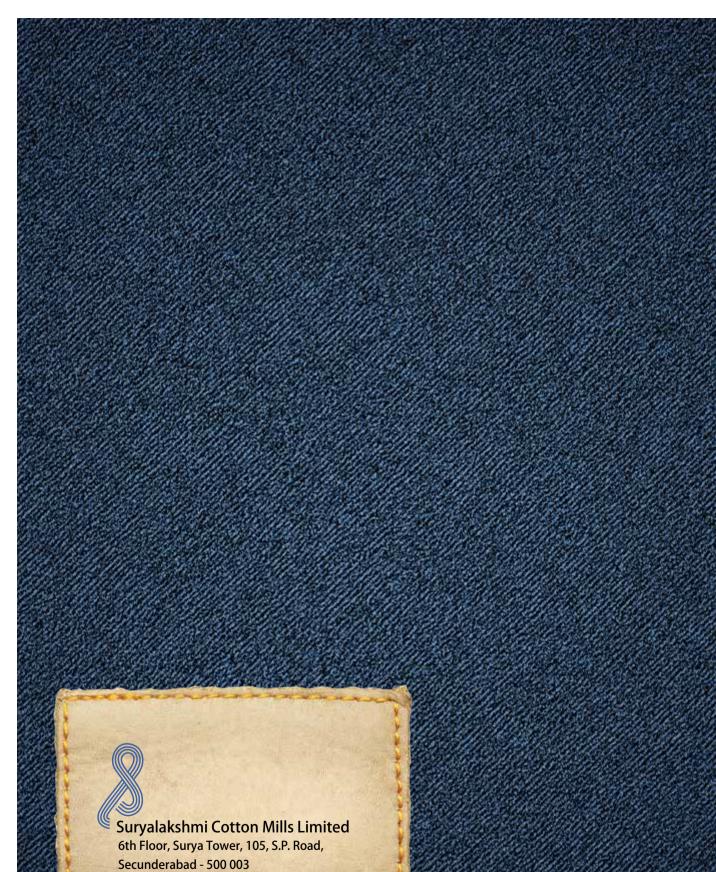
Village Nagardhan, Tehsil Ramtek Nagpur, Maharashtra - 440 010

Registrar & Transfer Agent

Karvy Computershare Private Limited, Plot No 17-24, Vittalrao Nagar, Madhapur, Hyderabad - 500 081

Phone Nos: (040) 44655000







Registered Office: 105, 5th Floor, Surya Towers, S.P. Road, Secunderabad 500 003.

(CIN: L17120TG1962PLC000923)

Website: www.suryalakshmi.com, slcmltd@suryalakshmi.com, Ph.no.040-30571600, 27819856, Fax: 040-27846854

NOTICE

NOTICE is hereby given that the 51st Annual General Meeting of the Members of Suryalakshmi Cotton Mills Limited will be held on Monday, 4th August, 2014, at 10 a.m. at KLN Prasad Auditorium, 3rd floor, Federation House, 11-6-841, FAPCCI Marg, Red Hills, Hyderabad 500 004 to transact the following business.

ORDINARY BUSINESS

- 1. To receive, consider and adopt the audited statement of Profit and Loss for the year ended 31st March, 2014 and audited Balance Sheet as on that date and the reports of the Directors and Auditors thereon.
- 2. To declare Dividend on Equity shares of the Company for the year ended 31st March, 2014.
- 3. To declare dividend on preference shares of the Company for the year ended 31st March, 2014.
- 4. To appoint auditors and fix their remuneration.

SPECIAL BUSINESS

- 5. TO CONSIDER, AND IF THOUGHT FIT, TO PASS THE FOLLOWING RESOLUTION WITH OR WITHOUT MODIFICATION(S) AS AN ORDINARY 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 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 H L Ralhan (DIN: 00018362) as a Director liable to retire by rotation and to the revision in the remuneration payable to Sri H.L.Ralhan as Director and Chief Executive Denim Division for the remaining period of employment i.e. from 27.05.2014 to 29.01.2016 as under:
 - a) Basic Pay and Allowances at ₹ 2,82,050/- per month.
 - Medical reimbursement and Leave Travel Allowance as per Company's rules.
 In addition to the above Sri H.L.Ralhan shall be entitled to the following perquisites.

CATEGORY - A

- i) contributions by the Company to Provident Fund, Superannuation Fund or Annuity Fund as per the rules of the Company.
- ii) Payment of gratuity subject to an amount equal to half a month's salary for each completed year of service.

CATEGORY - B

- i) 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.

There shall be no other change in the terms of appointment as approved in the resolution passed by the members in the 50th Annual General Meeting of the Company.

"RESOLVED FURTHER THAT Sri H.L. Ralhan when reappointed as a Director immediately on retirement by rotation, shall continue to hold his office of Director and Chief Executive, Denim Division and such reappointment shall not be deemed to constitute a break in his appointment as Director & Chief Executive, Denim Division.

"RESOLVED FURTHER THAT in the absence of or inadequacy of profits in any year Sri H.L.Ralhan be paid the above remuneration as minimum remuneration subject to provisions of Schedule V of the Companies Act, 2013."

Item 6: Reclassification of Authorised Share Capital and Consequent Alteration of Memorandum of Association and Articles of Association

To consider and, if thought fit to pass, with or without modification(s) the following Resolution for reclassification of authorised capital of company as a **Special Resolution**:

"RESOLVED THAT pursuant to Sections 13,14, 61 and all other applicable provisions, if any, under the Companies Act, 2013, the existing Authorised Share Capital of the Company of ₹ 38.72 crores (Rupees Thirty eight crores and seventy two lakhs Only) divided into 3,00,00,000 (Three crores) Equity Shares of ₹ 10/- (Rupees Ten only Only) each 6,72,000 [Six Lakhs Seventy two thousand] 0.1% [Zero point one Percent] cumulative redeemable preference shares of ₹ 100 [₹ One Hundred only] each and 2,00,000 [Two Lakhs] 5% [Five percent] non cumulative redeemable Preference shares of ₹ 100 [₹ Hundred] each be and is hereby reclassified to ₹ 38.72 crores (Rupees Thirty eight crores seventy two lakhs only) comprising 3,00,00,000 (Three crores) Equity Shares of ₹ 10/- (Rupees Ten Only) each, and 6,72,000 (Six Lakhs Seventy Two Thousand) 10% [Ten Percent] Cumulative redeemable preference shares of ₹ 100 [₹ One Hundred only] each and 2,00,000 [Two Lakhs] 5% [Five Percent] Non cumulative redeemable preference shares of ₹ 100 [₹ One Hundred] each.

"RESOLVED FURTHER THAT the Memorandum of Association of the Company be and is hereby altered by substituting the existing Clause V thereof by the following new Clause V is as under:

V. 'The Authorised Share Capital of the Company is ₹ 38,72,00,000 (Thirty Eight crores seventy two lakhs Only) divided into 3,00,00,000 (Three crores) Equity Shares of ₹ 10/- (Rupees Ten Only) each, 6,72,000 [Six Lakhs Seventy Two Thousand] 10% [Ten Percent] Cumulative redeemable preference shares of ₹ 100 [₹ One Hundred] each and 2,00,000 [Two Lakhs] 5% [Five percent] Non cumulative redeemable preference shares of ₹ 100 [₹ One Hundred only] each to be issued on such terms & conditions as to be period of redemption / convertible, rate of dividend, whether cumulative or otherwise, and/or to redeem with or without premium as may be decided by the board of directors at the time of issue of Redeemable Preference Shares."

"RESOLVED FURTHER THAT consequent upon the increase in the Share Capital, the existing Article 6 of the Articles of Association of the Company regarding Authorised Capital be and is hereby amended as under:

6. 'The Authorised Share Capital of the Company is ₹ 38,72,00,000 (Thirty Eight crores seventy two lakhs Only) divided into comprising 3,00,00,000 (Three crores) Equity Shares of ₹ 10/- (Rupees Ten Only) each, and 6,72,000 [Six Lakhs Seventy Two Thousand] 10% [Ten Percent] Cumulative redeemable preference shares of ₹ 100 [₹ One Hundred] each and 2,00,000 [Two Lakhs] 5% [Five percent] Non cumulative redeemable preference shares of ₹ 100 [₹ One Hundred only] each to be issued on such terms & conditions as to be period of redemption / convertible, rate of dividend, whether cumulative or otherwise, and/or to

redeem with or without premium as may be decided by the board of directors at the time of issue of Redeemable Preference Shares."

RESOLVED FURTHER THAT for the purpose of giving effect to this resolution, the Board of Directors of the Company be and is hereby authorised to take all such steps and actions and give such directions and delegate such authorities, as it may in its absolute discretion, deem appropriate."

Item 7: Preferential issue of equity shares of the Company

To consider and, if thought fit to pass, with or without modification(s) the following Resolution for the preferential allotment of equity shares as a **Special Resolution**:

"RESOLVED THAT pursuant to the provisions of Section 62 and all other applicable provisions of the Companies Act, 2013 and Rules framed thereunder, the provisions of Foreign Exchange Management Act, 1999, Foreign Direct Investment Policy of India and rules and regulations framed there under and subject to the applicable provisions of the Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2009, (SEBI (ICDR) Regulations), as in force and subject to other applicable rules, regulations and quidelines of Securities and Exchange Board of India (SEBI), Reserve Bank of India (RBI) and the stock exchanges where the shares of the Company are listed (Stock Exchanges) or any other authority and enabling provisions of the Memorandum and Articles of Association of the Company and the listing agreements entered into between the Company and the Stock Exchanges and subject to such conditions and modifications as may be considered appropriate by the Board of Directors (hereinafter referred to as the 'Board' which term shall be deemed to include any committee which the Board may have constituted or hereinafter constitute to exercise one or more of its power including the powers conferred hereunder), and subject to requisite approvals, consents, permissions and/ or sanctions if any, of SEBI, Stock Exchanges, Government of India and other appropriate authorities, as may be required and subject to such conditions as may be prescribed by any of them while granting any such approvals. consents, permissions, and/or sanctions and which may be agreed to by the Board, the Board be and is hereby authorized to create, offer, issue and allot up to 21,50,000 [Twenty One Lakhs Fifty Thousand] equity shares of the Company of face value of ₹ 10 (Rupees Ten Only) each ("Shares") at a price of ₹ 75/- (Rupees Seventy Five Only) per Share (including a premium of ₹ 65 (Rupees Sixty Five) per equity share or price not less than price to be calculated with reference to Regulation 76 of SEBI (ICDR), 2009 as the Board in its sole discretion may at any time or time hereafter decide to selected persons as stated herein below on preferential basis, in one or more tranches on such terms and conditions as the Board or Committee thereof may in it absolute discretion think fit.

SI.No.	Name of the proposed Investor	No. of Shares
1.	Shailesh Mulchand Savla	1,600,000
2.	Jayesh Navnitlal Shah	75,000
3.	Bindu Jayesh Shah	60,000
4	Rupal Piyush Avlani	67,000
5	Paulomi Ketan Doshi	68,000
6	Harshad Tarachand Parekh	35,000
7	Sameer Harshad Parekh	35,000
8	Amit T Dhanki	30,000
9	Meena P. Dalal	30,000
10	Kumash Mukesh Desai	30,000
11	Yogesh Paras Bathia	30,000
12	Parul Sundip Mehta	30,000
13.	Roopal Bhavesh Desai	30,000
14.	Rizwan Rafique Shaikh	30,000

RESOLVED FURTHER THAT the Relevant Date, as per the SEBI (ICDR) Regulations for the determination of issue price of the equity shares to be allotted pursuant to the preferential allotment is fixed as July 5, 2014.

RESOLVED FURTHER THAT the equity shares to be allotted to the proposed allottee pursuant to the aforesaid preferential allotment shall rank paripassu in all respects including as to dividend, with the existing fully paid up equity shares of face value of ₹ 10/- (Rupees Ten Only) each of the Company, subject to the relevant provisions contained in the Memorandum and Articles of Association of the Company.

RESOLVED FURTHER THAT the issue and allotment of the Securities to the Investor shall be on the following terms and conditions:

- a) The Securities shall be allotted within a period of 15 days from the date of passing of this resolution, provided that if any approval or permissions by any regulatory authority or the Central Government for allotment is pending, the period of 15 days shall be counted from the date of such approval or permission.
- b) The price of the Securities has been calculated in accordance with the provisions of Chapter VII of the ICDR Regulations. The "relevant date" for the purpose of calculating the price of the Securities is July 5, 2014, the date 30 days prior to the date of the Annual General meeting of the shareholders of the Company for considering the proposed preferential allotment i.e. August 4, 2014.
- c) The Securities so offered and allotted to the Investor shall be in dematerialised form.
- d) The Shares allotted to the Investor, subject to receipt of necessary approvals, be listed and traded on the National Stock Exchange of India Limited and the BSE Limited and shall be subject to the provisions of the Memorandum and Articles of Association of the Company.
- e) The Securities shall remain locked-in from such date and for such periods as specified under the ICDR Regulations.

RESOLVED FURTHER THAT for the purpose of giving effect to the above, the Board be and is hereby authorized on behalf of the Company to take all actions and do all such acts, deeds, matters and things as it may, in its absolute discretion, deem necessary, desirable, incidental or expedient to the issue or allotment of equity shares and to resolve and settle all questions and difficulties that may arise in relation to the proposed issue, offer and allotment of any of the said equity shares, the utilization of the issue proceeds and to do all acts, deeds and things in connection therewith and incidental thereto as the Board in its absolute discretion may deem fit, without being required to seek any further consent or approval of the members or otherwise to the end and intent that they shall be deemed to have given their approval thereto expressly by the authority of this resolution.

RESOLVED FURTHER THAT the Board be and is hereby authorised to delegate all or any of the powers conferred by this resolution on it, to any Committee of Directors, any other Director(s) or other officer(s)of the Company to give effect to the aforesaid resolution."

Item 8 : Preferential issue of preference shares of the Company

To consider and, if thought fit to pass, with or without modification(s) the following Resolution for the preferential allotment of preference shares as a **Special Resolution**:

"RESOLVED THAT pursuant to the provisions of Section 42,43,55 and 62 and all other applicable provisions of the Companies Act, 2013 and Rules framed thereunder, the provisions of Foreign Exchange Management Act, 1999, Foreign Direct Investment Policy of India and rules and regulations framed there under and subject to other applicable rules, regulations and guidelines of Securities and Exchange Board of India (SEBI), Reserve Bank of India (RBI) and the stock exchanges where the shares of the Company are listed (Stock Exchanges) or any other authority and enabling provisions of the Memorandum and Articles of Association of the Company and the listing agreements entered into between the Company and the Stock Exchanges and subject to such conditions and

modifications as may be considered appropriate by the Board of Directors (hereinafter referred to as the 'Board' which term shall be deemed to include any committee which the Board may have constituted or hereinafter constitute to exercise one or more of its power including the powers conferred hereunder), and subject to requisite approvals, consents, permissions and/ or sanctions if any, of SEBI, Stock Exchanges, Government of India and other appropriate authorities, as may be required and subject to such conditions as may be prescribed by any of them while granting any such approvals, consents, permissions, and/or sanctions and which may be agreed to by the Board, the Board be and is hereby authorized to create, offer, issue and allot up to 500 000 [Five Lakhs], 10% [Ten percent] cumulative redeemable preference shares of the Company of face value of ₹ 100 (Rupees One Hundred Only) each ("Preference Shares") at a price of ₹ 100/- per Share as stated herein below on preferential basis, in one or more tranches to the promoters on such terms and conditions as the Board or Committee thereof may in it absolute discretion think fit.

S.No.	Name of the proposed Investor	No. of shares
1.	Smt. Satyabhama Bai	2,50,000
2.	Kum. Aparna Agarwal	2,50,000

RESOLVED FURTHER THAT subject to the relevant provisions contained in the Memorandum and Articles of Association of the Company, aforesaid preference shares shall carry a preferential right with respect to:-

- i. Payment of dividend
- ii. Repayment of capital of the amount of share capital paid up.
- iii. Right to participate in any surplus which may remain after the entire capital has been repaid.
- iv. The payment of dividend shall be on cumulative basis.
- v. The preference shares shall not be eligible for any conversion into equity shares.
- vi. The preference shares will have right to vote only on resolutions placed before the Company which directly affect the rights attached to the preference shares and any resolution for winding up of the Company or for the repayment or reduction of its equity or preference capital and the voting right on a poll shall be in proportion of the share held in the paid up preference share capital of the Company.
- **vii.** Where the dividend in respect of preference shares has not been paid for a period of two years or more such preference share holders shall have a right to vote on all the resolutions placed before the company.
- viii. The preference shares shall rank pari passu with other preference shares existing or that may be issued in future in respect of the preferential right to dividend or participation in the surplus capital or in respect of repayment of capital.

RESOLVED FURTHER THAT the issue and allotment of the Preference Shares to the Promoters shall be on the following terms and conditions:

- f) The Preference Shares shall be allotted within a period of 15 days from the date of passing of this resolution, provided that if any approval or permissions by any regulatory authority or the Central Government for allotment is pending, the period of 15 days shall be counted from the date of such approval or permission.
- g) The Preference Shares so offered and allotted to the Investor shall be in dematerialised form.

RESOLVED FURTHER THAT for the purpose of giving effect to the above, the Board be and is hereby authorized on behalf of the Company to take all actions and do all such acts, deeds, matters and things as it may, in its absolute discretion, deem necessary, desirable, incidental or expedient to the issue or allotment of preference shares and to resolve and settle all questions and difficulties that may arise in relation to the proposed issue, offer

and allotment of any of the said preference shares, the utilization of the issue proceeds and to do all acts, deeds and things in connection therewith and incidental thereto as the Board in its absolute discretion may deem fit, without being required to seek any further consent or approval of the members or otherwise to the end and intent that they shall be deemed to have given their approval thereto expressly by the authority of this resolution.

RESOLVED FURTHER THAT the Board be and is hereby authorised to delegate all or any of the powers conferred by this resolution on it, to any Committee of Directors, any other Director(s) or other officer(s)of the Company to give effect to the aforesaid resolution."

Item 9: TO CONSIDER, AND IF THOUGHT FIT, TO PASS THE FOLLOWING RESOLUTION WITH OR WITHOUT MODIFICATION(S) AS AN ORDINARY 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 as amended upto date, and the consent of the Term Lenders, the consent of the Company be and is hereby accorded to the appointment of Mrs Padmini Agarwal (DIN: 01652449) as Whole time Director liable to retire by rotation for a period of 5 years i.e. from 27.05.2014 to 26.05.2019 on the following terms of remuneration:

a) Basic Pay and Allowances at ₹ 2,00,000/- per month.

PERQUISITES

In addition to the salary as stated above Mrs Padmini 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 her 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

- (i) Contributions by the Company to Provident Fund, Superannuation Fund or Annuity Fund as per the rules of the Company.
- (ii) Payment of gratuity subject to an amount equal to half a month's salary for each completed year of service.

CATEGORY - C

- (i) 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 Mrs Padmini Agarwal when reappointed as Wholetime Director immediately on retirement by rotation, shall continue to hold her office of Director and such reappointment shall not be deemed to constitute a break in her appointment as Wholetime Director of Garments Division.

"RESOLVED FURTHER THAT in the absence of or inadequacy of profits in any year Mrs. Padmini Agarwal be paid the above remuneration as minimum remuneration subject to provisions of Schedule V of the Companies Act, 2013."

Item 10: 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 as amended upto date, and the consent of the Term Lenders, the consent of the Company be and is hereby accorded to the appointment of Sri L.N. Agarwal (DIN: 00008721) as Chairman and Managing Director for a period of five years from 22.06.2014 to 21.06.2019 on the following terms and conditions:

- i. SALARY: ₹ 4,00,000/- per month
- ii. COMMISSION

At the rate of 2% of the Net Profit of the Company or 50% of annual salary whichever is lower.

iii. PERQUISITES

In addition to the salary and commission as stated above Shri 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

- (i) Contributions by the Company to Provident Fund, Superannuation Fund or Annuity Fund as per the rules of the Company.
- (ii) Payment of gratuity subject to an amount equal to half a month's salary for each completed year of service.

CATEGORY - C

- (i) 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 Shri L.N.Agarwal be paid the above remuneration as minimum remuneration subject to provisions of Schedule V of the Companies Act, 2013."

Item 11: TO CONSIDER, AND IF THOUGHT FIT, TO PASS THE FOLLOWING RESOLUTION WITH OR WITHOUT MODIFICATION(S) AS AN ORDINARY RESOLUTION:

"RESOLVED THAT in supercession of the Resolution passed by the Members in the General Meeting held on 29.09.2010 and 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 as amended upto date, and the consent of the Term Lenders, the consent of the Company be and is hereby accorded to revision in the remuneration payable to Sri Paritosh Agarwal (DIN: 00008738), Managing Director for the remaining period of the term of his employment i.e., from 27.05.2014 to 20.06.2015 as under:

- i. SALARY: ₹ 3,50,000/- per month
- ii. COMMISSION

At the rate of 2% of the Net Profit of the Company or 50% of annual salary whichever is lower.

iii. PERQUISITES

In addition to the salary and commission as stated above Shri Paritosh 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

- (i) Contributions by the Company to Provident Fund, Superannuation Fund or Annuity Fund as per the rules of the Company.
- (ii) Payment of gratuity subject to an amount equal to half a month's salary for each completed year of service.

CATEGORY - C

- (i) 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 Paritosh Agarwal be paid the above remuneration as minimum remuneration subject to provisions of Schedule V of the Companies Act, 2013."

Item 12: TO CONSIDER, AND IF THOUGHT FIT, TO PASS THE FOLLOWING RESOLUTION WITH OR WITHOUT MODIFICATION(S) AS AN ORDINARY 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 Corporate Governance guidelines prescribed by Securities and Exchange Board of India in terms of Clause 49 of the listing agreement of the Stock Exchanges, Sri R Surender Reddy (DIN: 00083972) be and is hereby appointed as an Independent Director for a period of five consecutive years. i.e. upto 03/08/2019."

"RESOLVED FURTHER THAT Sri R Surender Reddy as an Independent Director shall not be liable for retirement by rotation during the tenure of his office."

Item 13: TO CONSIDER, AND IF THOUGHT FIT, TO PASS THE FOLLOWING RESOLUTION WITH OR WITHOUT MODIFICATION(S) AS A SPECIAL RESOLUTION:

Adoption of new articles in substitution of old.

"RESOLVED THAT pursuant to the provisions of Section 14 and other applicable provisions of the Companies Act, 2013 the regulations contained in the draft Articles of Association submitted to this meeting, and for the purpose of identification initialed by the Chairman thereof, be and are hereby approved and adopted as the Articles of Association of the Company in substitution for, and to exclusion of, all the existing Articles of Association of the Company.

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

Item 14: TO CONSIDER, AND IF THOUGHT FIT, TO PASS THE FOLLOWING RESOLUTION WITH OR WITHOUT MODIFICATION(S) AS A SPECIAL RESOLUTION:

"RESOLVED THAT the consent of the Company be and is hereby accorded in terms of Section 180(1)(c) and other applicable provisions, if any, of the Companies Act, 2013 to the Board of Directors of the Company to raise or borrow from time to time from the Company's Bankers or Financial Institutions or fromeIsewhere on such terms and conditions as to repayment or interest or otherwise—as it thinks fit, such sums as may be necessary for the purpose of the Company's business in excess of the paid up capital and free reserves of the Company, that is to say the reserves not set apart for any specific purpose provided however, that the total amount of such borrowings together with the monies already borrowed (apart from temporary loans obtained from the Company's bankers in the ordinary course of business) in aggregate shall not exceed at any one time a sum of ₹ 750 crores (Rupees Seven Hundred and Fifty Crores only)."

Item 15: 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 in terms of Section 148 of the Companies Act 2013 and Rule 4 of the Companies (Audit & Auditors) Rules , 2014 , the remuneration of ₹ 60,000/- (Rupees Sixty Thousand

only) plus out of pocket expenses payable to Ms. Aruna Prasad for the cost audit to be conducted by her of the cost records of the Company for the financial year 2014 – 15.

Item 16: 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 in terms of Section 188 and other applicable provisions, if any, of the Companies Act 2013 and rules there under, to take on lease the property bearing Block no.'H' admeasuring 2185 sq.ft. situated at 6th floor, Surya Towers, S.P. Road, Secunderabad 500003 at a lease rental of ₹70,000/- p.m. as approved by Board of Directors for a period of three years from 1st June, 2014 to 31st May, 2017 from Ms. Savita Jain, W/o. Parag Jain, Ashok Bhavan, Plot no.44, 14th Road, Khar (West) Mumbai 400 052.

By Order of the Board of Directors
For SURYALAKSHMI COTTON MILLS LIMITED

Place : Hyderabad E.V.S.V. SARMA
Date : July 5, 2014 COMPANY SECRETARY

NOTES:

- 1. The register of members and share transfer books will be closed from to 28th July, 2014 to 4th August, 2014 (both days inclusive) for the purpose of Annual General Meeting and Dividend.
- 2. A member entitled to attend the meeting is entitled to appoint a proxy to attend and vote instead of himself and such proxy need not be a member of the Company. A person can act as Proxy on behalf of members not exceeding fifty and holding in the aggregate not more than 10% of the total share capital of the Company carrying voting rights. A member holding more than 10% of the total share capital may appoint a single person as Proxy and such person shall not act as Proxy for any other person on shareholder.
- 3. Proxies in order to be effective must be received by the Company not less than 48 hours before the meeting.
- 4. The shareholders desiring any further information as regards the accounts are requested to write to the Company so as to reach it at least one week prior to the date of the meeting for consideration of the management to deal at the meeting.
- 5. Unclaimed dividends of the following years will be transferred to the Investor Education & Protection Fund set up by the Central Government on the dates mentioned against them:

For the Financial Year	Date of Declaration	Due for transfer on
2009 - 2010	29.09.2010	05.11.2017
2010 - 2011	28.01.2011	06.03.2018
2010 - 2011	29.09.2011	05.11.2018
2011 - 2012	29.09.2012	05.11.2019
2012 - 2013	28.09.2013	04.11.2020

Members who have not encashed their dividend warrants pertaining to the above years may have their warrants revalidated by sending them to the Registered Office of the Company.

6. E-Voting:

The Companies Act, 2013 provide that every Listed Company shall provide to its members a facility to exercise their right to vote at General Manager by electronic mean. Accordingly a member may exercise his

right to vote at the AGM by electronic means. The detailed procedure and guidelines for exercising this right to vote by electronic means is provided below:-

Pursuant to Section 108 of Companies Act, 2013 read with Rule 20 of Companies (Management and Administration) Rules, 2014, it is mandatory to extend to the Members of the Company, the facility to vote at the AGM by electronic means.

Members of the Company can transact all the items of the business through electronic voting system as contained in the Notice of the Meeting.

The Company has appointed Mr. K V Chalama Reddy, Practising Company Secretary, who in the opinion of the Board is a duly qualified person, as a Scrutinizer who will collate the electronic voting process in a fair and transparent manner. The Scrutinizer shall within a period of three working days from the date of conclusion of e-voting period, submit his report of the votes cast in favour or against, if any, to the Chairman of the Company. The result of the same will be disclosed at the AGM proceedings.

INSTRUCTION FOR E-VOTING

1. To use the following URL for e-voting:

From Karvy website: http://evoting.karvy.com

- 2. Shareholders of the Company holding shares either in physical form or in dematerialized form, as on the record date, may cast their vote electronically.
- 3. Enter the login credentials (i.e. user id and password mentioned in the Notice of the AGM). Your Folio no.DP ID Client ID will be your user ID.
- 4. After entering the details appropriately, click on LOGIN.
- 5. You will reach the Password change menu wherein you are required to mandatorily change your password, The new password shall comprise of minimum 8 characters with a least one upper case (A-Z), one lower case (E-Z), one numeric value (0-9) and a special character. The system will prompt you to change your password and update any contact details like mobile, email etc on first login. You may also enter the secret question and answer of your choice to retrieve your password in case you forget it. It is strongly recommended not to share your password with any other person and take utmost care to keep your password confidential.
- 6. You need to login again with the new credentials.
- 7. On successful login, the system will prompt you to select the EVENT i.e., Suryalakshmi Cotton Mills Limited.
- 8. On the voting page, enter the number of shares as on the cut off date under FOR/AGAINST or alternatively you may enter partially any number in FOR and partially in AGAINST but the total number in FOR/AGAINST taken together should not exceed the total shareholding. You may also choose the option ABSTAIN.
- 9. Shareholders holding multiple folios/demat account shall choose the voting process separately for each folios / demat account.
- 10. Cast your vote by selecting an appropriate option and click on SUBMIT. A confirmation box will be displayed. Click OK to confirm else CANCEL to modify. Once you confirm, you will not be allowed to modify your vote. During the voting period, shareholders can login any number of times till they have voted on the resolution.
- 11. Once the vote on the resolution is case by the shareholder, he shall not be allowed to change it subsequently.
- 12. The portal will be open for voting from 9 a.m. on July 29,2014 to 6 p.m. on July 31st 2014.

13. In case of any queries, you may refer the Frequently Asked Questions (FAQs) for shareholders and evoting user manual for shareholders available at the download section of http://evoting.karvy.com or contact Karvy Compushare Pvt. Ltd at Tel.no.1800 345 4001 (toll free).

The Members are free to contact either the Company or the Registrars for any clarifications they may need in this connection.

- 7. The Companies Act, 2013 provides for the facility of nomination to the holders of Shares in a Company. Accordingly, members can avail the facility of nomination in respect of their shares held either singly or jointly. Members desiring to avail this facility are requested to fill up the prescribed nomination form and send the same to the Registered Office of the Company. (The forms are available at the Regd. Office / Office of Registrars of the Company).
- 8. The shares of the Company continue to be listed on the Stock Exchanges at Mumbai and on the National Stock Exchange and the Company has paid upto date all the listing fees to these exchanges.
- 9. Members are requested to notify immediately any change in their addresses to the Company.
- 10. The members are requested to bring their copy for the annual report with them at the time of attending Annual General Meeting.

STATEMENT TO BE ANNEXED TO THE NOTICE PURSUANT TO SECTION 102 OF THE COMPANIES ACT, 2013

Item No. 5

Sri H L Ralhan

Sri H.L.Ralhan is a Textile Engineer by profession and has vast experience in Denim Industry. He was reappointed as a Director and Chief Executive Denim Division with effect from 30.01.2011. Sri H L Ralhan is liable to retirement by rotation and offers himself for reappointment. Sri H L Ralhan is being paid a remuneration of ₹ 2,56,410/- plus perquisites p.m. which is now proposed to be revised to ₹ 2,82,050/- plus perquisites p.m. This revision has been approved and recommended by Nomination and Remuneration Committee. The Board recommends his reappointment on revised remuneration to the members.

Except Sri H.L.Ralhan no other Director / Key Managerial Personnel / their relatives is interested in this resolution.

No. of shares held by Sri H.L.Ralhan as on 20/06/2014 in the Company – 650.

Other Directorships - Nil.

Item 6: Reclassification Authorised Share Capital and Consequent Alteration of Memorandum of Association and Articles of Association

The present authorised capital of the Company is ₹ 38.72 Crores [Rupees Thirty Eight Crores and Seventy Two Lakhs Only) divided into 3,00,00,000 (Three crores) Equity Shares of ₹ 10/- (Rupees Ten Only) each, and 6,72,000 [Six Lakhs Seventy Two Thousand] 0.1% [Zero Point one Percent] Cumulative redeemable preference shares of ₹ 100 [₹ One Hundred] each and 2,00,000 [Two Lakhs] 5% [Five percent] Non cumulative redeemable preference shares of ₹ 100 [₹ One Hundred only]. This authorized capital includes the authorized capital of the erstwhile Suryakiran International Ltd which was merged with the Company pursuant to the orders of the Hon'ble High Court of Andhra Pradesh.

A separate proposal for Preferential Issue up to 5,00,000[Five Lakhs] preference shares has been submitted for the approval of Shareholders under item no. 8 of this Notice. The preference capital component of authorized capital is sought to be reclassified to enable this issue.

As per the provisions of Sections 13 and 14 of the Companies Act, 2013, a Company can alter the Share Capital Clause of its Memorandum of Association and Articles of Association only with the consent of Shareholders.

On reclassification of authorised capital, it would be necessary to amend Clause V of the Memorandum of Association and also Article 6 of Articles of Association. The Resolution seeks approval of Members to reclassify the Share Capital and to amend the said Clause and Article.

A copy of the Memorandum and Articles of Association of the Company together with the proposed alterations is available for inspection by the Members of the Company at the Registered Office between 11.00 a.m. to 1.00 p.m. on any working day of the Company.

The Board of Directors recommends the passing of this Resolution by special resolution.

None of the Directors / key managerial persons of the Company or their relatives is interested, financially or otherwise, in the aforesaid resolution.

Item 7: Preferential issue of equity shares of the Company

Pursuant to provisions of Section 62 of Companies Act, 2013, any offer or issue of shares of the Company to persons other than the existing holders of the equity shares of a Company requires prior approval of the Shareholders in general meeting by a Special Resolution. The Listing Agreements executed by the Company with the Stock Exchanges also provide that the Company shall, in the first instance, offer all securities for subscription pro- rata to the Shareholders unless the Shareholders in a general meeting decide otherwise. In terms of Section 102 of the Companies Act, 2013, the following Explanatory Statement setting out all the material facts in respect of aforementioned business is attached. As required under Rule 13(2)(d) of the Companies (Share Capital and Debentures) Rules, 2014 of Companies Act, 2013 and Regulation 73 and other applicable provisions of SEBI (ICDR) Regulations, the following disclosures are needed to be made in the Explanatory Statement to the Notice of the Annual General Meeting:

a) The Objects of the issue through preferential offer:

The proceeds of the preferential offer are proposed to be used to part finance the proposed 26016 spindle spinning unit to be set up in Amaravathi, Maharashtra at a project cost of around ₹ 131 Crores.

b) The total number of Equity Shares to be issued.

The total number of Equity Shares proposed to be issued is 21,50,000 [Twenty One Lakhs Fifty Thousand only] Equity Shares of face value ₹ 10/- [₹ Ten] each.

c) The price or price band at/within which the allotment is proposed

The Allotment is proposed at a price of ₹ 75/- (Rupees Seventy Five Only) per share

d) Basis of Issue Price

The equity shares to be allotted will be allotted in accordance with the price determined in terms of Regulation 76 of the SEBI (ICDR) Regulations. Since the Company is listed on both BSE Limited and National Stock Exchange of India Limited, the trading volume of securities of the Company on both the stock exchanges is considered to determine the highest trading volume for computation of issue price.

Accordingly, for the proposed allotment(s) of the equity shares to be allotted, the issue price shall be ₹ 75/
- (Seventy Five Only) per share, as computed by taking into consideration the prices quoted on NSE
Limited (being the recognized stock exchange on which the highest trading volume in respect of equity
shares of the Company has been recorded during the preceding 26 weeks prior to the Relevant Date).

A copy of the certificate from Company's statutory auditors, M/s. Brahmayya & Co., Chartered Accountants certifying that the price is determined in terms of Regulation 76 of the SEBI (ICDR) Regulations shall be

placed before the general meeting of the members and also available for inspection at the Registered Office of the Company during office hours on all working days, except Saturday/ Sunday and other holidays, between 11:00 a.m. and 1:00 p.m. upto the date of meeting

e) Relevant Date:

The Relevant Date as per the SEBI (ICDR) Regulations for the determination of issue price of the equity shares to be allotted is fixed as July 5, 2014 i.e. 30 days prior to the date of shareholders meeting proposed to be held on August 4, 2014, to approve the proposed preferential issue, in terms of Section 62 of the Companies Act, 2013.

f) The class or classes of persons to whom the allotment is proposed to be made

The allotment is proposed to be made to Non Promoters.

g) The intention of the Promoters/Directors/key management persons to subscribe to the offer:

Promoters/Directors/Key Management Personnel do not intend to subscribe the offer.

h) Proposed time within which the allotment shall be completed-

As required under the SEBI (ICDR) Regulations, the Company shall complete the allotment of equity shares as aforesaid on or before the expiry of 15 days from the date of passing of the special resolution by the shareholders granting consent for preferential issue or in the event allotment of equity shares would require any approval(s) from any regulatory authority including the Stock Exchanges where the shares of the Company are listed or the Central Government, within 15 (fifteen) days from the date of such approval(s), as the case may be.

i) Identity of the proposed allottees:

The allotment of the equity shares will be made to the following person -

		Pre-allotment		Post-allotment	
S. No.	Name of the proposed allottee	No. of shares	% of share holding	No. of shares	% of share holding
1.	Sahilesh Mulchand Savia	NIL	NIL	1,600,000	9.59
2.	Jayesh Nanitlal Shah	NIL	NIL	75,000	0.45
3.	Bindu Jayesh Shah	NIL	NIL	60,000	0.36
4.	Rupal Piyush Avlani	NIL	NIL	67,000	0.40
5.	Paulomi Ketan Doshi	NIL	NIL	68,000	0.40
6.	Harshad Tarachand Parekh	NIL	NIL	35,000	0.22
7.	Sameer Harshad Parekh	NIL	NIL	35,000	0.22
8.	Amit T. Dhanki	NIL	NIL	30,000	0.18
9.	Meena P. Dalal	NIL	NIL	30,000	0.18
10.	Kumash Mufkesh Desai	NIL	NIL	30,000	0.18
11.	Yogesh Paras Bathia	NIL	NIL	30,000	0.18
12.	Parul Sundip Mehta	NIL	NIL	30,000	0.18
13.	Roopal Bhavesh Desai	NIL	NIL	30,000	0.18
14.	Rizwan Rafique Shaikh	NIL	NIL	30,000	0.18
	Total			21,50,000	12.90

Change in control:

There shall be no change in management or control of the Company pursuant to the issue of equity shares.

j) The number of persons to whom allotment on preferential basis have already been made during the year, in terms of number of securities as well as price;

During the Year 2014-15 no Equity Shares have been allotted by the Company on preferential basis. As mentioned against item No. 8 of the notice a preferential issue of preference shares is being made.

k) Shareholding Pattern pre and post preferential offer (based on shareholding pattern as on 20th June, 2014.

		Pre-allotment		Post-all	otment
S. No.	Category	No. of	% of share	No. of	% of share
		shares	holding	shares	holding
Α	Promoters' holding:				
1	Indian :				
	Individual	9326889	64.22	9326889	55.94
	Bodies Corporate	0	0	0	0
	Sub Total :	9326889	64.22	9326889	55.94
2	Foreign Promoters	0	0	0	0
	Sub Total (A)	9326889	64.22	9326889	55.94
В	Non Promoters' holding				
1	Institutional Investors	155657	1.07	155657	0.93
2	Non-Institution:				
	Private Corporate Bodies	1198676	8.26	1198676	7.19
	Directors and Relatives	28960	0.20	28960	0.17
	Indian Public	3508471	24.16	5658471	33.94
	Others (Including NRIs)	303637	2.09	303637	1.83
	Sub Total (B)				
	GRAND TOTAL	14522290	100.00	16672290	100.00

I) Undertaking regarding re-computation of price

The Company undertakes to re-compute the price of the specified securities in terms of the provision of the SEBIICDR Regulations, where it is required to do so. If the amount payable on account of the re-computation of price is not paid within the time stipulated in the SEBI ICDR Regulations, the specified securities shall continue to be locked-in till the time such amount is paid by the Allottee.

m) Lock-in

The equity shares shall be subject to lock in for period of not less than one year, from the date of receipt of trading approval for shares allotted to non-promoters.

n) Others:

The certificate of the Statutory Auditors of the Company to the effect that the present preferential offer is being made in accordance with the requirements contained in Chapter VII of the SEBI (ICDR) Regulations shall be placed before the shareholders at the meeting.

As it is proposed to issue and allot the aforesaid securities on preferential allotment basis, special resolution is required to be approved by members pursuant to the provisions of Section 62 of the Companies Act, 2013, Listing Agreement and Chapter VII of the SEBI (ICDR) Regulations.

The Board of Directors recommends the passing of this Resolution by special resolution. None of the Directors / Key Managerial Personnel / their relatives are interested in the Resolution.

Item 8: Preferential issue of preference shares of the Company

Pursuant to provisions of Section 62 of Companies Act, 2013 and the listing agreements with the Stock Exchanges, any offer or issue of shares of the Company to persons other than the existing holders of the equity shares of a Company requires prior approval of the Shareholders in general meeting by a Special Resolution. In terms of Section 102 of the Companies Act, 2013 and Rule 9 (3) and 13 (2) (d) of the Companies (Share Capital and Debentures) Rules, 2014 of Companies Act, 2013 and Regulation 73 and other applicable provisions of SEBI (ICDR) Regulations, the following disclosures of material facts are needed to be made in the Explanatory Statement to the Notice of the General Meeting:

a) The Objects of the issue through preferential offer:

The Company is setting up a 26016 Spindles Spinning unit at Amaravathi near Nagpur at a cost of ₹ 131 Crores. With a view of part finance the project, the preferential issue of 5,00,000, 10% Cumulative Redeemable Preference Shares of ₹ 100 each aggregating to ₹ 5 Crores is being made to the promoters.

b) The total number of Preference Shares to be issued.

The total number of Preference Shares proposed to be issued is 5,00,000, 10% Cumulative Redeemable Preference Shares of ₹ 100 each aggregating to ₹ 5 Crores . The Preference shares are cumulative in nature and carry a preferential right to participate in the surplus which may remain after repayment of capital and a preferential right with respect to repayment of the capital. The preference shares carry a dividend of 10% and the shares are redeemable at the end of 12 years from the date of issue of the shares. The preference shares do not carry a right of conversion into equity shares and there will be no dilution in equity share capital consequent to this issue.

c) The price or price band at/within which the allotment is proposed

The Allotment is proposed at a price of ₹ 100/- (Rupees One Hundred only) per share

d) Basis of Issue Price:

At face value.

e) Relevant Date:

Not applicable, Preference Shares not being listed.

f) The class or classes of persons to whom the allotment is proposed to be made

The allotment is proposed to be made to Promoters.

g) The intention of the Promoters/Directors/key management persons to subscribe to the offer:

Promoters intend to subscribe to the offer.

h) Proposed time within which the allotment shall be completed-

The Company shall complete the allotment of preference shares as aforesaid on or before the expiry of 15 days from the date of passing of the special resolution by the shareholders granting consent for preferential issue.

i) Identity of the proposed allottees:

The allotment of the preference shares will be made to the following persons.-

S.No.	Name of the proposed allottee	Pre-allotment No. of shares	Post-allotment No. of shares
1.	Smt. Satyabhama Bai	-	2,50,000
2.	Kum Aparna Agarwal	-	2,50,000

Change in control:

There shall be no change in management or control of the Company pursuant to the issue of these preference shares.

j) The number of persons to whom allotment on preferential basis have already been made during the year, in terms of number of securities as well as price;

NIL

Justification for the allotment proposed to be made for consideration other than cash together with valuation report of the registered valuer.

Not applicable as the allotment is made for cash.

- k) Shareholding Pattern pre and post preferential offer (based on shareholding pattern as on 20th June, 2014 Please refer table at item No. 7 k.
- I. Undertaking regarding re-computation of price

This issue is of preference shares at nominal value and hence the question of recomputation of price does not apply.

As it is proposed to issue and allot the aforesaid securities on preferential allotment basis, special resolution is required to be approved by members pursuant to the provisions of Section 62 of the Companies Act, 2013 and Listing Agreement.

The Board of Directors recommends the passing of this Resolution by special resolution. Except Sri. L.N. Agawal, Sri. Paritosh Kumar Agarwal & Smt. Padmini Agarwal who are interested to the extent of the preference shares being issued to the proposed allottees, no other Director / Key Managerial Personnel / their relatives are interested in the resolution.

Item No. 9

Mrs. Padmini Agarwal

Mrs. Padmini Agarwal, W/o. Paritosh Agarwal was a Director in Suryakiran International Limited(SKIL). She, has been actively involved in managing the day to day operations of Garment division as well as marketing the garments. Consequent to the merger of SKIL with the Company, the Company would still need her services for day to day operations of Garments division and for its further development. It is therefore proposed to appoint Mrs. Padmini Agarwal as a Wholetime Director for the Garment division w.e.f. 27.05. 2014 on a remuneration of ₹ 2 lacs p.a. and other perquisites as per the rules of the company. Her appointment has been recommended by the Nomination and Remuneration Committee. The appointment is also subject to the approval of members by a special resolution in the ensuing AGM. The Board recommends her appointment to the members for their approval.

Sri L N Agarwal, Sri Paritosh K Agarwal and Mrs. Padmini Agarwal are interested in this resolution.

No other Director / Key Managerial Personnel / their relatives are interested in this resolution.

No. of shares held by Mrs. Padmini Agarwal as on 20/06/2014 in the Company is 971815.

Item No. 10

Sri L N Agarwal

Sri L N Agarwal was appointed as Chairman & Managing Director for a period of 5 years w.e.f. 22.06.2009 on a remuneration of ₹ 2 lakhs p.m. plus perquisites. His remuneration was revised to ₹ 4 lakhs p.m. plus perquisites from 15/05/2010 to 21/06/2014. His term of appointment comes to an end on 21st June, 2014. The Nomination and Remuneration Committee has recommended the reappointment of Sri L N Agarwal for a period of 5 years at a remuneration of ₹ 4 lakhs p.m. and commission @ 2% plus perquisites w.e.f. 22.06.2014. The appointment by the Board is subject to the approval of the Members by way of special resolution in the General meeting and also of the financial institutions. The Board recommends his reappointment to the members for their approval.

Sri L N Agarwal, is the promoter founder of the Company and was also instrumental in floating the other companies viz., Suryavanshi Spinning Mills Limited, Suryajyothi Spinning Mills Limited and Suryalata Spinning Mills Limited and has vast knowledge of textile industry for more than 5 decades and his experience and guidance is considered vital to the company's growth and hence the Board recommends his reappointment in spite of the fact that he has attained the age of 70 years.

Sri L N Agarwal, Sri Paritosh K Agarwal and Mrs. Padmini Agarwal are interested in this resolution.

No other Director / Key Managerial Personnel / their relatives are interested in the resolution.

Names of the companies in which he is a Director.

Suryavanshi Finance & Investment Private Limited.

No. of shares held by Sri L N Agarwal as on 20/06/2014 in the Company is 1364516.

Item No.11

Sri Paritosh Agarwal

Sri Paritosh Agarwal (DIN: 00008738) was re-appointed as Managing Director for a period of 5 years upto 20.06.2015 on a remuneration of ₹ 3.5 Lacs p.m. + commission 1% of net profit and other perquisites. The Nomination and Remuneration Commission in its meeting held on 27.05.2014 reviewed the remuneration and considered it necessary to revise the commission to 2% of net profit or 50% of the salary whichever is lower, all other terms remaining unchanged. This revision is subject to approval by the members in the meeting and the financial institutions. The Board recommends the revision of the remuneration to members for their approval.

Sri Paritosh Agarwal, Sri L N Agarwal and Mrs. Padmini Agarwal are interested in this resolution.

No other Director / Key Managerial Personnel / their relatives are interested in the resolution.

No. of shares held by Sri Paritosh Agarwal as on 20/06/2014 in the Company is 1478472.

Item No.12

Sri R Surender Reddy

Sri R Surender Reddy has wide experience in business and politics. He was a Member of Parliament for four terms and was also a Member of Legislative Assembly (Andhra Pradesh) for four terms. He was also on the Boards of Andhra Bank and A.P. State Financial Corporation. He has been the Chairman of Hyderabad Race Club for several years and is very well known in Corporate circles.

The recently enacted Companies Act, 2013 read with the amended Corporate Governance norms as prescribed by SEBI provide that a Listed Company shall appoint Independent Directors for a term of five consecutive years on the Board of a Company. The Independent Director shall also not be liable to retire by rotation during his tenure of 5 years i.e. upto 03/08/2019. The Independent Director shall also abide by the provisions set out in Schedule IV to the Companies Act, 2013.

Sri R Surender Reddy satisfies the conditions prescribed in the Act and the Corporate Governance norms and the Board recommends his appointment to the members of the Company.

Names of the companies in which he is a Director.

- 1. Suryalata Spinning Mills Limited.
- 2. Hyderabad Race Club Ltd.
- 3. Suryavanshi Spinning Mills Ltd.
- 4. Surana Ventures Ltd.
- 5. Bhagyanagar India Ltd.
- 6. Lakshmi Finance & Industries Corpn. Ltd.
- 7. Suryajyoti Spinning Mills Ltd

No. of shares held by Sri R Surender Reddy as on 20/06/2014 in the Company is 28000.

Except Sri R Surender Reddy, no other Director / Key Managerial Personnel / their relatives are is interested in the resolution.

Item No. 13

Since the incorporation of the Company in 1962, the Company's Articles of Association have undergone several changes. Many of the provisions contained in the articles are not in conformity with the new provisions of the Companies Act, 2013, and your Directors consider it desirable to take this opportunity of adopting new Articles of Association which would not only be in conformity with the provisions of the new Act and the various Rules made there under but also with the requirements of the Stock Exchanges with which the Company's shares are listed.

The new Articles of Association to be substituted in place of the existing Articles of Association are based on Table "F" of the Act which sets out the model Articles of Association for a Company limited by shares. Shareholders' attention is invited to certain salient provisions in the new draft Articles of Association of the Company viz:

- a) Company's lien now extends also to bonuses declared from time to time in respect of shares over which lien exists;
- b) the nominee(s) of a deceased sole member are recognized as having title to the deceased's interest in the shares :
- c) new provisions regarding application of funds from reserve accounts when amounts in reserve accounts are to be capitalized;
- d) new provisions relating to appointment of Chief Executive Officer and Chief Financial Officer, in addition to manager and Company Secretary;
- e) existing articles have been streamlined and aligned with the Act;

A copy of the draft of the new Articles of Association is available for inspection of the members at the Company's Registered Office on any working day during business hours.

None of the Directors / Key Managerial Personnel / their relatives are interested in the item no.13 of the Notice.

The Board commends the Special Resolution set out at item no.13 of the Notice for approval by the shareholders.

Item No.14

The Company in the Extraordinary General Meeting held on 25.11.2010 has passed an ordinary resolution under Section 293 (1)(d) of the Companies Act, 1956 empowering the company to borrow upto an amount of ₹ 750 crore (apart from temporary loans obtained from the companies bankers in the ordinary course of business). The recently enacted Companies Act, 2013 now requires under Section 180(1)(c) of the Companies Act, 2013 that such power can be exercised by Board only with the consent of the company with a special resolution. The Board recommends the Special resolution for the approval of members.

None of the Directors / Key Managerial Personnel / their relatives of the Company are interested in this resolution.

Item No. 15

Section 148 of the recently enacted 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 remuneration of the Cost Auditor to be ratified by the members of the company. The appointment of Ms. Aruna Prasad has been approved by Board of Directors as Cost Auditor for carrying out cost audit for the year 2014 − 15 on a remuneration of ₹ 60,000/- 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 are interested in this resolution.

Item No.16

Suryakiran International Limited (SKIL), the erstwhile wholly owned subsidiary company has been functioning at 6th floor, Surya Towers, S.P. Road, Secunderabad 500003. This premises is adjacent to the registered office of Suryalakshmi Cotton Mills Limited, 6th floor, Surya Towers, S.P. Road, Secunderabad 500003. Even after the merger of SKIL with the Company, the Company still needs the same premises for carrying out the operations of the Garment Division in view of the convenient location of the same. The premises is owned by Ms. Savita Jain , a party related to Sri L N Agarwal (Daughter) and Sri Paritosh Agarwal (Sister). The lease is for a period of 3 years on a monthly rental of ₹ 70,000/- from 1st June, 2014 to 31st May, 2017. The fresh lease transaction is on an arms length basis. Section 188 of the Companies Act, 2013 requires transactions with related parties to be approved by a Special Resolution.

Except Sri L N Agarwal and Sri Paritosh Agarwal, as relatives of lessor, no other Director / Key Managerial Personnel / their relatives are interested in any way in the resolution.

By Order of the Board of Directors
For SURYALAKSHMI COTTON MILLS LIMITED

Place: Hyderabad Date: July 5, 2014 E.V.S.V. SARMA COMPANY SECRETARY



Please complete the attendance slip and hand over at the entrance of the meeting hall.



Registered Office: 105, 5th Floor, Surya Towers, S.P. Road, Secunderabad 500 003. (CIN: L17120TG1962PLC000923)

Website: www.suryalakshmi.com, slcmltd@suryalakshmi.com, Ph.no.040-30571600, 27819856, Fax: 040-27846854

ATTENDANCE SLIP

I / We hereby record my / our presence at the Annual General Meeting of the Company held on August 4,2014 at 10.00 am at KLN Prasad Auditorium, 3rd floor, Federation House, 11-6-841, FAPCCI Marg, Red Hills, Hyderabad - 500 004

For Physical Holding	For Electronic Fo	rm (Demat) NSDL/CDSL	No. of shares
LFNo.	DP ID	CLIENT ID	
NAME OF	THE MEMBER/JOINT	MEMBER(S) (IN BLOCK CAP	TALS):
			Signature of the member/







PROXY

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

CIN	:		L17120TG1962PLC000923			
Name of the Company:		ompany:	SURYALAKSHMI COTTON MILLS LIMITED			
Registered office:		e:	105, 6TH floor, Surya Towers, S.P. Road,			
			Secunderabad 500 003.			
Na	me of the n	nember(s)				
Re	gistered Ad	ldress				
Em	nail ID					
Fo	lio No./ Clie	nt ID				
DF	ID					
		member(s)	ofshares of the above named company, hereby a	appoint		
1.	Name	:				
	Address	:				
	Email ID	:				
	Signature	:	, or failing him			
2.	Name	:				
	Address	:				
	Email ID	:				
	Signature	:	, or failing him			
3.	Name	:				
	Address	:				
	Email ID	:				
	Signature	:				
the 6	company, to 5-841, FAP	be held on	and vote (on a poll) for me/ us and on my/ our behalf at the Annual August 4, 2014 at 10.00am at KLN Prasad Auditorium, 3rd floor, I Red Hills, Hyderabad - 500 004 or at any adjournment thereof d below:	Federation	House	
Sigr	ature of Pro	oxy Holder(s):	AFFIX REVENUE STAMP		
Sign	ature of Pro	oxy Holder(s):	₹1/-		



Resolution No.	Particulars	FOR	AGAINST
1.	To receive, consider and adopt the audited statement of Profit and Loss for the year ended 31 st March, 2014 and audited Balance Sheet as on that date and the reports of the Directors and Auditors thereon.		
2.	To declare Dividend on Equity shares of the Company for the year ended 31st March, 2014.		
3.	To declare dividend on preference shares		
4.	To appoint auditors and fix their remuneration.		
5.	Revision in the remuneration of Sri H L Ralhan, Wholetime Director.		
6.	Reclassification of authorised share capital.		
7.	Preferential issue of equity shares of the company.		
8.	Preferential issue of Preference shares.		
9.	Appointment of Ms. Padmini Agarwal as Wholetime Director.		
10.	Reappointment of Sri L N Agarwal as Chairman and Managing Director.		
11.	Revision in remuneration of Sri Paritosh K Agarwal.		
12.	Appointment of Sri R Surender Reddy as Independent Director.		
13.	Adoption of new articles in substitution of old.		
14.	To approve borrowing powers.		
15.	To ratify the remuneration of cost auditor		
16.	Approval of taking on lease of premises.		

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



(AN IS/ISO 9001 : 2008 & ISO 14001 : 2004 CERTIFIED COMPANY)

FORM – A Format of covering letter of the annual audit report to be filled with the Stock Exchange

1.	Name of the Company	Suryalakshmi Cotton Mills Ltd.	
2.	Annual Finanical Statements for the year ended	31 st March 2014	
3.	Type of Audit observation	Un-qualitied/Matter of Emphasis -	
4.	Frequency of observation	Whether appeared first time/repetitive/since how long periodN. A	
5.	To be signed by:-		
	PEA • CEO/Managing Director	Paeitos .	
	OS • CFO	Farmy	
	KSR • Auditor of the Company	Su Re	
	R CR • Audit Committee Chairman	The Cody.	