

## DIRECTORS' REPORT

To  
The Members

Your Directors are pleased to present their 15<sup>th</sup> Annual Report on the business and operations of the Company.

### FINANCIAL RESULTS

	(Rs. in lakhs)	
	2008-2009	2007-2008
Gross Profit /(Loss) before Interest & Depreciation	56.65	191.78
Less : Interest	140.95	199.20
: Depreciation	97.86	238.81
	(182.16)	(103.67)
Profit/(Loss) before prior year Adjustment	(182.16)	(103.67)
Prior year adjustment (Net)		
Profit/(Loss) before tax for the year	(182.16)	(103.67)
<b>LESS : Provision for Income Tax</b>		
for the year Fringe Benefit tax	1.00	1.05
Profit /( Loss) after tax	<b>(183.16)</b>	(104.72)
<b>ADD : Profit/ (Loss) brought forward from last year</b>	(126.20)	(21.48)
Loss transferred to Balance Sheet	<b>(309.36)</b>	<b>(126.20)</b>

### OPERATIONS

The Company's operations for the year under review resulted in loss of Rs.183.16 lakhs against the loss of Rs.104.72 lakhs in the previous year. The operations during the year have stabilized with production increasing by about 22% over that of the previous year. The turnover also increased to Rs.31.32 Crores registering a healthy increase of around 54%. However, the global recession starting from the economic slow down in U.S.A. has drastically affected the textile sector in the Country. The collapse of the retail business in United States and other Countries has very badly affected the garment industry in the Country. The garment industry as a result declined in growth by around 35% during the year. The recession has resulted in cancellation of several purchase orders, extended delivery periods, payment defaults and renegotiation of prices by the importers leading to drastic fall in profitability. This situation has been further aggravated by frequent power cuts and power holidays leading to higher cost of production. The Company however, pursues new markets to improve its performance.

The company has introduced new international clients like Bon Prix - Germany, Otto – Germany, Woolworth – South Africa and TESCO – U.K.

## **Suryakiran International Limited**

### **DIVIDEND**

In view of the loss the Board regrets its inability to recommend any Dividend.

### **DIRECTORS**

Pursuant to the provisions of the Companies Act, 1956 Sri L.N.Agarwal will retire by rotation and being eligible offers himself for reappointment.

Pursuant to the provisions of the Companies Act, 1956 Sri Paritosh K.Agarwal will retire by rotation and being eligible offers himself for reappointment.

### **DIRECTORS' RESPONSIBILITY STATEMENT**

The Board of Directors of the Company confirms :

1. That in the preparation of the annual accounts, the applicable accounting standards have been followed and there has been no material departure ;
2. 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 March 31, 2009 and of the profit of the Company for the year ended on that date.
3. 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.

### **DEPOSITS**

There are no overdue deposits as on March 31, 2009.

### **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 in Annexure - I.

### **EMPLOYEES**

The provisions of Section 217 (2A) of the Companies Act, 1956 are not applicable during the year ended 31st March, 2009 and hence the particulars are not furnished herewith.

Place : Secunderabad  
Date : 25/05/2009.

By order of the Board  
**Sd/-**  
**L.N. Agarwal**  
Director

**Annexure to Directors' Report**

**ANNEXURE - I**

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 – Nil

(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 A**

Form for disclosure of particulars with respect to conservation of energy

A. Power & Fuel Consumption	2008-2009	2007-2008
1. Electricity		
a) Purchased units ('000)	1460	1206
Total amount (Rs. lakhs)	44.31	43.11
Rate/Unit (Rs.)	3.04	3.58
b) Own Generation units ('000)	57	71
Unit per litre of Diesel Oil	3.27	3.41
Cost/Unit (Rs.)	11.16	10.47
2. Coal (Rs. in Lakhs)	–	0.90
3. Furnace Oil	–	–
4. Others / Internal Generators	–	–
<b>B. Consumption per Unit of Production</b>		
Electricity (No. of Units)		
per pcs/garment	1.54	1.62
Furnace Oil	–	–
Coal (specify Quality)	–	0.11
Others (specify)	–	–

**B. TECHNOLOGY ABSORPTION**

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

## Suryakiran International Limited

### FORM - B

#### B. Form for disclosure of particulars with respect to absorption

Research and Development (R&D):

- |  |   |
|--|---|
| 1. Specific areas in which R & D carried out by the Company. | New value added products were developed for new markets and to improve the quality of the products. |
| 2. Benefits derived as a result of the above R&D             |   |
| 3. Future plan of action                                     |   |
| 4. Expenditure on R & D                                      |   |
| (i) Capital  | : -   |
| (ii) Recurring   | : Rs. 1,98,672/-  |
| (iii) Total  | : Rs. 1,98,672/-  |
| (iv) Total R&D expenditure as a percentage of total turnover | : 0.07%   |

#### Technology absorption, adaptation and innovation

- |  |   |
|--|---|
| 1. Efforts, in brief, made towards technology absorption, adaptation and innovation  | The company had adapted indigeneous technology and the innovated upon the same.   |
| 2. Benefits derived as a result the above efforts, e.g., improvement, cost, reduction, product development, import substitution, etc.                          | Product improvement, increase in yield production of high value added products, increase in exports and increase in profit margins. |
| 3. In case of imported technology (imported during the last 5 years reckoned from the beginning of the financial year) following information may be furnished. | No technology has been imported.  |
| (a) Technology imported  |   |
| (b) Year of import   |   |
| (c) Has technology been fully absorbed   | NIL   |
| (d) If not fully absorbed, areas where this has not taken place, reasons therefor and future plans of action   |   |

#### C. Foreign Exchange Earnings and Outgo

- |  |  |
|--|--|
| e) Activities relating to exports; initiatives taken to increase exports; development of new export markets for production and service and export plans. | Exports exploration activities mainly include development taken to increase exports, development of new export markets for production and services and export plans. |
|  | (in Rupees)  |
| f) Total foreign exchange used and earned  | 2008-2009      2007-2008   |
| (i) Foreign Exchange Earned  |  |
| FOB Value of Exports   | 24,41,66,515      13,97,08,930   |
| CIF Value of Exports   | 26,19,44,360      14,24,80,040   |
| (ii) Foreign Exchange used   |  |
| a. Commission on export sales  | 14,59,172      1,55,026  |
| b. Foreign Travel expenses   | -      -   |
| c. Raw Material  | -      -   |
| d. Plant & Machinery   | -      -   |
| e. Stores & Spares   | 3,53,51,919      1,47,60,282   |
| f. Repayment of loans  | -      -   |
| g. Interest  | -      -   |

## AUDITORS' REPORT

To the Members of SURYAKIRAN INTERNATIONAL LIMITED, SECUNDERABAD.

1. We have audited the attached Balance Sheet of SURYAKIRAN INTERNATIONAL LIMITED, SECUNDERABAD (A.P) as at 31st March, 2009 and also the Profit and Loss Account and the Cash Flow Statement for the year ended on that date annexed thereto. These financial statements are the responsibility of the Company's Management. Our responsibility is to express an opinion on these financial statements based on our audit.
2. We conducted our audit in accordance with the auditing Standards generally accepted in India. Those Standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation. We believe that our audit provides a reasonable basis for our opinion.
3. As required by the Companies (Auditors' Report) Order, 2003, issued by the Central Government of India in terms of sub-section (4A) of Section 227 of the Companies Act, 1956, we enclose in the Annexure a statement on the matters specified in paragraphs 4 and 5 of the said Order.
4. Further to our comments in the Annexure referred to above, we report that :
  - i) We have obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purposes of our audit.
  - ii) 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.
    - iii) The Balance Sheet, Profit and Loss Account and Cash Flow Statement dealt with by this report are in agreement with the books of account.
    - iv) In our opinion, the Balance Sheet, Profit and Loss account and Cash Flow Statement dealt with by this report comply with the accounting standards referred to in sub-section (3C) of Section 211 of the Companies Act, 1956;
    - v) On the basis of the written representations received from the Directors, as on 31st March, 2009 and taken on record by the Board of Directors, we report that, none of the Directors is disqualified as on 31st March, 2009 from being appointed as a Director in terms of clause (g) of sub-section (1) of Section 274 of the Companies Act, 1956;
    - vi) In our opinion and to the best of our information and according to the explanations given to us, the said accounts read in conjunction with the Schedules annexed therewith, give the information required by the Companies Act, 1956, 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, 2009;
      - b) in the case of the Profit and Loss Account, of the Loss of the Company 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.

for **BRAHMAYYA & CO.,**  
Chartered Accountants.

**(K.S.RAO)**

Partner

Membership No. 15850

Place: Hyderabad

Date : 25.05.2009

### Annexure

RE : Suryakiran International Limited, Secunderabad.

Referred to in paragraph 3 of our report of even date,

1. a) The Company has maintained proper records showing full particulars, including quantitative details and situation of fixed assets.  
b) As explained to us, the management 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) During the year the Company has not disposed off any plant and machinery.
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.  
c) 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, (b),(c) & (d) of the aforesaid order are not applicable to the Company.  
c) During the year, the Company had taken unsecured loans from two parties covered in the register maintained under section 301 of the Companies Act, 1956 and maximum amount involved during the year was Rs. 197.00 lakhs.  
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 Inventroy & 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.
5. a) 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. The Company has not accepted any deposits from the public. Hence the provisions of section 58A, 58AA and other relevant provisions of the Companies Act 1956 and the company's (Acceptance of Deposits) Rules, 1975 are not applicable to the Company.
7. The Company has no internal audit system. However, there are adequate internal control procedures 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 and are of the opinion that prima facie the prescribed accounts and records have been made and maintained.
9. 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, 2009 for a period of more than six months from the date they became payable.
10. The Company has accumulated losses as at the end of the financial year. The Company has incurred cash losses during the financial year covered by our audit and also in 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 chitfund or a nidhi/mutual benefit fund/society. Therefore, the provisions of clause 4(xiii) of the Companies (Auditors' 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 (Auditors' 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

**K.S. RAO**  
Partner

Place : Hyderabad  
Date : 25.05.2009

Membership No. 15850

## Suryakiran International Limited

### BALANCE SHEET AS AT 31st MARCH, 2009

	Schedule Reference	AS AT 31.03.2009		AS AT 31.03.2008	
		Rupees	Rupees	Rupees	Rupees
<b>SOURCES OF FUNDS:</b>					
<b>SHARE HOLDERS' FUNDS:</b>					
Share Capital	1	4,45,77,650		4,45,77,650	
Reserves & Surplus	2	4,34,57,650		4,34,57,650	
			8,80,35,300		8,80,35,300
<b>LOAN FUNDS:</b>					
Secured Loans	3	17,81,21,550		17,90,56,901	
Unsecured Loans	4	4,53,80,468		92,20,894	
			22,35,02,018		18,82,77,795
<b>TOTAL</b>			<b>31,15,37,318</b>		<b>27,63,13,095</b>
<b>APPLICATION OF FUNDS:</b>					
<b>FIXED ASSETS:</b>					
Gross Block	5	24,60,21,956		23,74,42,117	
Less : Depreciation		2,27,34,071		1,29,48,213	
Net Block		22,32,87,885		22,44,93,904	
Add : Capital Work in Progress		45,36,421		89,039	
			22,78,24,306		22,45,82,943
<b>CURRENT ASSETS, LOANS &amp; ADVANCES</b>					
Inventories	6	7,44,48,163		8,17,68,351	
Sundry Debtors	7	1,25,93,476		67,00,927	
Cash & Bank Balances	8	42,53,983		36,75,520	
Loans & Advances	9	2,40,09,829		5,11,08,178	
		11,53,05,451		14,32,52,976	
Less : Current Liabilities & Provisions	10	8,54,08,972		12,98,98,398	
Net Current Assets		2,98,96,479			1,33,54,578
<b>Miscellaneous Expenditure</b>	11	2,28,80,917			2,57,55,870
(To the extent not written off or adjusted)					
Profit and Loss Account		3,09,35,616			1,26,19,704
<b>TOTAL</b>			<b>31,15,37,318</b>		<b>27,63,13,095</b>
NOTES ON ACCOUNTS	22				
SIGNIFICANT ACCOUNTING POLICIES	23				

The schedules referred above form an integral part of the Balance sheet

per Our Report of even date

For and on behalf of the Board

for **Brahmayya & Co.**  
Chartered Accountants

**K.S. Rao**  
Partner

Sd/-  
**L.N. Agarwal**  
Director

Sd/-  
**P.K. Agarwal**  
Director

Place : Hyderabad  
Date : 25.05.2009

**Suryakiran International Limited**

**PROFIT & LOSS ACCOUNT FOR THE YEAR ENDED 31st MARCH, 2009**

	Schedule Reference	Current Year Rupees	Previous Year Rupees
<b>INCOME</b>			
Sales	12	28,75,02,803	15,64,12,452
Other Income	13	2,57,12,941	4,67,10,354
<b>TOTAL</b>		<u><u>31,32,15,744</u></u>	<u><u>20,31,22,806</u></u>
<b>EXPENDITURE</b>			
Raw Material Consumed	14	11,45,55,149	7,94,48,358
Processing Charges	15	39,39,304	1,33,74,598
Stores Consumed	16	9,50,20,483	4,20,90,872
Power & Fuel	17	50,61,474	50,51,022
Payments & Benefits to Employees	18	4,66,97,204	3,75,91,695
Other Expenses	19	4,24,90,564	2,79,07,108
Finance Charges	20	1,48,66,202	2,07,99,756
Depreciation	5	97,85,858	96,24,514
Miscellaneous expenses written off		28,74,953	28,74,953
Increase in stocks	21	(38,59,535)	(2,52,72,893)
<b>TOTAL</b>		<u><u>33,14,31,656</u></u>	<u><u>21,34,89,983</u></u>
<b>LOSS FOR THE YEAR</b>		<b>(1,82,15,912)</b>	<b>(1,03,67,177)</b>
Add : Provision for Fringe Benefit Tax		<b>1,00,000</b>	1,05,000
<b>LOSS AFTER TAX</b>		<b>(1,83,15,912)</b>	<b>(1,04,72,177)</b>
Add : Loss brought forward from previous year		<b>(1,26,19,704)</b>	(21,47,527)
Balance Transferred to Balance Sheet		<u><u>(3,09,35,616)</u></u>	<u><u>(1,26,19,704)</u></u>
Earning per share (face value Rs. 10/-)		(4.11)	(2.35)
(Basic and Diluted)			
NOTES ON ACCOUNTS	22		
SIGNIFICANT ACCOUNTING POLICIES	23		

The Schedules referred above form an integral part of Profit and Loss Account.  
per our Report of even date.

For and on behalf of the Board

**for Brahmayya & Co.**

Chartered Accountants

**K.S.RAO**  
Partner

**Sd/-**  
**L.N. Agarwal**  
Director

**Sd/-**  
**P.K. Agarwal**  
Director

Place : Hyderabad  
Date : 25.05.2009

## Suryakiran International Limited

### SCHEDULES FORMING PART OF THE ACCOUNTS

	<b>As at 31-03-2009 Rupees</b>	<b>As at 31-03-2008 Rupees</b>			
<b>SCHEDULE - 1</b>					
<b>SHARE CAPITAL</b>					
<b>AUTHORISED :</b>					
50,00,000 Equity shares of Rs 10/- each	<u>5,00,00,000</u>	<u>5,00,00,000</u>			
<b>ISSUED :</b>					
44,57,765 Equity Shares of Rs.10/- each	<u>4,45,77,650</u>	<u>4,45,77,650</u>			
<b>SUBSCRIBED AND PAID UP</b>					
44,57,765 (previous year 44,57,765) Equity Shares of Rs.10/- each (of the above 22,69,860 Shares (previous year 22,69,860 shares) are held by the Holding Company Suryalakshmi Cotton Mills Ltd)	<u>4,45,77,650</u>	<u>4,45,77,650</u>			
<b>TOTAL</b>	<u><u>4,45,77,650</u></u>	<u><u>4,45,77,650</u></u>			
<b>SCHEDULE - 2</b>					
<b>RESERVES &amp; SURPLUS</b>					
	Balance as at 01.04.2008 Rupees	Additions During the Year	Deductions during the year	<b>Balance as at 31.03.2009 Rupees</b>	Balance as at 31.03.2008 Rupees
Security Premium	4,34,57,650	-	-	<u>4,34,57,650</u>	4,34,57,650
<b>TOTAL</b>	<u><u>4,34,57,650</u></u>	<u>-</u>	<u>-</u>	<u><u>4,34,57,650</u></u>	<u><u>4,34,57,650</u></u>

**SCHEDULES FORMING PART OF THE ACCOUNTS**

	As at 31-03-2009 Rupees	As at 31-03-2008 Rupees
<b>SCHEDULE - 3</b>		
<b>SECURED LOANS</b>		
A. Term Loans		
Rupee Term Loan from State Bank of India	13,93,00,000	13,93,00,000
B. Working Capital Loans		
State Bank of India - Cash Credit	11,46,349	2,32,38,193
- Packing Credit	3,76,01,881	1,63,43,378
	<b>3,87,48,230</b>	<b>3,95,81,571</b>
C. VEHICLE LOANS		
	73,320	1,75,330
<b>Total (A+B+C)</b>	<b>17,81,21,550</b>	<b>17,90,56,901</b>
<b>Notes:</b>		
1. The loan referred at A above is secured by mortgage of present and future movable and immovable properties of the company and guaranteed by two directors of the company.		
2. All the working capital loans are secured by hypothecation of stocks of rawmaterial , garments, stock in process,stores and spares and book debts and by second mortgage over the present and future movable and immovable properties of the company and guaranteed by two directors of the company.		
<b>SCHEDULE - 4</b>		
<b>UNSECURED LOANS</b>		
From Directors	2,25,60,622	20,65,539
Inter Corporate Deposits	2,28,19,846	71,55,355
<b>TOTAL</b>	<b>4,53,80,468</b>	<b>92,20,894</b>

**SCHEDULES FORMING PART OF THE ACCOUNTS**

**SCHEDULE - 5**

**FIXED ASSETS**

Description of the Asset	GROSS BLOCK				DEPRECIATION BLOCK				NET BLOCK	
	Cost as on 01-04-2008 Rs.	Additions during the year Rs.	Deductions during the year Rs.	Cost as at 31-03-2009 Rs.	Up to 31-03-2008 Rs.	Depreciation For the year Rs.	Deductions during the year Rs.	Up to 31-03-2009 Rs.	As at 31.03.2009 Rs.	As at 31.03.2008 Rs.
LAND	53,03,475		-	53,03,475	-	-	-	-	53,03,475	53,03,475
FACTORYBUILDINGS	4,45,39,423	12,80,327	-	4,58,19,750	23,56,171	15,05,607	-	38,61,778	4,19,57,972	4,21,83,252
NON-FACTORYBUILDINGS	3,43,01,496	11,53,794	-	3,54,55,290	7,04,898	5,74,787	-	12,79,685	3,41,75,605	3,35,96,598
PLANTANDMACHINERY	12,45,16,487	25,40,855	-	12,70,57,342	76,32,458	60,00,938	-	1,36,33,396	11,34,23,946	11,68,84,029
ELECTRICALINSTALLATIONS	2,17,42,193	8,04,765	-	2,25,46,958	15,12,780	10,50,338	-	25,63,118	1,99,83,840	2,02,29,413
WATERWORKS	3,73,455	4,70,189	-	8,43,644	3,341	11,835	-	15,176	8,28,468	3,70,114
FURNITUREANDFIXTURES	37,82,919	16,79,430	-	54,62,349	2,99,329	2,75,076	-	5,74,405	48,87,944	34,83,590
VEHICLES	10,30,129	-	-	10,30,129	1,33,718	97,862	-	2,31,580	7,98,549	8,96,411
OFFICEEQUIPMENT	6,52,508	3,00,051	-	9,52,559	53,925	48,905	-	1,02,830	8,49,7259	5,98,583
DATAPROCESSINGEQUIPMENT	12,00,032	3,50,428	-	15,50,460	2,51,593	2,20,510	-	4,72,103	10,78,357	9,48,439
<b>TOTAL</b>	<b>23,74,42,117</b>	<b>85,79,839</b>	<b>-</b>	<b>24,60,21,956</b>	<b>1,29,48,213</b>	<b>97,85,858</b>	<b>-</b>	<b>2,27,34,071</b>	<b>22,32,87,885</b>	<b>22,44,93,904</b>
<b>CAPITAL WORKS IN PROGRESS</b>	<b>89,039</b>	<b>1,30,27,221</b>	<b>85,79,839</b>	<b>45,36,421</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>45,36,421</b>	<b>89,039</b>
	<b>23,75,31,156</b>	<b>2,16,07,060</b>	<b>85,79,839</b>	<b>25,05,58,377</b>	<b>1,29,48,213</b>	<b>97,85,858</b>	<b>-</b>	<b>2,27,34,071</b>	<b>22,78,24,306</b>	<b>22,45,82,943</b>
<b>LESS : INTERNAL TRANSFERS</b>	<b>-</b>	<b>85,79,839</b>	<b>85,79,839</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>
<b>TOTAL</b>	<b>23,75,31,156</b>	<b>1,30,27,221</b>	<b>-</b>	<b>25,05,58,377</b>	<b>1,29,48,213</b>	<b>97,85,858</b>	<b>-</b>	<b>2,27,34,071</b>	<b>22,78,24,306</b>	<b>22,45,82,943</b>
PREVIOUSYEAR	21,77,29,191	1,98,01,965	-	23,75,31,156	33,23,699	96,24,514	-	1,29,48,213	22,45,82,943	21,44,05,492

## Suryakiran International Limited

### SCHEDULES FORMING PART OF THE ACCOUNTS

	As at 31-03-2009 Rupees	As at 31-03-2008 Rupees
<b>SCHEDULE - 6</b>		
<b>INVENTORIES</b>		
(Valued and Certified by the Management)		
(Valued at lower of cost and net realisable value unless otherwise stated)		
Rawmaterials	93,33,276	1,19,54,636
Stores & Spares	2,05,97,819	2,98,93,360
Finished Goods	1,83,46,664	76,41,675
Stock in Process	2,54,33,226	3,22,78,680
Stock at Jobworker	7,37,178	-
<b>TOTAL</b>	<b><u>7,44,48,163</u></b>	<b><u>8,17,68,351</u></b>
<b>SCHEDULE - 7</b>		
<b>SUNDRY DEBTORS</b>		
Due over six months -Considered good	6,56,799	1,75,553
Others	1,19,36,677	65,25,374
<b>TOTAL</b>	<b><u>1,25,93,476</u></b>	<b><u>67,00,927</u></b>
<b>SCHEDULE - 8</b>		
<b>CASH AND BANK BALANCES</b>		
Cash on Hand	1,21,054	96,480
With Scheduled Banks	-	-
In Current Accounts	4,37,579	6,19,690
In Margin Money Deposits	36,95,350	29,59,350
<b>TOTAL</b>	<b><u>42,53,983</u></b>	<b><u>36,75,520</u></b>
<b>SCHEDULE - 9</b>		
<b>LOANS &amp; ADVANCES</b>		
(Unsecured considered good recoverable in cash or in kind or for value to be received )		
Advances for Purchases/Capital works	60,32,010	43,89,489
Advances to Staff	1,99,614	79,973
Accrued Interest	57,83,720	71,87,143
Deposits recoverable	10,43,477	5,91,985
Claims/Other receivables	59,54,336	3,42,32,300
Export Benefit Entitlement receivable	39,04,000	40,83,102
Prepaid Expenses	6,62,479	3,76,947
Income Tax (Net)	57,688	39,991
Advance Tax on FBT	3,72,505	1,27,248
<b>TOTAL</b>	<b><u>2,40,09,829</u></b>	<b><u>5,11,08,178</u></b>

## Suryakiran International Limited

### SCHEDULES FORMING PART OF THE ACCOUNTS

	As at 31-03-2009	As at 31-03-2008
	Rupees	Rupees
<b>SCHEDULE -10</b>		
<b>CURRENT LIABILITIES &amp; PROVISIONS</b>		
<b>Current Liabilities</b>		
<b>Sundry Creditors :</b>		
Due to Micro & Small Enterprises	6,53,746	24,85,754
Others	<u>6,94,56,226</u>	<u>11,29,31,074</u>
Creditors for expenses	7,01,09,972	11,54,16,828
Creditors for other finance	1,33,31,762	1,24,33,643
Advances received against Sales	11,84,911	17,43,549
	<u>3,92,327</u>	<u>14,378</u>
	<b><u>8,50,18,972</u></b>	<b><u>12,96,08,398</u></b>
<b>Provisions</b>		
for Fringe Benefit Tax	3,90,000	2,90,000
	<b><u>3,90,000</u></b>	<b><u>2,90,000</u></b>
<b>TOTAL</b>	<b><u>8,54,08,972</u></b>	<b><u>12,98,98,398</u></b>
<b>SCHEDULE - 11</b>		
<b>MISCELLANEOUSEXPENDITURE</b>		
(To the extent not written off or adjusted)	Rs.	
a) Preliminary Expenses	1,00,680	1,20,817
Less : written off during the year	<u>20,137</u>	<u>20,137</u>
	80,543	1,00,680
b) Preoperative Expenses	47,696	57,235
Less : written off during the year	<u>9,539</u>	<u>9,539</u>
	38,157	47,696
c) Trial Run Expenses	2,56,07,494	2,84,52,771
Less : written off during the year	<u>28,45,277</u>	<u>28,45,277</u>
	<u>2,27,62,217</u>	<u>2,56,07,494</u>
<b>TOTAL</b>	<b><u>2,28,80,917</u></b>	<b><u>2,57,55,870</u></b>
	<b>Current year</b>	<b>Previous year</b>
	<b>Rupees</b>	<b>Rupees</b>
<b>SCHEDULE -12</b>		
<b>SALES</b>		
Garments	28,75,02,803	15,64,12,452
<b>TOTAL</b>	<b><u>28,75,02,803</u></b>	<b><u>15,64,12,452</u></b>
<b>SCHEDULE - 13</b>		
<b>OTHER INCOME</b>		
Interest Earned	44,113	71,51,586
Credit Balances Written Back	394	5
Miscellaneous Receipts	17,250	1,17,837
Export benefit entitlement	8,47,736	5,10,336
Waste fabric sales	14,40,927	9,57,217
Exchange Rate Fluctuation	1,57,151	-
Duty Draw Back	2,32,05,370	1,29,97,373
Compensation on relinquishment of rights on property	-	2,49,76,000
<b>TOTAL</b>	<b><u>2,57,12,941</u></b>	<b><u>4,67,10,354</u></b>
<b>SCHEDULE - 14</b>		
<b>RAWMATERIAL CONSUMED</b>		
<b>Opening Stock</b>	1,19,54,636	75,85,153
<b>Add : Purchases</b>	<u>11,19,33,789</u>	<u>8,38,17,841</u>
	12,38,88,425	9,14,02,994
Less : Closing Stock	<u>93,33,276</u>	<u>1,19,54,636</u>
<b>TOTAL</b>	<b><u>11,45,55,149</u></b>	<b><u>7,94,48,358</u></b>

## Suryakiran International Limited

### SCHEDULES FORMING PART OF THE ACCOUNTS

	Current year Rupees	Previous year Rupees
<b>SCHEDULE - 15</b>		
Processing Charges	39,39,304	1,33,74,598
<b>TOTAL</b>	<u>39,39,304</u>	<u>1,33,74,598</u>
<b>SCHEDULE - 16</b>		
Consumable Stores	5,62,88,094	2,49,69,605
Dyes & Chemicals	82,22,331	75,04,694
Packing Material Consumed	3,05,10,058	96,16,573
<b>TOTAL</b>	<u>9,50,20,483</u>	<u>4,20,90,872</u>
<b>SCHEDULE - 17</b>		
<b>POWER &amp; FUEL</b>		
Electricity Charges	44,31,104	43,11,122
Fuel Consumed	6,30,370	7,39,900
<b>TOTAL</b>	<u>50,61,474</u>	<u>50,51,022</u>
<b>SCHEDULE - 18</b>		
<b>PAYMENTS AND BENEFITS TO EMPLOYEES</b>		
Salaries & Wages	4,41,05,296	3,52,98,224
Contributions to Provident Fund & Other Funds	17,49,603	11,59,549
Welfare Expenses	8,42,305	11,33,922
<b>TOTAL</b>	<u>4,66,97,204</u>	<u>3,75,91,695</u>
<b>SCHEDULE - 19</b>		
<b>OTHER EXPENSES</b>		
Rent Paid	5,11,520	5,62,520
Security Charges	86,619	84,615
Rates & Taxes	8,29,313	1,34,711
Printing & Stationary	7,70,003	5,80,557
Postage, Telegrams & Telephones	12,57,608	10,35,063
Travelling & Conveyance	8,15,110	9,85,730
Directors Sitting Fees & Travelling Expenses	25,500	13,500
Advertisement	-	1,665
Expenses on Sales	2,26,26,705	1,04,28,193
Commission on Sales	55,10,112	45,31,827
Insurance	4,69,432	5,07,662
Auditors Remuneration - Statutory Audit	27,575	28,090
Legal & Professional Charges	3,68,992	1,45,107
Repairs to : Machinery	1,73,160	8,91,516
Repairs to : Other Assets	16,79,263	5,25,509
Vehicle Maintenance	35,60,011	42,90,695
Miscellaneous Expenses	36,92,024	31,59,148
Donations	87,617	1,000
<b>TOTAL</b>	<u>4,24,90,564</u>	<u>2,79,07,108</u>
<b>SCHEDULE - 20</b>		
<b>FINANCE CHARGES</b>		
Interest on Term Loans	92,07,438	1,62,03,462
Interest on Others	48,88,193	37,16,052
Bank Charges	7,70,571	8,80,242
<b>TOTAL</b>	<u>1,48,66,202</u>	<u>2,07,99,756</u>
<b>SCHEDULE - 21</b>		
<b>INCREASE IN STOCKS</b>		
<b>OPENING STOCKS :</b>		
Garments	76,41,675	6,17,980
Work in Process	3,22,78,680	1,40,29,482
<b>TOTAL</b>	<u>3,99,20,355</u>	<u>1,46,47,462</u>
<b>CLOSING STOCKS :</b>		
Garments	1,83,46,664	76,41,675
Work in Process	2,54,33,226	3,22,78,680
<b>TOTAL</b>	<u>4,37,79,890</u>	<u>3,99,20,355</u>
Increase in Stocks	<u>(38,59,535)</u>	<u>(2,52,72,893)</u>

## Suryakiran International Limited

### SCHEDULES FORMING PART OF THE ACCOUNTS

#### SCHEDULE - 22

Notes forming part of the Balance Sheet as at 31.03.2009 and Profit and Loss account for the year ended on that date.

	Current Year Rupees		Previous Year Rupees	
1. Contingent Liabilities not provided for :				
i) Against Bank Guarantees		<b>21,10,400</b>		29,62,050
ii) Against Bills Discounted		<b>2,72,79,784</b>		-
2. Finished goods-Garments	<b>Quantity</b>	<b>Amount</b>	<b>Quantity</b>	<b>Amount</b>
	<b>(Nos.)</b>	<b>(Rs.)</b>	<b>(Nos.)</b>	<b>(Rs.)</b>
a) Opening Stock	36,099	76,41,675	2,332	6,17,980
b) Production (Incl. Job work)	9,67,455	-	7,89,989	-
c) Sales	9,33,234	28,75,02,803	7,56,222	15,64,12,452
d) Closing Stock	70,320	1,83,46,664	36,099	76,41,675
3. Raw Material - Farbic	<b>Quantity</b>	<b>Amount</b>	<b>Quantity</b>	<b>Amount</b>
	<b>(Mtrs)</b>	<b>(Rs.)</b>	<b>(Mtrs)</b>	<b>(Rs.)</b>
a) Opening Stock	1,52,974	1,19,54,636	94,095	75,85,153
b) Purchases	11,67,622	11,35,50,715	11,83,848	8,89,80,011
c) Material sent on Job work	15,484	16,16,926	63,933	51,62,170
d) Closing Stock	97,489	93,33,276	1,52,974	1,19,54,636
e) Consumption	12,07,623	11,45,55,149	10,61,036	7,94,48,358
4. Expenditure in Foreign Currency during the year. on account of :				
1) Stores & Spares (CIF Value)		3,53,51,919		1,47,60,282
2) Commission on Export Sales		14,59,172		1,55,026
5. FOB Value of Exports		24,41,66,515		13,97,08,930
6. Interest paid, payable or accrued and due to Micro and Small Enterprises		Nil		Nil
7. Auditors Remuneration:				
Statutory Audit	22,060		22,472	
Tax Audit	5,515	27,575	5,618	28,090
	<hr/>		<hr/>	

## Suryakiran International Limited

### SCHEDULES FORMING PART OF THE ACCOUNTS

8. Related Party Disclosure :

Related party disclosure as required by AS-18 "Related Party Disclosure" are given below:

Name of the Party	Relationship	Nature of Transaction	Current Year Rupees	Previous Year Rupees
<b>A. TRANSACTIONS :</b>				
M/s Suryalakshmi Cotton Mills Ltd	Holding Company	Purchase of Fabric	10,88,45,293	8,89,49,883
Smt. Sabita Jain	Daughter of Sri L.N. Agarwal	Rent paid	4,19,520	4,19,520
Sri L.N. Agarwal	Key Management	Interest	5,58,803	99,000
Sri P.K. Agarwal	Key Management	Interest	3,51,819	18,000
<b>B. Balance as at 31-03-2009 (Payables)</b>				
M/s Suryalakshmi Cotton Mills Ltd.,	Holding Company		4,87,41,372	7,85,73,382
Smt. Sabita Jain	Daughter of Sri L.N. Agarwal		1,87,645	6,77,177
Sri L.N. Agarwal	Key Management		1,37,08,803	17,48,838
Sri P.K. Agarwal	Key Management		88,51,819	3,16,701

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

	Current Year Rupees	Previous Year Rupees
Profit / (Loss) after Tax	(1,83,15,912)	(1,04,72,177)
No. of Equity Shares	44,57,765	44,57,765
Basic Earnings per share	(4.11)	(2.35)

## Suryakiran International Limited

### SCHEDULES FORMING PART OF THE ACCOUNTS

10 Deferred Taxation :

Composition of Net Deferred Tax Assets / (Liability)

	As at 31-03-2009	As at 31-03-2008
	Rupees	Rupees
Particulars		
Deferred Tax Assets :	<b>2,80,38,332</b>	2,06,21,284
Unabsorbed Depreciation	<b>1,11,73,430</b>	93,25,497
Unabsorbed Loss	<b>3,92,11,762</b>	2,99,46,781
Deferred Tax Liabilities :	<b>2,28,51,358</b>	1,87,60,421
Depreciation	<b>77,36,878</b>	87,03,987
Trial Run Expenses	<b>3,05,88,236</b>	2,74,64,408
Deferred Tax Asset / (Liability) (Net)	<b>86,23,526</b>	24,82,373

Note : The Company has not recognised deferred Tax Asset as a matter of prudence.

11 **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.

**Profit & Loss Account**

**2008-09**

**Rupees**

Current Service cost	39,733
Interest Cost on benefit obligation	6,100
Expected return on plan assets	Nil
Net Actuarial (gain). Loss recognized in the year	161,033
Past service cost	Nil
Net Benefit expense	206,866

**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	76,252
Interest Cost	6,100
Current Service cost	39,733
Benefits Paid	(73,534)
Actuarial (gains) / losses on obligation	161,033
Closing defined benefit obligation	209,584

The principal assumptions used in determining leave and post employment medical benefit Obligations for the company's plans are shown below :

<b>Assumptions</b>	<b>%</b>
Salary Rise	4
Discount rate	8
Attrition Rate	1

12. Schedules reclassified and Previous Year's figures have been regrouped wherever necessary.  
13. Paise have been rounded off to the nearest rupee.

## **SCHEDULES FORMING PART OF THE ACCOUNTS**

### **SCHEDULE - 23**

#### **SIGNIFICANT ACCOUNTING POLICIES :**

1. **ACCOUNTING CONVENTION :**  
The financial statements are prepared under historical cost convention, in accordance with the normally accepted accounting practices.
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.
3. **INVENTORIES :**  
Inventories are valued at the lower of cost and net realisable value. Cost of Raw materials and stores & spares are valued at cost on Weighted average basis. Stock-in-process and finished goods are valued at lower of cost or net realisable value.
4. **CONTINGENT LIABILITIES & PROVISIONS**  
All contingent liabilities are indicated by way of a note and will be paid / provided on crystallisation.
5. **RETIREMENT BENEFITS :**  
All the employees are eligible for retirement benefits like provident funds and leave encashment. Contribution to provident fund are made at pre-ascertained rate and remitted to the concerned authorities on accrual basis. Liability for Leave encashment is provided as per actuarial valuation. No provision is made towards gratuity liability since no employee is eligible.
6. **FOREIGN EXCHANGE TRANSACTIONS:**  
Foreign exchange transaction are recorded at the rate prevailing on the date of the transaction. Monetary assets and liability in foreign currency are translated at year end rates. Exchange difference arising on settlement of transactions and translation of monetary items are recognised on income or expenses.
7. **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 recoverable amount.
8. **SALES :**  
Sales represents the amount receivable for goods sold including sales tax thereon. Incentives on export sales are recognised as income on accrual basis.
9. **DEFERRED TAX :**  
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 certainty that they will be realised and are reviewed for the appropriateness of their respective carrying value at each balance sheet date.
10. **MISCELLANEOUS EXPENDITURE**  
Miscellaneous Expenses is written off over a period of 10 years commencing from 2003-04 in respect of Preliminary and Pre-operative expenses and from 2007-08 in respect of trial run expenses.

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Signatures to Schedules 1 to 23

per Our Report of even date.

For and on behalf of the Board

**for Brahmayya & Co.**

Chartered Accountants

**K.S.RAO**

Partner

Place : Hyderabad

Date : 25.05.2009

**Sd/-**

**L N Agarwal**

Director

**Sd/-**

**P K Agarwal**

Director



**CASH FLOW STATEMENT FOR THE YEAR ENDED 31st MARCH,2009**

	<b>Current Year Rupees</b>	Previous Year Rupees
<b>A. CASH FLOW FROM OPERATING ACTIVITIES</b>		
NET LOSS BEFORE TAX	(1,82,15,912)	(1,03,67,177)
Adjustment for		
Add: Miscellaneous expenses written off	28,74,953	28,74,953
Depreciation	97,85,858	96,24,514
Interest	<u>1,40,95,631</u>	<u>1,99,19,514</u>
	85,40,530	2,20,51,804
Less: Interest	<u>44,113</u>	<u>71,51,586</u>
Operating profit before working capital changes	<b><u>84,96,417</u></b>	<b><u>1,49,00,218</u></b>
Adjustment for changes in :		
Current liabilities	(4,45,86,754)	8,40,23,221
Inventories	73,20,188	(5,19,61,582)
Receivables	(58,92,550)	1,44,911
Loans and advances	2,59,57,880	(3,73,31,768)
Cash generated from Operations	(87,04,819)	97,75,000
Income tax paid net of refunds	<u>(2,62,954)</u>	<u>(18,641)</u>
Net cash from operating activities (A)	<b><u>(89,67,773)</u></b>	<b><u>97,56,359</u></b>
<b>B. CASH FLOW FROM INVESTING ACTIVITIES:</b>		
Increase in fixed assets	(1,30,27,221)	(1,98,01,965)
Interest received	14,47,536	57,72,507
Decrease in investments	<u>—</u>	<u>98,000</u>
Net cash used in Investing activities (B)	<b><u>(1,15,79,685)</u></b>	<b><u>(1,39,31,458)</u></b>

## Suryakiran International Limited

### CASH FLOW STATEMENT FOR THE YEAR ENDED 31st MARCH, 2009 (Contd...)

	Current Year Rupees	Previous Year Rupees
<b>C. CASHFLOW FROM FINANCING ACTIVITIES</b>		
Increase in bank borrowings	(8,33,341)	2,79,17,434
Increase in Unsecured loans	3,83,35,573	21,35,767
Repayment of Term Loan	–	(53,50,000)
Repayment of Hire Purchase loan	(1,02,010)	(93,183)
Repayment of unsecured loans	(21,75,999)	(1,14,873)
Interest paid	(1,40,98,302)	(2,00,85,079)
Net cash used in Financing Activities (C)	<u>2,11,25,921</u>	<u>44,10,066</u>
Net increase in cash and cash equivalents (A+B+C)	<b>5,78,463</b>	2,34,967
Cash/Cash Equivalents at the Beginning of the year	<b>36,75,520</b>	34,40,553
Cash/Cash Equivalents at the end of the year	<b>42,53,983</b>	36,75,520

per our Report of even date.

For and on behalf of the Board

**for Brahmayya & Co.**  
Chartered Accountants

**K.S.RAO**  
Partner

**Sd/-**  
**L.N. Agarwal**  
Director

**Sd/-**  
**P.K. Agarwal**  
Director

Place : Hyderabad

Date : 25.05.2009

## Consolidated Accounts

To

**The Board of Directors,  
SURYALAKSHMI COTTON MILLS LIMITED,  
SECUNDERABAD.**

To the Board of Directors of Suryalakshmi Cotton Mills Limited on the consolidated financial statements of Suryalakshmi Cotton Mills Limited and its subsidiary, Suryakiran International Limited.

We have examined the attached Consolidated Balance Sheet of Suryalakshmi Cotton Mills Limited and its subsidiary Suryakiran International Limited as at 31st March, 2009, the Consolidated Profit and Loss Account and also the Consolidated Cash Flow statement for the year ended on that date, annexed thereto.

These Consolidated Financial Statements are the responsibility of Suryalakshmi Cotton Mills Limited's management. Our responsibility is to express an opinion on these Consolidated Financial Statements based on our audit. We have conducted our audit in accordance with auditing standards generally accepted in India. Those Standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are prepared, in all material respects, in accordance with an identified financial reporting framework and are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation. We believe that our audit provides a reasonable basis for our opinion.

We report that the Consolidated Financial Statements have been prepared by the Company in accordance with the requirements of Accounting Standard (AS) 21, Consolidated Financial Statements, issued by the Institute of Chartered Accountants of India and on the basis of the separate audited financial statements of Suryalakshmi Cotton Mills Limited and Suryakiran International Limited, included in the Consolidated Financial Statements.

On the basis of the information and explanations given to us and on consideration of the separate Audit Reports on individual audited financial statements of Suryalakshmi Cotton Mills Limited and its subsidiary, we are of opinion that

- a) the Consolidated Balance Sheet gives a true and fair view of the consolidated state of affairs of Suryalakshmi Cotton Mills Limited and its subsidiary as at 31st March, 2009;
- b) the Consolidated Profit and Loss account gives a true and fair view of the consolidated results of operations of Suryalakshmi Cotton Mills Limited and its subsidiary for the year ended on that date; and
- c) the Consolidated Cash Flow Statement gives a true and fair view of the consolidated cash flows of Suryalakshmi Cotton Mills Limited and its subsidiary for the year ended on that date.

**for BRAHMAYYA & CO.,**  
Chartered Accountants

**K.S. RAO**

Partner

Place : Hyderabad

Date : 25.05.2009

Membership No. 15850



## Suryalakshmi Cotton Mills Limited

### CONSOLIDATED BALANCE SHEET AS AT 31st MARCH, 2009

	Schedule Reference	As at 31.03.2009		As at 31.03.2008	
		Rupees	Rupees	Rupees	Rupees
<b>SOURCES OF FUNDS:</b>					
<b>SHAREHOLDERS' FUNDS:</b>					
Share Capital	1	21,85,13,158		21,85,13,158	
Reserves & Surplus	2	90,17,61,880		106,81,61,671	
			<b>112,02,75,038</b>		128,66,74,829
Minority Interest	2A		2,82,08,114		3,71,97,210
<b>LOAN FUNDS:</b>					
Secured Loans	3	282,95,30,205		246,81,49,362	
Unsecured Loans	4	19,20,50,314		16,06,94,537	
			<b>302,15,80,519</b>		262,88,43,899
<b>DEFERRED TAX LIABILITY (Net)</b>			<b>17,53,46,948</b>		17,48,24,032
	<b>TOTAL</b>		<b>434,54,10,619</b>		<b>412,75,39,970</b>
<b>APPLICATION OF FUNDS:</b>					
<b>FIXED ASSETS:</b>					
Gross Block	5	399,33,21,397		392,82,18,088	
Less : Depreciation		129,15,52,240		108,07,72,376	
Net Block		270,17,69,157		284,74,45,712	
Add : Capital Work in Progress		66,60,713		7,07,429	
			<b>270,84,29,870</b>		284,81,53,141
<b>INVESTMENTS</b>	6		<b>7,65,519</b>		21,44,890
<b>CURRENT ASSETS, LOANS &amp; ADVANCES</b>					
Inventories	7	79,72,57,037		95,18,68,717	
Sundry Debtors	8	53,41,76,381		40,75,92,739	
Cash & Bank Balances	9	2,25,10,374		2,02,01,427	
Loans & Advances	10	60,86,67,323		48,91,23,598	
		<b>196,26,11,115</b>		186,87,86,481	
Less : Current Liabilities & Provisions	11	37,30,35,491		65,07,09,945	
Net Current Assets			<b>158,95,75,624</b>		121,80,76,536
<b>Miscellaneous Expenditure</b> (to the extent not written off or adjusted)	12		<b>4,66,39,606</b>		5,91,65,403
	<b>TOTAL</b>		<b>434,54,10,619</b>		<b>412,75,39,970</b>
NOTES ON ACCOUNTS	23				
SIGNIFICANT ACCOUNTING POLICIES	24				

The schedules referred to above form an integral part of Balance Sheet per Our Report of even date

for **Brahmayya & Co.**  
Chartered Accountants

**K.S.Rao**  
Partner

Place : HYDERABAD  
Date : 25.05.2009

Sd/-

**P.S.Subramanyam**  
Vice President (Finance)

Sd/-

**E.V.S.V. Sarma**  
Company Secretary

For and on behalf of the Board  
Sd/-

**L.N. Agarwal**  
Chairman & Managing Director

Sd/-

**P.K. Agarwal**  
Managing Director

Sd/-

**Navrang Lal Tibrewal**  
Director



**SCHEDULES FORMING PART OF THE CONSOLIDATED ACCOUNTS**

	As at 31-03-2009 Rupees	As at 31-03-2008 Rupees
<b>SCHEDULE - 1</b>		
<b>SHARE CAPITAL</b>		
<b>AUTHORISED</b>		
2,50,00,000 [ 2,50,00,000] Equity Shares of Rs.10/- each	25,00,00,000	25,00,00,000
6,72,000 0.10% Cumulative Redeemable Preference Shares of Rs. 100/- each	<u>6,72,00,000</u>	<u>6,72,00,000</u>
	<b><u>31,72,00,000</u></b>	<b><u>31,72,00,000</u></b>
<b>ISSUED</b>		
1,98,91,556 [ 1,98,91,556] Equity Shares of Rs.10/- each	19,89,15,560	19,89,15,560
6,72,000 0.1% Cumulative Redeemable Preference Shares of Rs. 100/- each	<u>6,72,00,000</u>	<u>6,72,00,000</u>
	<b><u>26,61,15,560</u></b>	<b><u>26,61,15,560</u></b>
<b>SUBSCRIBED AND PAID UP</b>		
1,33,62,290 [1,33,62,290] Equity Shares of Rs.10/- each fully paid	13,36,22,900	13,36,22,900
6,71,600 0.1% Cumulative Redeemable Preference Shares of Rs. 100/- each	6,71,60,000	6,71,60,000
Add : Forfeited Shares	<u>1,77,30,258</u>	<u>1,77,30,258</u>
<b>TOTAL</b>	<b><u>21,85,13,158</u></b>	<b><u>21,85,13,158</u></b>

Note: Of the above : 1) 20,000 equity shares of Rs.10/- each are allotted as fully paid up without payment being received in cash.

2) 80,32,267 Equity Shares of Rs.10/- each are allotted as fully paid up by way of Bonus Shares by Capitalisation of Reserves.

3) 6,71,600 0.1% Cumulative Redeemable preference shares of Rs.100/- each are allotted as fully paid up without payment being received in cash.

**SCHEDULES FORMING PART OF THE CONSOLIDATED ACCOUNTS**
**SCHEDULE - 2  
RESERVES & SURPLUS**

	Balance as at 01.04.2008 Rupees	Additions during the year Rupees	Deductions during the year Rupees	<b>Balance as at 31.03.2009 Rupees</b>	Balance as at 31.03.2008 Rupees
<b>RESERVES</b>					
Capital Redemption Reserve	2,08,780			2,08,780	2,08,780
Security Premium	54,04,51,525			54,04,51,525	54,04,51,525
Investment Allowance Reserve(Utilised)	1,09,41,200			1,09,41,200	1,09,41,200
Export Allowance Reserve	2,66,670			2,66,670	2,66,670
Preference Capital Redemption Reserve	4,50,00,000			4,50,00,000	4,50,00,000
Special capital incentive	30,00,000	–	–	30,00,000	30,00,000
General Reserve	24,00,80,822	–	–	24,00,80,822	24,00,80,822
Surplus in Profit & Loss account	22,82,12,674	6,18,12,883	22,82,12,674	6,18,12,883	22,82,12,674
<b>TOTAL</b>	<u>106,81,61,671</u>	<u>6,18,12,883</u>	<u>22,82,12,674</u>	<b><u>90,17,61,880</u></b>	<u>106,81,61,671</u>
<b>SCHEDULE - 2A</b>					
<b>Minority Interest</b>					
Share Capital				2,18,79,050	2,18,79,050
Security Premium				2,13,59,050	2,13,59,050
Profit / (Loss)				(1,50,29,986)	(60,40,890)
<b>TOTAL</b>				<b><u>2,82,08,114</u></b>	<u>3,71,97,210</u>

## Suryalakshmi Cotton Mills Limited

### SCHEDULES FORMING PART OF THE CONSOLIDATED ACCOUNTS

	As at 31-03-2009 Rupees	As at 31-03-2008 Rupees
<b>SCHEDULE - 3</b>		
<b>SECURED LOANS</b>		
<b>A. TERM LOANS</b>		
I) Rupee Term Loans		
Under textile modernisation Fund scheme from		
a) Industrial Development Bank of India - TUF Scheme-I	2,91,42,755	2,91,42,755
b) Industrial Development Bank of India-1	1,65,00,000	1,65,00,000
c) Industrial Development Bank of India-2	7,12,90,852	7,12,90,852
d) Industrial Development Bank of India- TUF Scheme-II	65,00,00,000	64,83,40,539
e) Industrial Development Bank of India-3	1,42,58,721	-
f) IFCI Ltd.,-I	1,51,25,000	1,51,25,000
g) IFCI Ltd.,-II	4,06,70,000	4,06,70,000
h) State Bank of India -TUF Scheme-I	26,79,00,000	26,79,00,000
i) State Bank of India -TUF Scheme-II	40,17,87,000	40,17,87,000
j) State Bank of Mysore - TUF Scheme	8,89,00,000	8,89,00,000
k) State Bank of India	13,93,00,000	13,93,00,000
II) Foreign Currency Loans From:		
l) Industrial Development Bank of India	1,74,49,122	2,75,03,277
m) IFCI Ltd.,	1,61,27,046	1,27,09,720
n) State Bank of India	-	32,00,000
<b>SUB TOTAL (A)</b>	<b>176,84,50,496</b>	<b>176,23,69,143</b>
<b>B. CORPORATE LOAN FROM</b>		
State bank of India	23,57,86,925	-
<b>C. WORKING CAPITAL LOANS FROM</b>		
State Bank of India -Cash Credit	37,04,97,251	33,27,68,653
-Packing Credit	6,90,46,963	5,53,13,265
-SLC	5,00,00,000	5,00,00,000
State Bank of Hyderabad -Cash Credit	5,21,46,807	3,72,89,432
-Packing Credit	5,02,67,486	5,05,53,067
-Adhoc Limit	-	5,00,82,000
-SLC	1,25,00,300	-
State Bank of Mysore -Cash Credit	10,61,44,429	12,90,71,468
State Bank of Indore - Cash Credit	11,46,16,228	-
<b>SUB TOTAL (C)</b>	<b>82,52,19,464</b>	<b>70,50,77,885</b>
<b>D. VEHICLE HIRE PURCHASE LOANS</b>	<b>73,320</b>	<b>7,02,334</b>
<b>TOTAL (A+B+C+D)</b>	<b>282,95,30,205</b>	<b>246,81,49,362</b>

Notes:

- The Loans referred at (a) to (g) and (i) to (n) and corporate Loan above are secured by mortgage of (present and future) movable and Immovable properties of the Company on first charge pari passu basis and guaranteed by two Directors of the Company, in their personal capacities.
- The Loans referred to in (h) above is secured by hypothecation of specified plant and machinery as per the scheme and guaranteed by two Directors of the Company, in their personal capacities.
- 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) immovable properties of the Company on pari-passu basis and further guaranteed by two Directors of the Company, in their personal capacities.
- Hire purchase loans referred at (D) above are secured by hypothecation of the respective assets and Guaranteed by one of the directors of the Company.

**SCHEDULES FORMING PART OF THE CONSOLIDATED ACCOUNTS**

	As at 31-03-2009 Rupees	As at 31-03-2008 Rupees
<b>SCHEDULE - 4</b>		
<b>UNSECURED LOANS</b>		
a) From Directors	2,25,60,622	1,21,56,142
b) Fixed Deposits	6,64,39,811	6,77,97,612
c) Inter Corporate Deposits	8,82,35,172	6,84,37,147
d) Deferred Sales Tax Liability	1,48,14,709	1,23,03,636
<b>TOTAL</b>	<b>19,20,50,314</b>	<b>16,06,94,537</b>
<b>SCHEDULE - 6</b>		
<b>INVESTMENTS - (LONG TERM, at Cost)</b>		
<b>(1).Unquoted - Non Trade</b>		
(a). National Savings Certificates (1987) (Pledged as security with Central Excise Department)	1,000	1,000
(b). National Saving Certificates (1992) (Pledged as security with Sales Tax Department)	10,000	10,000
<b>(2).Others [At cost - Trade - quoted]</b>		
(a). 1,02,100 (1,02,100) Equity shares of Rs. 10 each. in Suryavanshi Spinning Mills Ltd,	1,05,19,000	1,05,19,000
(b). 1,000 (1,000) Equity shares of Rs.10 each in Srei International Finance Ltd [partly paid up]	25,000	25,000
(c). 5,000 (5,000) Equity shares of Rs.10 each in Merbank Financial Services Ltd [partly paid up]	50,000	50,000
(Aggregate market value of Quoted investments Rs. 754519 (previous year Rs. 21,33,890)	1,06,05,000	1,06,05,000
Less:Diminution in the value of Investments	98,39,481	84,60,110
<b>TOTAL</b>	<b>7,65,519</b>	<b>21,44,890</b>

## SCHEDULES FORMING PART OF THE CONSOLIDATED ACCOUNTS

### SCHEDULE -5 FIXED ASSETS

DESCRIPTION OF THE ASSET	GROSS BLOCK				DEPRECIATION				NET BLOCK	
	Value as on 01-04-2008 Rs.	Additions during the year Rs.	Deductions during the year Rs.	Value as at 31-03-2009 Rs.	Up to 31-03-2008 Rs.	Depreciation For the year Rs.	Deductions during the year Rs.	Up to 31-03-2009 Rs.	As at 31.03.2009 Rs.	As at 31.03.2008 Rs.
	LAND	1,59,70,237	-	-	1,59,70,237	-	-	-	-	1,59,70,237
FACTORYBUILDINGS	48,46,97,810	1,07,21,381	-	49,54,19,191	6,61,07,455	1,46,17,292	-	8,07,24,747	41,46,94,444	41,85,90,355
NON-FACTORYBUILDINGS	17,38,30,761	42,66,244	-	17,80,97,005	1,51,35,023	28,68,943	-	1,80,03,966	16,00,93,039	15,86,95,738
TOWNSHIP	2,64,09,662	67,91,996	-	3,32,01,658	10,63,319	4,51,212	-	15,14,531	3,16,87,127	2,53,46,343
WORKSHOPEQUIPMENT	7,05,288	-	-	7,05,288	1,06,785	33,146	-	1,39,931	5,65,357	5,98,503
PLANTANDMACHINERY	292,53,68,514	2,68,88,906	-	295,22,57,420	92,86,74,952	17,75,35,243	-	110,62,10,195	184,60,47,225	199,66,93,562
TESTINGEQUIPMENT	2,70,64,798	37,07,345	-	3,07,72,143	51,11,960	13,96,669	-	65,08,629	2,42,63,514	2,19,52,838
ELECTRICALINSTALATIONS	21,05,19,159	49,05,022	-	21,54,24,181	4,28,40,845	99,52,843	-	5,27,93,688	16,26,30,493	16,76,78,314
WEIGHINGMACHINES	25,01,822	-	-	25,01,822	10,46,519	1,15,262	-	11,61,781	13,40,041	14,55,303
WATERWORKS	1,41,84,656	36,20,394	-	1,78,05,050	18,92,711	2,37,942	-	21,30,653	1,56,74,397	1,22,91,945
FURNITURE&FIXTURES	2,09,76,342	23,68,210	8,349	2,33,36,203	89,14,648	13,45,296	463	102,59,481	1,30,76,722	1,20,61,694
OFFICEEQUIPEMENT	6,52,508	3,00,051	-	9,52,559	53,925	48,905	-	1,02,830	8,49,729	5,98,583
VEHICLES	1,41,66,904	8,29,772	9,06,742	1,40,89,934	39,26,522	13,00,147	4,03,446	48,23,223	92,66,711	1,02,40,382
DATAPROCESSINGEQPT	1,11,69,627	16,19,079	-	1,27,88,706	58,97,712	12,80,873	-	71,78,585	56,10,121	52,71,915
<b>TOTAL</b>	<b>392,82,18,088</b>	<b>6,60,18,400</b>	<b>9,15,091</b>	<b>399,33,21,397</b>	<b>108,07,72,376</b>	<b>21,11,83,773</b>	<b>4,03,909</b>	<b>129,15,52,240</b>	<b>270,17,69,157</b>	<b>284,74,45,712</b>
CAPITALWORKINPROGRESS	7,07,429	7,19,71,684	6,60,18,400	66,60,713	-	-	-	-	66,60,713	7,07,429
	392,89,25,517	13,79,90,084	6,69,33,491	399,99,82,110	108,07,72,376	21,11,83,773	4,03,909	129,15,52,240	270,84,29,870	284,81,53,141
LESS:INTERNAL TRANSFERS	-	6,60,18,400	6,60,18,400	-	-	-	-	-	-	-
<b>TOTAL</b>	<b>392,89,25,517</b>	<b>7,19,71,684</b>	<b>9,15,091</b>	<b>399,99,82,110</b>	<b>108,07,72,376</b>	<b>21,11,83,773</b>	<b>4,03,909</b>	<b>129,15,52,240</b>	<b>270,84,29,870</b>	<b>284,81,53,141</b>
PREVIOUS YEAR	376,59,89,902	18,53,14,007	2,23,78,392	392,89,25,517	88,03,92,694	21,00,39,968	96,60,286	108,07,72,376	284,81,53,141	288,55,97,208

**SCHEDULES FORMING PART OF THE CONSOLIDATED ACCOUNTS**

	As at 31-03-2009 Rupees	As at 31-03-2008 Rupees
<b>SCHEDULE – 7</b>		
<b>INVENTORIES</b>		
(Valued and certified by the Management)		
(Valued at lower of cost and net realisable value unless otherwise stated)		
Raw Materials	14,09,76,242	22,24,71,012
Stores and Spares	14,58,34,925	21,00,35,293
Finished Goods	26,58,77,687	28,08,16,174
Stock-in-process	24,21,90,475	23,72,18,061
Stock at Job work	7,37,178	–
Cotton Waste (at realisable value)	16,40,530	13,28,177
<b>TOTAL</b>	<b><u>79,72,57,037</u></b>	<b><u>95,18,68,717</u></b>
<b>SCHEDULE – 8</b>		
<b>SUNDRY DEBTORS</b>		
(Unsecured)		
Due over six months -Considered good	96,97,665	3,62,06,386
-Considered Doubtful	60,26,946	60,26,946
Less: Provision for Bad and Doubtful debts	60,26,946	60,26,946
Others	–	–
<b>TOTAL</b>	<b><u>52,44,78,716</u></b>	<b><u>37,13,86,353</u></b>
<b>TOTAL</b>	<b><u>53,41,76,381</u></b>	<b><u>40,75,92,739</u></b>
<b>SCHEDULE – 9</b>		
<b>CASH AND BANK BALANCES</b>		
Cash & Cheques on Hand	11,54,400	31,70,516
With Scheduled Banks :		
In Current Accounts	54,92,564	39,73,501
In Margin Money Deposits	1,23,62,410	87,53,410
In fixed deposits	35,00,000	43,03,000
With Post Office Saving Bank (Kept as security with Central Excise Department) (Maximum balance Rs. 1,000/-)	1,000	1,000
<b>TOTAL</b>	<b><u>2,25,10,374</u></b>	<b><u>2,02,01,427</u></b>
[Balance in current accounts include unpaid dividend accounts]		

## Suryalakshmi Cotton Mills Limited

### SCHEDULES FORMING PART OF THE CONSOLIDATED ACCOUNTS

	As at 31-03-2009 Rupees	As at 31-03-2008 Rupees
<b>SCHEDULE – 10</b>		
<b>LOANS AND ADVANCES</b>		
(Unsecured considered good, recoverable in cash or in kind or for value to be received)		
Advances for Purchases	9,07,87,881	8,32,18,205
TED refund receivable	80,80,369	60,25,425
Interest subsidy receivable	5,83,90,524	9,47,65,511
Advances to Staff	29,49,044	32,55,862
Deposits recoverable	3,72,86,736	2,75,37,782
Claims/Other Receivable	32,37,31,745	14,33,62,948
Export Benefit Entitlement Receivable	3,75,33,679	5,23,54,644
Pre-paid expenses	44,46,235	88,89,620
Balance With Central Excise Department	60,54,487	64,71,466
Accrued interest	75,66,339	83,75,241
Other advances	2,36,92,934	4,50,95,170
Income tax (Net)	31,10,487	62,69,767
Advance Tax on FBT	50,36,863	35,01,957
<b>TOTAL</b>	<b><u>60,86,67,323</u></b>	<b><u>48,91,23,598</u></b>
<b>SCHEDULE – 11</b>		
<b>CURRENT LIABILITIES AND PROVISIONS</b>		
<b>A. CURRENT LIABILITIES</b>		
Sundry Creditors for Raw Materials & Stores / Capital goods		
Due to Micro and Small Enterprises	87,70,061	1,22,23,829
Others	22,50,15,880	47,87,89,358
Creditors : for Expenses	11,61,36,445	13,54,28,265
: for other Finance	99,77,612	70,59,330
Unclaimed Dividend *	7,07,285	7,07,910
Advances received against sales	69,59,634	1,23,82,679
<b>TOTAL</b>	<b><u>36,75,66,917</u></b>	<b><u>64,65,91,371</u></b>
<b>B. PROVISIONS</b>		
For Preference Dividend	67,160	67,160
For Corporate Dividend Tax	11,414	11,414
For Fringe Benefit Tax	53,90,000	40,40,000
<b>TOTAL</b>	<b><u>54,68,574</u></b>	<b><u>41,18,574</u></b>
<b>TOTAL (A+B)</b>	<b><u>37,30,35,491</u></b>	<b><u>65,07,09,945</u></b>
* There is no amount due (and outstanding) to be credited to Investor Education and Protection Fund.		

**Suryalakshmi Cotton Mills Limited**
**SCHEDULES FORMING PART OF THE CONSOLIDATED ACCOUNTS**

	As at 31-03-2009 Rupees	As at 31-03-2008 Rupees
<b>SCHEDULE - 12</b>		
<b>MISCELLANEOUS EXPENDITURE</b>		
(To the extent not written off or adjusted)		
a) Preliminary & Capital issue expenses	1,20,25,457	1,45,98,015
Less : written off during the year	33,84,861	25,72,558
	<u>86,40,596</u>	<u>1,20,25,457</u>
b) Pre-operative Expenses	47,696	57,235
Less : written off during the year	9,539	9,539
	<u>38,157</u>	<u>47,696</u>
c) Trial Run Expenses	2,56,07,494	2,84,52,771
Less : written off during the year	28,45,277	28,45,277
	<u>2,27,62,217</u>	<u>2,56,07,494</u>
d) Deferred Revenue Expenses - Opening Balance	2,14,84,756	2,94,91,102
Less: Written off during the year	62,86,120	80,06,346
<b>TOTAL</b>	<u><u>4,66,39,606</u></u>	<u><u>5,91,65,403</u></u>
	<b>Current Year Rupees</b>	<b>Previous Year Rupees</b>
<b>SCHEDULE - 13</b>		
<b>SALES</b>		
Yarn	133,92,56,134	126,04,69,382
Fabric	206,03,52,717	176,92,24,650
Waste	4,54,04,790	3,70,36,971
Cotton	-	31,75,12,179
Garments	28,75,02,803	15,64,12,452
<b>TOTAL</b>	<u><u>373,25,16,444</u></u>	<u><u>354,06,55,634</u></u>
<b>SCHEDULE - 14</b>		
<b>OTHER INCOME</b>		
Interest-earned	31,84,295	89,89,972
Profit on sale of assets	-	28,89,890
Insurance Claims	-	3,53,05,497
Dividend received	-	1,02,100
Export Benefit Entitlement	6,36,92,044	6,20,93,559
Excess Provisions written back	80,586	21,54,171
Exchange Variance	1,57,151	98,45,578
Packing & Forwarding Charges Collections	17,72,877	22,10,522
Scrap Sales / Waste fabric sales	30,40,606	37,18,938
Miscellaneous Receipts	16,61,437	11,72,954
Compensation on relinquishment of rights on property	-	2,49,76,000
<b>TOTAL</b>	<u><u>7,35,88,996</u></u>	<u><u>15,34,59,181</u></u>



## Suryalakshmi Cotton Mills Limited

### SCHEDULES FORMING PART OF THE CONSOLIDATED ACCOUNTS

	Current Year Rupees	Previous Year Rupees
<b>SCHEDULE - 15</b>		
<b>RAW MATERIALS CONSUMED</b>		
Opening Stocks	22,24,71,012	30,06,97,344
Add : Purchases	216,38,31,652	194,64,98,719
	<u>238,63,02,664</u>	<u>224,71,96,063</u>
Less : Cost of Raw materials sold	3,37,17,715	2,07,49,263
Less : Closing Stocks	14,09,76,242	22,24,71,012
<b>TOTAL</b>	<b><u>221,16,08,707</u></b>	<b><u>200,39,75,788</u></b>
 <b>SCHEDULE - 16</b>		
<b>STORES CONSUMED</b>		
Consumable Stores	10,57,25,635	7,60,46,441
Dyes and Chemicals	28,98,68,706	20,01,21,741
Packing Material Consumed	6,75,48,242	4,93,32,263
<b>TOTAL</b>	<b><u>46,31,42,583</u></b>	<b><u>32,55,00,445</u></b>
 <b>SCHEDULE - 17</b>		
<b>POWER &amp; FUEL</b>		
Electricity Charges	27,92,89,966	26,28,12,046
Fuel Consumed	6,01,73,986	5,11,70,633
<b>TOTAL</b>	<b><u>33,94,63,952</u></b>	<b><u>31,39,82,679</u></b>
 <b>SCHEDULE - 18</b>		
<b>PAYMENTS AND BENEFITS TO EMPLOYEES</b>		
Salaries, Wages and Bonus	19,81,18,092	17,34,04,270
Contribution to Provident Fund & other funds	1,54,54,048	1,24,21,407
Welfare Expenses	1,24,23,077	1,48,45,310
<b>TOTAL</b>	<b><u>22,59,95,217</u></b>	<b><u>20,06,70,987</u></b>

**SCHEDULES FORMING PART OF THE CONSOLIDATED ACCOUNTS**

	Current Year Rupees	Previous Year Rupees
<b>SCHEDULE - 19</b>		
<b>OTHER EXPENSES</b>		
Rent	12,06,885	9,60,180
Security Charges	18,61,176	15,06,512
Rates & Taxes	2,54,60,794	2,48,09,520
Printing & Stationery	32,49,375	29,96,701
Postage, Telegrams & Telephones	76,38,826	72,13,114
Travelling & Conveyance	1,11,92,755	96,94,290
Directors' Sitting fees & Travelling expenses	6,61,109	4,62,482
Advertisements	2,38,113	3,13,698
Expenses on Sales	7,47,43,673	7,84,40,722
Commission on Sales	2,23,56,275	93,42,793
Insurance	90,25,662	79,43,607
Auditors' Remuneration	3,87,196	2,60,842
Legal & Professional Charges	36,07,938	22,35,755
Repairs to : Buildings	24,06,095	17,40,562
: Machinery	3,10,25,391	2,27,20,922
: Other Assets	88,14,517	49,49,495
Vehicle Maintenance	59,83,495	66,41,580
Miscellaneous Expenses	4,20,24,750	2,63,31,763
Donations	3,74,471	2,57,988
Loss on sale of assets	2,57,336	79,17,711
Diminution in value of Investments	13,79,371	20,01,160
Bad debts /Debit Balances written off	5,530	1,23,762
<b>TOTAL</b>	<b><u>25,39,00,733</u></b>	<b><u>21,88,65,159</u></b>
<b>SCHEDULE - 20</b>		
<b>FINANCE CHARGES</b>		
Interest on Term Loans	11,46,00,998	9,90,17,734
Interest on others	10,14,54,658	9,04,31,931
Bank Charges	54,52,465	62,40,010
<b>TOTAL</b>	<b><u>22,15,08,121</u></b>	<b><u>19,56,89,675</u></b>

**SCHEDULES FORMING PART OF THE CONSOLIDATED ACCOUNTS**

	Current Year Rupees	Previous Year Rupees
<b>SCHEDULE - 21</b>		
<b>(INCREASE) / DECREASE IN STOCKS</b>		
OPENING STOCKS:		
Yarn	4,70,04,507	6,41,50,740
Fabric	22,61,69,991	19,92,07,767
Garments	76,41,675	6,17,980
Work-in-process	23,72,18,061	13,23,06,031
Cotton Waste	13,28,177	11,68,336
	<u><b>51,93,62,411</b></u>	<u><b>39,74,50,854</b></u>
CLOSING STOCKS:		
Yarn	4,41,98,908	4,70,04,507
Fabric	20,33,32,115	22,61,69,991
Garments	1,83,46,664	76,41,675
Work-in-process	24,21,90,475	23,72,18,061
Cotton Waste	16,40,530	13,28,177
<b>TOTAL</b>	<u><b>50,97,08,692</b></u>	<u><b>51,93,62,411</b></u>
(Increase) / Decrease in stocks	<u><b>96,53,719</b></u>	<u><b>(12,19,11,557)</b></u>
<b>SCHEDULE - 22</b>		
<b>PRIOR YEAR ADJUSTMENTS (NET)</b>		
INCOME :		
Others	-	3,708
EXPENDITURE :		
Non fulfilment of Export obligation	-	27,07,010
Less : MOT Charges paid to Central Excise Dept.	65,065	-
<b>TOTAL</b>	<u><b>(65,065)</b></u>	<u><b>(27,03,302)</b></u>

**SCHEDULES FORMING PART OF THE CONSOLIDATED ACCOUNTS**
**SCHEDULE - 23**

Notes forming part of the Balance Sheet as at 31st March, 2009 and Profit and Loss account for the year ended on that date.

	As at 31-03-2009 Rupees	As at 31-03-2008 Rupees
1. Contingent Liabilities not provided for		
a) Contracts to be executed on capital accounts.	12,25,09,299	1,98,62,500
b) Against Foreign Letters of Credit	3,40,87,616	9,54,80,000
c) Against Bank Gaurantees	25,77,340	48,76,650
d) Against Bills discounted	18,26,60,097	10,40,48,820
e) Demand from the Central Excise Department under Textiles and Textile Articles Act (TTA), disputed by the Company pending in appeals with the Commissioner, Customs and Central Excise, Nagpur, not provided for.	2,85,34,563	2,85,34,563
f) 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.	78,50,277	78,50,277
g) Demand from Service Tax Department in connection with Service Tax on commission paid to non resident agents disputed by the Company pending in appeal with the Addl. Commissioner, Central Excise, Hyderabad. Appeal was allowed partly awaiting final orders. The company has preferred an appeal for the balance amount before CESTAT(South Zonal Bench), Bangalore.	55,82,034	55,82,034
h) Demand from sales tax department on input tax credit, pending in appeal before Dy. Commissioner, (CT) Legal, Punjagutta division, Hyderabad	58,74,266	58,74,266
i) Demand from sales tax department on subjecting the turnover of unit at Maharashtra to tax along with the turnover of Andhra Pradesh and allowing The appeal filed before STAT(A.P) by the Company was partly allowed and the balance was remanded for verification by the department	21,63,938	7,86,99,773
j) Demand raised by Income Tax Department for Assessment Year 2003-04 in connection with disallowance U/s 80 HHC disputed by the Company pending in appeal with CIT (Appeals), Hyderabad.	44,621	44,621

## Suryalakshmi Cotton Mills Limited

2. The legal proceedings against M/s Rajvir Industries Ltd., for the recovery of the balance outstanding in the books of the company of Rs 2,36,92,934/- (Previous Year Rs 4,44,89,553/-) are pending.
3. Claims against the company not acknowledged as debts:  
M/s Rajvir Industries Limited has filed a suit against the company claiming export incentives allegedly due to them amounting to Rs.295.70 Lakhs relating to export performance of erstwhile Mahbubnagar Unit of the periods prior to demerger. The Company has been advised that the claim is not admissible and is taking adequate steps to resist the claim.
4. Three cases have been filed against the Company for amounts totalling to Rs.13.48 crores 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 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.
5. In respect of an application received from an ex-employee for gratuity of Rs.15.92 Lakhs, the Company has paid the amount in accordance with the order of the controlling authority, which have been appealed against. However, the Company does not expect any liability on this account.
6. Rajvir Industries Ltd has filed a complaint against the Company and its officers in connection with the transfer of liability of Rs 10 crores in the scheme of arrangement. The Company has been advised that the complaint is not maintainable in law and is taking adequate steps to defend its position.

7. **OTHER DISCLOSURES**

Allocation of Corporate Office expenses to segment is at cost.

All Profit / (Losses) on inter segment transfers are eliminated at Company's level.

TYPES OF PRODUCT AND SERVICES IN EACH BUSINESS SEGMENT :

BUSINESS SEGMENT	TYPE OF PRODUCT
a) Spinning	Cotton Yarn, Combed Yarn and P.V.Yarn.
b) Denim	Denim Fabric
c) Garments	Garments

**SCHEDULES FORMING PART OF THE CONSOLIDATED ACCOUNTS**

## 8. Related party disclosure

Related party disclosure as required by AS-18 “Related party disclosure” are given below :

## a) Transactions during the year

Name of the party	Relationship	Nature of Transaction	Current Year Amount (Rs.)	Previous Year Amount (Rs.)
<b>A. Transactions :</b>				
Shri L.N Agarwal Chairman & Managing Director	Key Management	a) Remuneration	24,00,000	24,00,000
		b) Interest	5,79,120	3,78,500
Shri P.K.Agarwal Managing Director	Key Management	a) Remuneration	24,00,000	24,00,000
		b) Interest	3,66,420	3,70,750
Shri L N Agarwal (HUF)	Key Management	Interest	79,625	79,625
Shri H.L. Ralhan Director	Key Management	Remuneration	16,19,390	9,20,134
Smt. Sathyabhamabai	Wife of Shri L.N. Agarwal	Interest	13,17,793	13,43,875
Smt. Padmini Agarwal	Wife of Shri P.K. Agarwal	Interest	7,84,545	7,84,545
Kum. Aparna Agarwal	Daughter of Shri P.K.Agarwal	Interest	2,35,625	2,35,625
Master Vedanth Agarwal	Son of Shri P.K.Agarwal	Interest	2,99,000	2,99,000
Smt. Sabita Jain	Daughter of Shri L.N.Agarwal	Office Rent	4,19,520	4,19,520
M/s Suryalata Spinning Mills Ltd.	Enterprise in which the relatives of key management personnel are interested	Interest	2,53,698	6,16,392

## Suryalakshmi Cotton Mills Limited

### SCHEDULES FORMING PART OF THE CONSOLIDATED ACCOUNTS

b) Balances as at 31st March, 2009 (payables) :

Name of the party	Relationship	Nature of Transaction	Current Year Rupees	Previous Year Rupees
Shri L.N Agarwal Chairman & Managing Director	Key Management	a) Remuneration	1,29,800	1,67,800
		b) Interest (Net)	5,58,803	3,46,671
		c) Unsecured Loan	1,31,50,000	63,50,000
Shri P.K.Agarwal Managing Director	Key Management	a) Remuneration	1,29,800	1,57,800
		b) Interest (Net)	3,51,819	3,29,484
		c) Unsecured Loan	85,00,000	49,75,000
Shri L N Agarwal (HUF)	Key Management	a) Interest (Net)	70,603	70,603
		b) Deposits	12,25,000	12,25,000
Shri H.L. Ralhan Director	Key Management	Remuneration	33,240	51,020
Smt. Sathyabhamabai	Wife of Shri L.N. Agarwal	a) Interest (Net)	11,68,486	11,91,613
		b) Deposits	1,96,75,000	2,06,75,000
Smt. Padmini Agarwal	Wife of Shri P.K. Agarwal	a) Interest (Net)	6,95,656	6,95,656
		b) Deposits	1,10,50,000	1,10,50,000
Kum. Aparna Agarwal	Daughter of Shri P.K.Agarwal	a) Interest (Net)	2,08,929	2,08,929
		b) Deposits	36,25,000	36,25,000
Master Vedanth Agarwal	Son of Shri P.K.Agarwal	a) Interest (Net)	2,65,123	2,65,123
		b) Deposits	46,00,000	46,00,000
Mrs. Sabita Jain	Daughter of Shri L.N. Agarwal	Office Rent	1,87,645	6,77,177
M/s Suryalata Spinning Mills Ltd.	Enterprise in which the relatives of key management personnel are interested	a) Inter Corporate Deposits	–	60,00,000

**SCHEDULES FORMING PART OF THE CONSOLIDATED ACCOUNTS**

9. The Salestax deferment liability amounting to Rs.1,48,14,709/— shown under unsecured loans is due for repayment from the year 2011.

<b>YEAR</b>	<b>AMOUNT Rs.</b>	<b>DATE OF REPAYMENT</b>
1997-1998	5,38,636	15.06.2011
1998-1999	5,11,508	01.04.2012
1999-2000	29,87,995	01.04.2013
2000-2001	28,72,845	01.04.2014
2001-2002	22,28,483	01.04.2015
2002-2003	20,52,402	01.04.2016
2003-2004	7,85,011	01.04.2017
2004-2005	3,26,756	01.04.2018
2006-2007	5,13,700	01.04.2020
2007-2008	41,280	01.04.2021
2008-2009	19,56,093	01.04.2022
<b>TOTAL</b>	<b>1,48,14,709</b>	

10. Pursuant to Scheme of restructuring package of Term Loans the Company has allotted 0.1% Cumulative Redeemable Preference Shares of Rs.100/- each on 28th October, 2002 to IDBI and IFCI and the same will be redeemed to IDBI in March, 2012 (Rs.400 lacs) and to IFCI in July, 2011 (Rs.271.60 Lacs)
11. The amount of CRPS of Rs.671.60 lakhs payable on redemption to IDBI and IFCI as stated in note No.10 is treated as deferred revenue expenditure, to be written off over the term of the CRPS.
12. In the opinion of the Board, the current assets and loans & advances have a value on realisation to the ordinary course of business atleast equal to the amount at which they are stated.
13. 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 Notification No.29/09.07.2004 of Central Excise Department we can opt for payment of duty on Final products by taking credit on inputs and capital items. Accordingly in case of Denim Fabric and Cotton yarn we have 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.
14. Previous year's figures have been regrouped wherever necessary.
15. Paise have been rounded off to the nearest rupee.



## Suryalakshmi Cotton Mills Limited

### SCHEDULES FORMING PART OF THE CONSOLIDATED ACCOUNTS

#### SCHEDULE – 24

#### SIGNIFICANT ACCOUNTING POLICIES TO THE CONSOLIDATED BALANCE SHEET AND PROFIT AND LOSS ACCOUNT

**1. Principles of Consolidation :**

The Consolidated financial statements relate to Suryalakshmi Cotton Mills Limited (“the Company”) and its Subsidiary Company Suryakiran International Limited.

The Consolidated financial statements have been prepared on the following basis.

- a) The financial statement of the Company and its Subsidiary Company are combined on a line-by-line basis by adding together the book value of like items of assets, liabilities, income and expenses, after fully eliminating intra group balances and/or transactions resulting in unrealized profits or losses in accordance with Accounting Standard (AS)-21 “Consolidated Financial Statements” issued by the Institute of Chartered Accountants of India.
- b) Minority Interest’s share of net profit/(loss) of consolidated subsidiary for the year is identified and adjusted against the income of the group in order to arrive at the net income attributable to Shareholders of the Company.
- c) Minority Interest’s share of net assets of consolidated subsidiary for the year is identified and presented in the consolidated balance sheet separate from liabilities and the equity of the Company’s Shareholders.
- d) As far as possible, the consolidated financial statements are prepared using uniform accounting policies for like transactions and other events in similar circumstances and are presented in the same manner as the Company’s separate financial statements.

**2. Accounting Convention :**

The financial statements are prepared under historical cost convention in accordance with the normally accepted accounting principles.

**3. 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

**4. Inventories :**

Inventories are valued at the lower of cost and net realisable value. Cost of raw materials and stores & spares are computed by using weighted average method.

**5. Investments :**

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

**6. Contingent Liabilities and Provisions :**

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

**7. Retirement Benefits :**

All the employees are eligible for retirement benefits like Provident Fund and Leave encashment. Contribution to Provident Fund are made at preascertained rate and remitted to the concerned authorities on accrual basis. Leave encashment is provided on the basis of actuarial valuation. 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. In respect of subsidiary Company employees no provision is made towards gratuity liabilities since no employee is eligible.

**8. Foreign Exchange Transactions :**

- Export Sales are initially 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.
- Earnings in foreign currency other than export sales are accounted for at the rate of conversion on the date of realisation.
- Imports of material / capital equipment are accounted at the rates at which the actual payments are made.
- 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.

**9. 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.

**10. Sales :**

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

**11. 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 certainty that they will be realised and are reviewed for the appropriateness of their respective carrying value at each Balance Sheet date.

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Signatures to Schedules 1 to 24

per Our Report of even date

**for Brahmayya & Co.**

Chartered Accountants

**K.S.Rao**

Partner

Place : Hyderabad

Date : 25.05.2009

**Sd/-**

**P.S.Subramanyam**

Vice President (Finance)

**Sd/-**

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

Company Secretary

For and on behalf of the board

**Sd/-**

**L.N. Agarwal**

Chairman & Managing Director

**Sd/-**

**P.K. Agarwal**

Managing Director

**Sd/-**

**Navrang Lal Tibrewal**

Director

**CONSOLIDATED CASH FLOW STATEMENT FOR THE YEAR ENDED  
31st MARCH, 2009**

	<b>Current Year Rupees</b>	Previous Year Rupees
<b>A. CASH FLOW FROM OPERATING ACTIVITIES</b>		
<b>NET PROFIT / (LOSS) BEFORE TAX</b>	(16,59,37,395)	16,81,968
Adjustment for		
Add: Depreciation	21,11,83,773	21,00,39,968
Interest	21,60,55,656	18,94,49,665
Debit balance written off	5,530	1,23,762
Miscellaneous expenses written off	1,25,25,797	1,34,33,720
Loss on sale of assets	2,57,336	79,17,711
Diminution in Value of investments	13,79,371	20,01,160
	<u>27,54,70,068</u>	<u>42,46,47,954</u>
Less: Interest	31,84,295	89,89,972
: Excess provision written back	80,586	21,54,171
Profit on sale of assets	–	28,89,890
	<u>32,64,881</u>	<u>1,40,34,033</u>
<b>Operating profit before working capital changes</b>	<u>27,22,05,187</u>	<u>41,06,13,921</u>
Adjustment for changes in :		
Current liabilities	(23,52,90,557)	21,44,13,616
Inventories	15,46,11,680	(13,67,51,414)
Receivable	(5,94,92,030)	(14,48,95,326)
Loans and advances	(12,19,77,001)	(1,05,76,118)
Cash generated from Operations	(8,74,26,107)	33,28,04,679
Income tax paid net of refunds	(58,75,626)	(62,75,847)
<b>Net cash from operating activities (A)</b>	<u>(9,33,01,733)</u>	<u>32,65,28,832</u>
<b>B. CASH FLOW FROM INVESTING ACTIVITIES:</b>		
Sale of fixed assets	2,53,846	76,90,285
Interest received	39,93,197	25,42,253
Increase in fixed assets	(7,19,71,683)	(18,53,14,006)
Decrease in investments	–	1,48,000
<b>Net cash used in Investing activities (B)</b>	<u>(6,77,24,640)</u>	<u>(17,49,33,468)</u>

**CONSOLIDATED CASH FLOW STATEMENT (Contd...)**

	Current Year Rupees	Previous Year Rupees
<b>C.CASHFLOW FROM FINANCING ACTIVITIES</b>		
Increase in secured loans	24,50,68,278	–
Increase in bank borrowings	12,01,41,579	22,96,61,686
Increase in Unsecured loans	7,96,07,575	2,93,55,774
Repayment of Term Loan	(32,00,000)	(23,83,27,584)
Repayment of Hire Purchase loan	(6,29,014)	(9,23,780)
Repayment of unsecured loans	(4,82,51,799)	(14,94,873)
Interest paid	(22,93,22,100)	(17,84,47,927)
Dividend/Tax on dividend	(79,199)	(91,796)
<b>Net cash generated/(used) in Financing Activities (C)</b>	<b><u>16,33,35,320</u></b>	<b><u>(16,02,68,500)</u></b>
Net increase in cash and cash equivalents (A+B+C)	<u>23,08,947</u>	<u>(86,73,136)</u>
Cash/Cash Equivalents at the Beginning of the year	<u>2,02,01,427</u>	<u>2,88,74,563</u>
Cash/Cash Equivalents at the end of the year	<b><u>2,25,10,374</u></b>	<u>2,02,01,427</u>

per Our Report of even date

**for Brahmayya & Co.**  
 Chartered Accountants

**K.S.Rao**  
 Partner

 Place : Hyderabad  
 Date : 25.05.2009

**Sd/-**
**P.S.Subramanyam**  
 Vice President (Finance)

**Sd/-**
**E.V.S.V Sarma**  
 Company Secretary

For and on behalf of the board

**Sd/-**
**L.N. Agarwal**  
 Chairman & Managing Director

**Sd/-**
**P.K. Agarwal**  
 Managing Director

**Sd/-**
**Navrang Lal Tibrewal**  
 Director



## Suryalakshmi Cotton Mills Limited

### ELECTRONIC CLEARING SERVICE (ECS) FOR PAYMENT OF DIVIDEND

#### TO THE SHAREHOLDERS

The Company has introduced 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 branch-wise 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 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 ECS facility, wherever the said facility is available.

Presently, 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 Rs.5 lacs.

Shareholders holding shares in physical form wishing to participate in this scheme may please fill in the 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 ECS Mandate Form.

**The shareholders holding shares in electronic form in the depository system are requested to forward the 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.

Sd/-

**E. V.S.V. SARMA**  
Company Secretary

**Suryalakshmi Cotton Mills Limited**

Name of the first / sole Shareholder :  
Ledger Folio No. :

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**Particulars of bank account of first /sole Shareholder**

Name of the Bank :  
Name of the Branch :  
Bank Branch Address :

9 Digit code number of the Bank and Branch as  
appearing on the MICR cheque issued by the Bank

Type of the Account  Savings  Current  Cash Credit

Account No. (as appearing on the cheque book)

Ledger No./Ledger Folio No. (if appearing on the  
cheque book / passbook)

In lieu of the bank certificates to be obtained as under, please attach a blank cancelled cheque or a photocopy of a cheque issued to you by your banker, for verification of the particulars provided herein.

Effective Date :

I, hereby, declare that the particulars given above are correct and complete. I undertake to inform you promptly any subsequent changes in the above particulars. If the payment transaction is delayed or not effected at all for reasons of incomplete or incorrect information or beyond the control of the Company, I will not hold Suryalakshmi Cotton Mills Limited responsible. I have read the option invitation letter and agree to discharge the responsibility expected of me as a participant under the Scheme.

Place :  
(\*as per specimen signature)

Signature of the Shareholder \*

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**BANKER'S CERTIFICATION**

Certified that the particulars furnished above are correct as per our records.

Banker's Seal  
Date :

Signature of the Authorised  
Official of the Bank



## Suryalakshmi Cotton Mills Limited

### Corporate Information

#### Board of Directors

Sri L.N.Agarwal

Sri Paritosh K. Agarwal

Sri R.Surender Reddy

Dr. A.Nageswara Rao

Sri Navrang Lal Tibrewal

Sri R.S.Agarwal

Sri B. Rama Rao

Sri K. Sunil Kumar

Sri H.L.Ralhan

Sri N.D. Auddy

Chairman and Managing Director

Managing Director

Nominee – IDBI

Director and Chief Executive (Denim Division)

Nominee - IFCI

#### 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

Sarojini Devi Road

Secunderabad

##### State Bank of Indore

Abids

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 Dist.

Andhra Pradesh - 509 321

##### Denim Division

Ramtek Mauda Road

Village Nagardhan

Tehsil Ramtek

Nagpur

Maharashtra - 440 010

#### Registrar & Transfer Agent

M/s. Sathguru Management Consultants Pvt. Ltd.

Plot No. 15, Hindi Nagar, Behind Saibaba Temple,

Punjagutta, Hyderabad - 500 034.

Phone Nos. 23356507, 23356975, 23350586

Fax No. 40040554