59th Annual Report 2021 - 2022

SREE
SATYANARAYANA SPINNING MILLS
LIMITED

SREE SATYANARAYANA SPINNING MILLS LTD.

Regd. Office: Venkatarayapuram, Tanuku – 534215
CIN: U18101AP1962PLC000919
Ph : 08819-224166
E-mail: sssmills.tanuku@gmail.com, Website : http://www.sssmills.com

Board of Directors:

Sri E. Sathyanarayana, B.E. (Hons.), Managing Director and Chief Executive Officer
Sri P. Narendranath Chowdary, B.Sc.
Sri A. Dharmaraju, M.B.A., F.C.S.
Sri S. Parvatha Rao, B.Sc., B.L.
Sri C. Murali Krishna, B.Com., F.C.A., A.C.S., M.B.A. (USA)

Company Secretary :

Sri K.Rajendra, B.Com., A.C.S., M.B.A. (upto 06-10-2021)

Auditors:

M/s. Brahmayya & Co.,
Chartered Accountants,
Vijayawada - 520002.

Cost Auditors:

M/s. Narasimha Murthy & Co.,
Cost Accountants,
Hyderabad - 500029

Bankers:

State Bank of India

Registrars & Share Transfer Agents:

M/s. XL Softech Systems Limited,
Plot No. 3, Sagar Society,
Road No. 2, Banjara Hills,
Hyderabad - 500034

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NOTICE TO SHAREHOLDERS

Notice is hereby given that the 59th Annual General Meeting of Sree Satyanarayana Spinning Mills Ltd. will be held on **Tuesday, the 20th September, 2022 at 10.00 A.M through Hybrid mode (electronic mode and physical mode)** with the virtual and physical presence of the Shareholders at the Registered Office of the Company situated at Venkatarayapuram, Tanuku – 534 215 to transact the following business(es): -

ORDINARY BUSINESS:

1) To receive, consider and adopt the audited Financial Statements of the Company comprising the Balance Sheet as of 31st March 2022, Statement of Profit and Loss, Statement of Cash flows, and Statement of Changes in Equity for the year ended 31st March 2022 together with the reports of the Board of Directors and Auditors thereon.

2) To declare dividends on equity shares for the financial year 2021-22.

3) To appoint a director in place of Sri P.Narendranath Chowdary, (DIN: 0015764) who retires by rotation and, being eligible, offers himself for re-appointment.

4) To appoint Auditors and fix their remuneration and in this regard to consider and if thought fit, to pass with or without modification(s), the following resolution as an **Ordinary Resolution.**

"RESOLVED THAT pursuant to the provisions of Section 139 and all other applicable provisions if any, of the Companies Act, 2013 read with Rule 3(7) of the Companies (Audit and Auditors) Rules, 2014 (including any statutory modification(s) or re-enactment thereof for the time being in force), the Company hereby re-appoint M/s. Brahmayya & Co., Chartered Accountants (Registration No.000513S) as Auditors of the Company to hold office from the conclusion of this (59^{th}) Annual General Meeting (AGM) till the conclusion of 64^{th} Annual General Meeting of the Company to be held in the year 2027 (subject to ratification by the members at every Annual General Meeting held hereafter) at such remuneration as shall be fixed by the Board of Directors, exclusive of traveling and other out of pocket expenses."

(BY ORDER OF THE BOARD)

for **Sree Satyanarayana Spinning Mills Ltd.**
E.SATHYANARAYANA
Managing Director and Chief Executive Officer
(DIN: 01285696)

Registered Office:
Venkatarayapuram,
TANUKU – 534 215.
Date: 8^{th} August, 2022

Notes:

1) The Annual General Meeting shall be conducted in Hybrid mode i.e., (both Physical and Electronic presence of shareholders shall be allowed). In view of the continuing Covid-19 pandemic, the Ministry of Corporate Affairs ("MCA") has vide its circular dated 5th May, 2022 read with circulars

dated 13th January, 2021, 8th December, 2021, 14th December, 2021, and 5th May, 2020 (collectively referred to as "MCA Circulars") permitted the conduct of the Annual General Meeting ("AGM") through Video Conferencing ("VC") / Other Audio Visual Means ("OAVM"), without the physical presence of the Members at a common venue. The deemed venue for the AGM shall be the Registered Office of the Company situated at Venkatarayapuram, Tanuku

Shareholders are further requested to register their e-mail ids with the Company at sssmills.tanuku@gmail.com to attend the meeting through electronic mode.

2) Pursuant to the provisions of the Act, a Member entitled to attend and vote at the AGM is entitled to appoint a proxy to attend and vote on his/her behalf and the proxy need not be a Member of the Company. If a Member intends to attend the meeting through VC / OAVM, he/she will not be entitled to appoint a proxy. Accordingly, the facility for appointment of proxies by the members will be available only if the proxy is physically present at the meeting at the registered office of the Company. A proxy form is available for download on our website www.sssmills.com/investors.aspx

3) As per the provision of Section 91 of the Companies Act, 2013, The Register of Members and the Share Transfer books of the Company will remain closed from **13-09-2022 to 20-09-2022** (both days inclusive).

4) The dividend recommended by Directors if approved at the Meeting, will be paid to the Shareholders whose names are on the Register of Members **as on 20-09-2022.**

In respect of the shares held in Demat Mode, the above dividend will be paid on the basis of beneficial ownership as at end of business hours of **12th September, 2022** as per the details furnished by the Depositories for this purpose.

5) **TDS** on **Dividend:**

Pursuant to Finance Act, 2020, dividend income will be taxable in the hands of Shareholders w.e.f. 1st April 2020 and the Company is required to deduct tax at source from the dividend paid to shareholders at the rate of 10%.

A resident individual Shareholder having PAN and entitled to receive dividend amount exceeding Rs.5,000/- and who is not liable to pay income tax, can submit a yearly declaration in Form No. 15G/15H, to avail the benefit of non-deduction of tax at source by post or email to sssmills.tanuku@gmail.com **on or before 10th September, 2022.**

Shareholders are requested to note that in case their PAN is not registered with the DP/Company, the tax will be deducted at a higher rate of 20%.

6) Transfer **to IEPF:** Pursuant to Sec.124 and 125 of the Companies Act, 2013, all the unclaimed dividends shall be transferred to the "Investor Education and Protection Fund" (IEPF) of the Central Government after a period of 7 years from the date of declaration. Shareholders, who have not encashed their dividend warrants for the years 2017-18, 2018-19 and 2020-21 are requested to write to the Registrars and Share Transfer Agents, M/s. XL Softech Systems Ltd., 3, Sagar Society, Road No.2, Banjara Hills, Hyderabad 500 034 for claiming the dividend.

The Company has uploaded the information in respect of the unclaimed amounts lying with the Company under "investor relations" on the website of the Company viz. www.sssmills.com. The Shareholders can also visit the website of IEPF viz. www.iepf.gov.in for the information in respect of the unclaimed dividends.

Members who have not en-cashed the dividend warrants so far in respect of the aforesaid periods are requested to send their claims if any to the Company/ Authorized Share transfer agent immediately.

Once the amount is transferred by the Company to IEPF, no claim thereof shall lie against the Company.

7) **In compliance with the MCA Circulars dated 5th May 2020 and 13th January 2021, Notice of the AGM along with the Annual Report is being sent only through electronic mode to those Members whose email addresses are registered with the Company/ Depositories. Members may note that the Notice and Annual Report will also be available on the Company's website** www.sssmills.com**. A physical copy of the Notice together with the Annual Report shall be sent to the members in permitted mode, who have requested physical copies.**

Request to Shareholders:

8) Pursuant to Rule 18 of Companies (Management and Administration) Rule, 2014, Members, those who have not got their E-mail IDs recorded are **requested to register their E-mail address and changes therein by sending their e-mail IDs to sssmills.tanuku@gmail.com** in respect of physical shares and with Depository Participants in respect of dematerialized shares for receipt of all the notices and information from the Company. Shareholders are also requested to notify their change of address if any to Company.

9) Pursuant to the provisions of Section 72 of the Companies Act, 2013, **Members may file** nomination **forms in respect of their physical shareholdings.** Any Member wishing to avail this facility may submit to the **Company's** Registrar & Share Transfer Agent in the prescribed statutory form along with a copy of the Pan Card of the nominee.

10) SEBI has mandated that the transfer of securities held in physical form, except in case of transmission or **transposition**, shall not be processed by the listed entities / Registrar and Share Transfer Agents with effect from 1st April 2019. Therefore, Members holding share(s) in physical form are **requested to immediately dematerialize their shareholding in the Company.**

The company's share transfer work and dematerialization of shares are done by Registrar and Share Transfer Agents - M/s. XL Softech Systems Ltd., 3, Sagar Society, Road No.2, Banjara Hills, Hyderabad - 500 034. Members who are holding shares in the same name in more than one folio may please advise the Registrar and Share Transfer Agents for consolidating into a single folio.

11) The Securities and Exchange Board of India (SEBI) has made it mandatory for all companies to use the **bank account details furnished by the depositories for depositing dividends.** Accordingly, the dividend will be credited through National Electronic Clearing Service (NECS) to investors wherever NECS and bank details are available. In the absence of NECS facilities, the Company will print the bank account details, if available, on the payment instrument for the distribution of dividends.

12) The Securities and Exchange Board of India (SEBI) has mandated the **submission of Permanent** Account **Number (PAN) by every participant** in the securities market. Members holding shares in electronic form are, therefore, requested to submit the PAN to their depository participants with whom they are maintaining their Demat account(s). Members holding shares in physical form can submit their PAN details to the company.

(BY ORDER OF THE BOARD)

for **Sree Satyanarayana Spinning Mills Ltd.**
E.SATHYANARAYANA
Managing Director and Chief Executive Officer
(DIN: 01285696)

Registered Office:
Venkatarayapuram,
TANUKU – 534 215.
Date: 8th August, 2022

BOARD REPORT

To the Members,

Your Directors have pleasure in submitting their 59th Annual Report of the Company together with the Audited Statements of Accounts for the year ended 31st March 2022.

FINANCIAL RESULTS:

The Company's financial performances for the year under review along with previous year figures are given hereunder:

Particulars	For the year ended 31st March, 2022 (in Lakhs)	For the year ended 31st March, 2021 (in Lakhs)
Income from Business Operations	9314.77	5617.14
Add: Other Income	230.90	59.49
Less: Expenditure	6647.45	4582.87
Operating Profit	**2898.22**	**1093.76**
Less: Depreciation & Finance costs	350.74	346.34
Gross Profit	**2547.48**	**747.42**
Less: Provision for Taxation:	-	-
Current & Deferred taxes & Short Provision of IT	659.52	184.56
Less: MAT Credit utilized during the year	-	17.87
Net Profit after Tax	**1887.96**	**544.99**
Add balance in profit & loss a/c. brought forward	1360.92	811.48
Add Transfer from FVTOCI Reserve	15.38	4.45
Available for Appropriation	3264.26	1360.92
Deductions:		
Dividend paid	94.51	0
Balance carried forward to next year	**3169.75**	**1360.92**
Earnings per share (Basic /diluted)	**179.79**	**51.90**

REVIEW OF BUSINESS OPERATIONS AND FUTURE PROSPECTS:

During the year under review, the mill worked for 356 days in the triple shift. The turnover during the year is Rs.93.15 Crores as against Rs.56.17 Crores in the previous year showing a increase of 65.84%. The Company achieved a profit of Rs.18.88 Crores as against a profit of Rs. 5.45 Crores in the previous year.

OUTLOOK:

The economic cycle saw the world coming out of recession that led to companies drawing down their inventories, and a subsequent uptick in demand created scarcity. Demand for textile products has recovered, with economic recovery in domestic and international markets alike. For much of 2021, U.S. consumers spent 25 percent more on clothing, versus a more typical 2 percent year-over year increase, than they did in 2019. Additionally, Indian exports have got a boost owing to the US ban on China’s Xinjiang cotton, and are likely to continue growing in the medium term. The impact of the Russia-Ukraine crisis remains a monitorable, though. Next fiscal, the market is expected to increase a further 8-12 per cent year-on-year, riding on sustained recovery in both domestic and export markets. Readymade garments (RMG), after a significant decline, is expected to grow 13-18 per cent in FY23, riding on the reopening of offices, commercial premises, and educational institutions. The home textiles segment will benefit from a sharper focus on health and hygiene spurred by the pandemic.

This being so, the increases in energy and food costs that accompanied the outbreak of war in Europe can be expected to pinch consumer spending on discretionary goods like clothing. Global growth forecasts have now been pared down. Further, exports could suffer if basic issues such as availability of power and logistical bottlenecks keep rearing their ugly heads.

Over the past six months, the rising cost of raw materials has become an increasingly critical factor in sourcing decisions and pricing, impacted by inflation and global trade conflicts. Cotton prices have been extremely volatile over the past several months. Current prices are among the highest readings that we’ve seen in a decade. They are trading at levels about twice where they were prior to Covid. Sparking this price movement was a surge in speculator investment. There are also reasons, more firmly rooted in the dynamics of supply and demand including a decrease in available U.S. cotton, that resulted from a smaller harvest thanks to unfavorable weather and strong export demand from China. The weather, macro conditions and geopolitics can all be expected to be significant market movers. Last month, international brands and retailers decided to lift the ban on cotton grown in Uzbekistan. Lifting the ban may help stabilize global cotton prices by boosting both consumption and production. The move is also advantageous to India which expects cotton yield to decline this year.

One thing that we see is that there is quite a bit of movement into production locations outside of China, especially into Bangladesh, the ASEAN countries, with a very strong development of spinning and fabric production capacities. Secondly, there is a very strong increase in demand for preferred materials like organic cotton, sustainable viscose and recycled polyester. Also, quite unusual is that the relationship of fiber prices to each other has changed significantly. Polyester fibers are now just a third of cotton fiber prices and viscose is now only half the price of cotton. The investment in sustainable closed-loop production which includes recovery and reuse of chemicals in the process, has lowered costs of viscose and polyester. As a whole, the cotton yarn market now depends more on downstream demand rather than upstream motivation

TRANSFER TO RESERVES:

Your Company has not transferred any amount to its General Reserves during the year under review. The Directors have decided to retain the entire amount of Rs.18.88 crores in the retained earnings.

EVENTS SUBSEQUENT TO THE DATE OF FINANCIAL STATEMENTS:

No material changes and commitments affecting the financial position of the Company occurred, between the end of the financial year for which these financial statements relate, and the date of this report.

CHANGE IN THE NATURE OF BUSINESS, IF ANY:

No changes in the nature of business occurred affecting the business of the Company during the period under report.

DIVIDEND:

Your Directors are pleased to recommend a final dividend of Rs.4.50/- (Rupees Four Paise fifty only) per equity share of Rs.10/- each (Previous Year – 9/-) for the financial year 2021-22. The dividend if approved and declared in the forthcoming Annual General Meeting would result in a cash outflow of Rs. 47,25,450/- (Rupees Forty Seven Lakhs Twenty Five Thousand Four Hundred fifty only) as a dividend.

TRANSFER OF UNCLAIMED DIVIDEND TO INVESTOR EDUCATION AND PROTECTION FUND

During the year under review, there was no dividend amount remaining unclaimed for a period beyond 7 years and the relevant shares for transfer thereon to the Investor Education and Protection Fund. The Company has complied with the provisions of Section 125 of the Companies Act, 2013.

SHARE CAPITAL:

The paid-up Equity Share Capital as on 31st March, 2022 was Rs. 1,05,01,000/- comprising 10,50,100 shares of Rs.10/- each. The Company has not issued any shares during the year under review.

a. **Listing**

Metropolitan Stock Exchange of India Ltd. has turned down our application for Membership. Your Company is looking into various alternatives to comply with SEBI Regulations.

SUBSIDIARIES, JOINT VENTURES, AND ASSOCIATE COMPANIES:

The Company does not have any Subsidiary, Joint venture, or Associate Company.

DIRECTORS AND KEY MANAGERIAL PERSONNEL:

Sri P. Narendranath Chowdary retires by rotation at this Annual General Meeting and being eligible, offers himself for re-appointment.

Further, Sri K Rajendra resigned from the position of Company Secretary with effect from 6th October, 2021.

Statement regarding the opinion of the Board with regard to integrity, expertise and experience (including the proficiency) of the independent directors appointed during the year" ***(Inserted vide clause (ilia) in Sub-rule (5) in Rule8; Company (Accounts) Amendment Rules, 2014)***

No Independent Director has been appointed during the financial year.

DECLARATION OF INDEPENDENT DIRECTORS:

The Independent Directors have submitted their disclosures to the Board that they fulfill all the requirements stipulated in Section 149(6) of the Companies Act, 2013 to qualify to be appointed/ continue as Independent Directors under the provisions of the Companies Act, 2013 and the relevant rules.

BOARD MEETINGS:

The Company had conducted 4 (Four) Board meetings during the financial year under review. The Details of such Board Meetings are hereunder:

Sl. No	Date of Board meeting	Board Strength	No. of Directors Present
1.	29th June, 2021	5	5
2.	16th August, 2021	5	5
3.	1st November, 2021	5	5
4.	11th February, 2022	5	5

Attendance of Directors in Board and Committee Meetings:

Sl. No.	Name of the Director	Board Meetings		Committee meetings	
		Number of Meetings director was entitled to attend	Number of Meetings attended	Number of Meetings director was entitled to attend	Number of Meetings attended
1.	E.Sathyanarayana	4	4	8	8
2.	P.Narendranath Chowdary	4	4	1	1
3.	A.Dharmaraju	4	4	8	8

4.	S. Parvatha Rao	4	4	5	5
5.	C.Murali Krishna	4	4	5	5

DIRECTORS RESPONSIBILITY STATEMENT:

In accordance with the provisions of Section 134(5) of the Companies Act, 2013(the Act) the Board hereby submits that for the year under report:

(a) In the preparation of the annual accounts, the applicable accounting standards had been followed, and there were no material departures from such Standards.
(b) The directors had selected such accounting policies and applied them consistently and made judgments and estimates that are reasonable and prudent so as to give a true and fair view of the state of affairs of the company at the end of the financial year and of the profit and loss of the company for the year under report;
(c) The directors had taken proper and sufficient care for the maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding the assets of the company and for preventing and detecting fraud and other irregularities;
(d) The directors had prepared the annual accounts on a going concern basis; and
(e) The directors, had laid down internal financial controls to be followed by the company and that such internal financial controls are adequate and were operating effectively and,
(f) The directors had devised proper systems to ensure compliance with the provisions of all applicable laws and that such systems were adequate and operating effectively.

ADEQUACY OF INTERNAL FINANCIAL CONTROLS:

The Board of your Company has laid down internal financial controls to be followed by the Company and such internal financial controls are adequate and operating effectively. Your Company has adopted policies and procedures for ensuring the orderly and efficient conduct of its business, including adherence to the Company’s policies, the safeguarding of its assets, the prevention and detection of frauds and errors, the accuracy and completeness of the accounting records, and the timely preparation of reliable financial disclosures.

AUDITORS:

M/s. Brahmayya & Co., Chartered Accountants, Vijayawada was appointed as Statutory Auditors for a period of 5 years in the 54th Annual General Meeting held on 29-09-2017. Their Term of appointment is ending after the close of this 59th Annual General meeting.

The Directors in their Board meeting held on 11th May, 2022 proposed to recommend to the members to consider re-appointment for a term of 5(five years) from the close of 59th Annual General Meeting till the close of the 64th Annual General Meeting to be held in the year 2027.

There were no qualifications, reservations, or adverse remarks made by the Auditors in their report.

Provision relating to the submission of the **Secretarial Audit Report** is not applicable to the Company.

DEPOSITS:

The Company has neither held, accepted nor renewed any deposits in terms of Sections 73 to 76 of the Act and the Rules made thereunder, during the year under report.

UNSECURED LOANS:

The company has not availed any unsecured loan from banks/financial institutions and related parties during the period under review.

PARTICULARS OF LOANS, GUARANTEES, OR INVESTMENTS:

There were no loans, guarantees, or investments made by the Company under Section 186 of the Companies Act, 2013 during the year under review.

DETAILS OF SIGNIFICANT AND MATERIAL ORDERS PASSED BY REGULATORS / COURTS:

There are no significant and material orders passed by the regulators or courts or tribunals impacting the going concern status and Company's operations in the future.

PARTICULARS OF RELATED PARTY TRANSACTIONS:

All related party transactions that were entered into during the financial year 2021-22 were on an arm's length basis and were in the ordinary course of business. There were no significant related party transactions made by the Company with promoters, Directors, Key managerial personnel, or other designated persons which may have a potential conflict with the interest of the Company at large. All related party transactions were placed in the Audit Committee/Board meetings for approval.

Since there are no transactions that are not at arms' length and material in nature, disclosure under AOC 2 does not arise.

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

Conservation of Energy:

Apart from implementing various suggestions made by South India Textile Research Association in their energy audit report we have started replacing ring frames spindles and rings with new energy-efficient spindles and smaller diameter rings.

Technology Absorption, Adaptation, and Innovation:

Continuous concerted efforts are made towards technology absorption. The thrust areas have been in improving the quality of the product and increasing productivity through cost-effective programs and value engineering techniques.

Foreign exchange:

Inflow during the year under review Rs. Nil.
Outflow during the year under review was Rs.262.89 Lakhs.

RISK MANAGEMENT POLICY:

The Company does not have any Risk Management Policy.

CORPORATE SOCIAL RESPONSIBILITY (CSR) INITIATIVES:

Your Company has always believed that as part of good corporate governance, we must work for the betterment of society. The area of focus under CSR policy includes Health, Education, Environment, and livelihood. Projects undertaken are in accordance with Schedule VII of the Companies Act, 2013.

The Annual Report on Company's CSR activities is furnished as Annexure-II and is appended to this report.

Corporate Social Responsibility policy has been placed on the website of the company i.e. www.sssmills.com/Investors.aspx

NOMINATION AND REMUNERATION COMMITTEE AND POLICY

The Company has constituted Nomination and Remuneration Committee under the provisions of Section 178(1) and has devised a policy relating to the appointment of Directors, payment of Managerial remuneration, Director's qualifications, positive attributes, independence of Directors and other related matters as provided under Section 178(3) of the Companies Act, 2013.

The above policy has been posted on the website of the Company at www.sssmills.com/Investors.aspx

DISCLOSURE OF COMPOSITION OF AUDIT COMMITTEE AND PROVIDING VIGIL MECHANISM:

The Board of Directors has constituted an Audit Committee under the provisions of Section 177 of the Companies Act, 2013 read with Rule 6 and 7 of the Companies (Meetings of the Board and its Powers) Rules, 2013 and defined its role and responsibilities.

The Company has devised a vigil mechanism in the form of a Whistle Blower Policy in pursuance of provisions of Section 177(10) of the Companies Act, 2013 and also posted on the website of the company and can be accessed at the link www.sssmills.com/Investors.aspx. During the year under review, there were no complaints received under this mechanism.

DISCLOSURE OF MAINTENANCE OF COST RECORDS UNDER SECTION 148 OF THE COMPANIES ACT:

Your Company has maintained the Cost Records as specified by the Central Government under sub-section (1) of Section 148 of the Companies Act, 2013.

COMPLIANCE WITH SECRETARIAL STANDARDS

Your Company has devised proper systems to ensure compliance with the provisions of all applicable Secretarial Standards and that such systems are adequate and operating effectively.

ANNUAL RETURN

As per the requirement of Section 92 of the Companies Act, 2013, read with Rule 12 of the Companies (Management & Administration) Rules, 2014 the Annual Return in the prescribed form is available on the Company's website www.sssmills.com/Investors.aspx.

COMPLIANCE OF PROVISION RELATING TO CONSTITUTION OF INTERNAL COMPLAINTS COMMITTEE UNDER THE SEXUAL HARASSMENT OF WOMEN AT WORKPLACE (PREVENTION, PROHIBITION, AND REDRESSAL) ACT, 2013:

The Company has in place a policy on Sexual Harassment of Women at Workplace in line with the requirements of the Sexual Harassment of Women at Workplace (Prevention, Prohibition and Redressal) Act, 2013. An Internal Complaint Committee has been set up to redress complaints received. There were no complaints received from any employee of the Company during the financial year 2021-22.

The details of application made or any proceeding pending under the Insolvency and Bankruptcy Code, 2016 (31 of 2016) during the year along with their status as at the end of the financial year:

During the period under review, no application is filed or proceeding is pending under Insolvency and Bankruptcy Code, 2016.

The details of difference between amount of the valuation done at the time of one time settlement and the valuation done while taking loan from the Banks or Financial Institutions along with the reasons thereof:

During the period under review, no valuation done or one time settlement is made for any loans availed from Banks and Financial Institutions.

ACKNOWLEDGEMENTS:

Your Directors place on record their sincere thanks to bankers, business associates, consultants, and various Government Authorities for their continued support extended to your Company's activities during the year under review. Your Directors gratefully acknowledge the support of the shareholders & employees and the confidence reposed on the Company. Your directors express their appreciation for the Contribution made by employees for improvement in the operations of the Company

For and on behalf of the Board
Sree Satyanarayana Spinning Mills Ltd.

Place: TANUKU – 534 215.
Date: 8th August, 2022

P.Narendranath Chowdary
Chairman of the Meeting
(DIN: 0015764)

Annexure -II

Annual Report on CSR Activities of Sree Satyanarayana Spinning Mills Limited :: Tanuku for the Financial Year 2021-2022 as Annexure to Board's Report

1. Brief outline on CSR Policy of the Company.

The Companies CSR Policy is to promote education, health, environment and livelihood.

2. Composition of CSR Committee:

Sl. No.	Name of Director	Designation / Nature of Directorship	Number of meetings of CSR Committee held during the year	Number of meetings of CSR Committee attended during the year
1	S Parvatha Rao	Chairman/ Independent Director	4	4
2	A.Dharma Raju	Member/ Independent Director	4	4
3	E Sathyana rayana	Member/Managing Director & CEO	4	4

3. Provide the web-link where Composition of CSR committee, CSR Policy and CSR projects approved by the board are disclosed on the website of the company. **www.sssmills.com**

4. Provide the details of Impact assessment of CSR projects carried out in pursuance of sub-rule (3) of rule 8 of the Companies (Corporate Social responsibility Policy) Rules, 2014, if applicable (attach the report). **Not Applicable**

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

Sl. No.	Financial Year	Amount available for set-off from preceding financial years (in Rs)	Amount required to be set-off for the financial year, if any (in Rs)
1		N I L	
	Total		

6. Average net profit of the company as per section 135(5). **Rs. 4,18, 97,392/-**

7. (a) Two percent of average net profit of the company as per section 135(5) Rs. 8,37,948/-

(b) Surplus arising out of the CSR projects or programmes or activities of the previous financial years. **Nil**

(c) Amount required to be set off for the financial year, if any **Nil**

(d) Total CSR obligation for the financial year (7a+7b-7c). **Rs. 8,37,948/-.**

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

Total Amount Spent for the Financial Year. (in Rs.)	Amount Unspent (in Rs.)				
	Total Amount transferred to Unspent CSR Account as per section 135(6).		Amount transferred to any fund specified under Schedule VII as per second proviso to section 135(5).		
	Amount.	Date of transfer.	Name of the Fund	Amount.	Date of transfer.
Rs. 8,40,138	NIL		NIL		

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

(1)	(2)	(3)	(4)	(5)		(6)	(7)	(8)	(9)	(10)	(11)	
Sl. No.	Name of the Project.	Item from the list of activities in Schedule VII to the Act.	Local area (Yes/No).	Location of the project.		Project duration.	Amount allocated for the project (in Rs.).	Amount spent in the current financial Year (in Rs.).	Amount transferred to Unspent CSR Account for the project as per Section 135(6) (in Rs.).	Mode of Implementation - Direct (Yes/No).	Mode of Implementation - Through Implementing Agency	
				State.	District.						Name	CSR Registration number.
1.	NIL											
	Total											

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

(1)	(2)	(3)	(4)	(5)		(6)	(7)	(8)	
Sl. No.	Name of the Project	Item from the list of activities in schedule VII to the Act.	Local area (Yes/ No).	Location of the project.		Amount spent for the project (in Rs.).	Mode of implementation - Direct (Yes/No).	Mode of implementation - Through implementing agency.	
				State.	District.			Name.	CSR registration number.
1.	Dr. Sunkavalli Smaraka Vignana Bharathi High School, Unguturu Village, West Godavari District, Andhra Pradesh	CL.II Education	Yes	Andhra Pradesh, West Godavari District		83,800	Yes		

2.	Z.P.P High School, Achanta Vemavaram, West Godavari District, Andhra Pradesh	CL.II Education	Yes	Andhra Pradesh, West Godavari District	4,83,787	Yes		
3.	S.N.V.T. Govt. Jr. College, Tanuku, West Godavari District, Andhra Pradesh	CL.II Education	Yes	Andhra Pradesh, West Godavari District	1,45,051	Yes		
4.	Sr. Citizen Welfare Association, Tanuku, West Godavari District, Andhra Pradesh	CL.III Helping Old People	Yes	Andhra Pradesh, West Godavari District	1,27,500	Yes		
	Total				8,40,138			

(d) Amount spent in Administrative Overheads Nil

(e) Amount spent on Impact Assessment, if applicable Nil

(f) Total amount spent for the Financial Year (8b+8c+8d+8e) Rs.8,40,138/-

(g) Excess amount for set off, if any

Sl. No.	Particular	Amount (in Rs.)
(i)	Two percent of average net profit of the company as per section 135(5)	8,37,948
(ii)	Total amount spent for the Financial Year	8,40,138
(iii)	Excess amount spent for the financial year [(ii)-(i)]	2,190
(iv)	Surplus arising out of the CSR projects or programmes or activities of the previous financial years, if any	0
(v)	Amount available for set off in succeeding financial years [(iii)-(iv)]	2,190

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

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

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

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

10. In case of creation or acquisition of capital asset, furnish the details relating to the asset so created or acquired through CSR spent in the financial year

Not Applicable

(asset-wise details).

(a) Date of creation or acquisition of the capital asset(s).

(b) Amount of CSR spent for creation or acquisition of capital asset.

(c) Details of the entity or public authority or beneficiary under whose name such capital asset is registered, their address etc.

(d) Provide details of the capital asset(s) created or acquired (including complete address and location of the capital asset).

11. Specify the reason(s), if the company has failed to spend two per cent of the average net profit as per section 135(5).

(**Not applicable**).

E Sathyanarayana (Managing Director and Chief Executive Officer).	S Parvatha Rao (Chairman CSR Committee).	[Person specified under clause (d) of sub-section (1) of section 380 of the Act]

Independent Auditor's Report

To The Members of **SREE SATYANARAYANA SPINNING MILLS LIMITED, TANUKU**

Report on the Financial Statements

Opinion

We have audited the accompanying Ind AS financial statements of **Sree Satyanarayana Spinning Mills Limited.**, ("the Company, which is in the process of listing with the stock exchange"), which comprise the Balance sheet as at 31st March, 2022, the Statement of Profit and Loss (including other comprehensive income), the statement of Cash Flows and the statement of changes in equity for the year then ended, and a summary of significant accounting policies and other explanatory information (herein after referred to as " Ind AS financial statements").

In our opinion and to the best of our information and according to the explanations given to us the accompanying financial statements give the information required by the Companies Act, 2013 ("the Act") in the manner so required and give a true and fair view in conformity with the Indian Accounting Standards prescribed under section 133 of the Act read with the Companies (Indian Accounting Standard) Rules, 2015, as amended, ("Ind AS") and other accounting principles generally accepted in India, of the state of affairs of the Company as at March 31, 2022, the profit and total comprehensive income, changes in equity and its cash flows for the year ended on that date.

Basis for Opinion

We conducted our audit in accordance with the Standards on Auditing (SAs) specified under section 143(10) of the Companies Act, 2013. Our responsibilities under those Standards are further described in the Auditor's Responsibilities for the Audit of the Financial Statements section of our report. We are independent of the Company in accordance with the Code of Ethics issued by the Institute of Chartered Accountants of India together with the ethical requirements that are relevant to our audit of the financial statements under the provisions of the Companies Act, 2013 and the Rules there under, and we have fulfilled our other ethical responsibilities in accordance with these requirements and the ICAI's Code of Ethics. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

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

The Company's Board of Directors is responsible for the other information. The other information comprises the information included in the Board's report including annexure to Board report and Shareholder's information but does not include the financial statements and our auditor's report thereon.

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

In connection with our audit of the financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated.

If, based on the work we have performed, we conclude that there is a material misstatement of this other information; we are required to report that fact. We have nothing to report in this regard.

Responsibilities of Management for the Financial Statements

The Company's Board of Directors is responsible for the matters stated in Section 134(5) of the Companies Act, 2013 ("the Act") with respect to the preparation of these Ind AS financial statements that give a true and fair view of the financial position, , financial performance including other comprehensive income, cash flows and changes in equity of the Company in accordance with the Indian Accounting Standards (IND AS) prescribed under Section 133 of the Companies Act, 2013 read with relevant rules issued there under and other accounting principles generally accepted in India.

This responsibility also includes maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding of the assets of the company and for preventing and detecting the frauds and other irregularities; selection and application of appropriate accounting policies; making judgments and estimates that are reasonable and prudent; and design, implementation and maintenance of adequate internal financial controls, that were operating effectively for ensuring the accuracy and completeness of the accounting records, relevant to the preparation and presentation of Ind AS financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error.

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

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

Auditor’s Responsibilities for the Audit of the Financial Statements

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

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

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

• Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances. Under section 143(3)(i) of the Companies Act, 2013, we are also responsible for expressing our opinion on whether the company has adequate internal financial controls system in place and the operating effectiveness of such controls.

• Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.

• Conclude on the appropriateness of management’s use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company’s ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor’s report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor’s report. However, future events or conditions may cause the Company to cease to continue as a going concern.

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

We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

We also provide those charged with governance with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, related safeguards.

Report on Other Legal and Regulatory Requirement

1) As required by the Companies (Auditor's Report) Order,2020 ("the Order") issued by the Central Government of India in terms of sub-section (11) of section 143 of the Companies Act, 2013 we give in the Annexure A, a statement on the matters specified in paragraph 3 and 4 of the Order, to the extent applicable.
2) As required by Section 143(3) of the Companies Act,2013 we report that:
    a) We have sought and obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purposes of our audit.
    b) In our opinion, proper books of account as required by law have been kept by the Company so far as it appears from our examination of those books.
    c) The Balance Sheet, the Statement of Profit and Loss including other comprehensive income, the Cash Flow Statement and the changes in equity dealt with by this Report are in agreement with the books of account.
    d) In our opinion, the aforesaid financial statements comply with the Indian Accounting Standards (IND AS) prescribed under Section 133 of the Companies Act, 2013 read with relevant rules issued there under and other accounting principles generally accepted in India.
    e) On the basis of written representations received from the directors as on 31st March, 2022 taken on record by the Board of Directors, none of the directors is disqualified as on 31st March, 2022 from being appointed as a director in terms of Section 164(2) of the Act.
    f) With respect to the adequacy of internal financial controls over financial reporting of the Company and the operating effectiveness of such controls, refer to our separate report in "Annexure B", Our report expresses an unmodified opinion on the adequacy and operating effectiveness of the company’s internal financial controls over financial reporting.

g) With respect to the other matters to be included in the Auditor's report under section 197(16), in our opinion and according to the information and explanations given to us, the remuneration paid by the company to its directors during the current year is in accordance with the provisions of Section 197 of the Act. The remuneration paid to the managing director is not in excess of the limit laid down under Section 197 of the Act. The Ministry of Corporate Affairs has not prescribed other details under Section 197(16) which are required to be commented upon by us.

h) With respect to the other matters to be included in the Auditor's report in accordance with Rule 11 of the Companies (Audit and Auditors) Rules, 2014, in our opinion and to the best of our information and according to the explanations given to us:

i. The Company has disclosed the impact of pending litigations on its financial position in its Ind AS financial statements - Refer Note 31 to the Ind AS financial statements;

ii. The Company did not have any long term contracts including derivative contracts for which there were any material foreseeable losses; and

iii. There has been no delay in transferring amounts, required to be transferred, to the Investor Education and Protection Fund by the Company.

iv. (a) The Management has represented that, to the best of its knowledge and belief, no funds (which are material either individually or in the aggregate) have been advanced or loaned or invested (either from borrowed funds or share premium or any other sources or kind of funds) by the Company to or in any other person or entity, including foreign entity ("Intermediaries"), with the understanding, whether recorded in writing or otherwise, that the Intermediary shall, whether, directly or indirectly lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the Company ("Ultimate Beneficiaries") or provide any guarantee, security or the like on behalf of the Ultimate Beneficiaries;

(b) The Management has represented, that, to the best of its knowledge and belief, no funds (which are material either individually or in the aggregate) have been received by the Company from any person or entity, including foreign entity ("Funding Parties"), with the understanding, whether recorded in writing or otherwise, that the Company shall, whether, directly or indirectly, lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the Funding Party ("Ultimate Beneficiaries") or provide any guarantee, security or the like on behalf of the Ultimate Beneficiaries;

(c) Based on the audit procedures that have been considered reasonable and appropriate in the circumstances, nothing has come to our notice that has caused us to believe that the representations under sub-clause (i) and (ii) of Rule 11(e), as provided under (a) and (b) above, contain any material misstatement.

v. As stated in Note 13 to the financial statements

(a) The final dividend proposed in the previous year, declared and paid by the Company during the year is in accordance with Section 123 of the Act, as applicable.

(b) The Board of Directors of the Company have proposed final dividend for the year which is subject to the approval of the members at the ensuing Annual General Meeting. The amount of dividend proposed is in accordance with section 123 of the Act, as applicable.

For Brahmayya & Co
Chartered Accountants
Firm's Registration Number: 000513S

(T.V.Ramana)
Partner
(ICAI Membership. No. 200523)

Place: VIJAYAWADA
Date: 11th May, 2022

ANNEXURE - A to the Independent Auditor's Report

The Annexure referred to in Paragraph 1 under the heading of "Report on other Legal and Regulatory Requirements" of our report of even date, to the members of **Sree Satyanarayana Spinning Mills Limited, TANUKU** for the year ended 31st March 2022.

We report that:

(i) In respect of the Company’s Property, Plant and Equipment and Intangible Assets

(a) (A) The company has maintained proper records showing full particulars including quantitative details and situation of Property, Plant & Equipment.
(B) The company does not have any intangible assets and hence reporting under this clause is not applicable to that extent.

(b) The Property, Plant & Equipment are physically verified by the management according to a phased program designed to cover all the items over a period of three years which, in our opinion, is reasonable having regard to the size of the company and the nature of its assets. No material discrepancies were noticed on such physical verification.

(c) Based on our examination of the property tax receipts, land on which building is constructed, registered sale deed / transfer deed / conveyance deed provided to us, we report that, the title in respect of self-constructed buildings and title deeds of all other immovable properties (other than properties where the company is the lessee and the lease agreements are duly executed in favour of the lessee), disclosed in the financial statements included under Property, Plant and Equipment are held in the name of the Company as at the balance sheet date.

(d) According to the information and explanations furnished to us, no proceedings have been initiated during the year or are pending against the Company as at March 31, 2022 for holding any benami property under the Benami Transactions (Prohibition) Act, 1988 (as amended in 2016) and rules made thereunder.

(ii). (a) According to the information and explanation given to us, the inventory has been physically verified by the management at reasonable intervals. The coverage and procedure of such verification is appropriate and the discrepancies noticed during such physical verification of inventories as compared to books have been properly dealt with in the books of account. The discrepancies in each class of inventory does not exceed 10% of the aggregate of each class of inventory.

(b) The company has been sanctioned working capital limits in excess of Rs. 5 crore, in aggregate from banks or financial institutions on the basis of security of current assets. Based on the information and explanations furnished to us we report that, the quantities of inventories, the values of inventories of raw materials, stores and the amount of receivables stated in the quarterly statements submitted to the lending banks by the company are in agreement with the books of account of the company. However the following discrepancies in values of finished goods and work in process were observed between the quarterly returns submitted to the banks and the books of the company. We observed that the discrepancies arose on account of the estimated value at 'NRV less 30%" adopted by the company for submission to the banks against" lower of cost or NRV" adopted in the books of account. Such stock statements are varied for the quarter ending 30th June, 2021, 30th September, 2021, 31st December, 2021 & 31st March, 2022 in respect of valuation of finished goods in excess of Rs. 79.23 Lakhs, Rs. 16.67 Lakhs, Rs. 7.75 Lakhs and Rs. 62.96 Lakhs respectively.

(iii). The company has not made investments in, granted any loans or advance in the nature of loans, guarantee or security, secured or unsecured to companies, firms, Limited Liability Partnerships or other parties. Therefore, the provisions of clause 3(iii)(a), 3(iii)(b), 3(iii)(c), 3(iii)(d), 3(iii)(e) & 3(iii)f of the said Order are not applicable for the year under report.

(iv). In our opinion and according to the information and explanations given to us, the company has not granted any loans, guarantees and security in accordance with the provisions of section 185 of the Companies Act 2013. The company has complied with the provisions of section 186 of the Companies Act 2013, in respect of investments made.

(v). The company has not accepted any deposits or amounts which are deemed to be deposits from public that come within the purview of provisions of section 73 to 76 and other applicable provisions of the Companies Act, 2013 and Companies (Acceptance of Deposits) Rules, 2014 with regard to the deposits accepted from the public. Hence, reporting under clause 3(v) of the Order is not applicable.

(vi). We have broadly reviewed the books of account and records maintained by the company, pursuant to the Rules made by the Central Government for the maintenance of Cost Records under section 148 (1) of the Companies Act, 2013 and are of the opinion that prima facie the prescribed accounts and records have been made and maintained.

(vii). (a) According to the information and explanations given to us and on the basis of our examination of the records of the company, in our opinion, the company is regular in depositing with the appropriate authorities, the undisputed statutory dues including Provident Fund, Employees' State Insurance, Income Tax, Sales Tax, Goods and Service Tax, Service Tax, Duty of Customs, Duty of Excise, Value Added Tax, Cess and other statutory dues applicable to it.

According to the information and explanations given to us, no undisputed amounts payable in respect of Provident Fund, Income Tax, Sales Tax, Goods and Service Tax, Service Tax, duty of customs, duty of Excise, value added tax, cess and other statutory dues were in arrears as at 31st March 2022 for a period of more than six months from the date they became payable.

(b) According to the information and explanations given to us, there were no amounts of Sales Tax, duty of Customs, Goods and Service Tax, duty of Excise, Cess, Income Tax, Service Tax, Provident fund, Employee State Insurance, Value added tax and other statutory dues applicable to it that have been disputed by the company at the date of the balance sheet under report. Hence, reporting under clause 3(vii)(b) is not applicable.

(viii). There were no transactions relating to previously unrecorded income that have been surrendered or disclosed as income during the year in the tax assessments under the Income Tax Act, 1961. Hence, reporting under clause 3(viii) is not applicable.

(ix). (a) According to the records of the company examined by us, and the information and explanations given to us, there were no defaults in repayment of loans or other borrowings or in the payment of interest thereon to any lender during the year under report.

(b) The Company has not been declared wilful defaulter by any bank or financial institution or government or any government authority.

(c) The Company has not taken any term loan during the year and there are no outstanding term loans at the beginning of the year and hence, reporting under clause 3(ix)(c) of the Order is not applicable.

(d) On an overall examination of the financial statements of the Company, funds raised on short-term basis have, prima facie, not been used during the year for long-term purposes by the Company.

(e) The company does not have any subsidiaries, associates or joint ventures and hence, reporting under clauses 3(ix)(e) and 3(ix)(f) are not applicable.

(x). (a) The Company has not raised moneys by way of initial public offer or further public offer (including debt instruments) during the year and hence reporting under clause 3(x)(a) of the Order is not applicable.

(b) During the year, the Company has not made any preferential allotment or private placement of shares or convertible debentures (fully or partly or optionally) and hence reporting under clause 3(x)(b) of the Order is not applicable.

(xi) (a) No fraud by the Company and no material fraud on the Company has been noticed or reported during the year.

(b) No report under sub-section (12) of section 143 of the Companies Act has been filed in Form ADT-4 as prescribed under rule 13 of Companies (Audit and Auditors) Rules, 2014 with the Central Government, during the year and upto the date of this report.

(c) According to the information and explanations given to us, the company has not received any whistle blower complaints during the year.

(xii). The company is not a Nidhi and hence, the requirement of clause 3(xii) of the Order is not applicable to the company during the year under report.

(xiii). In our opinion, the Company is in compliance with section 177 and 188 of the Companies Act, 2013 with respect to applicable transactions with the related parties and the details of related party transactions have been disclosed in the financial statements as required by the applicable accounting standards.

(xiv). Considering the requirements of section 138 of the Companies Act, the company Sree Satyanarayana Spinning Mills Limited is not required to appoint an internal auditor. Hence, reporting under the clause 3(xiv) of the Order is not applicable.

(xv). In our opinion during the year the company has not entered into non-cash transactions with directors or persons connected with its directors, and hence provisions of section 192 of the Companies Act, 2013 are not applicable to the Company.

(xvi). (a) In our opinion, the Company is not required to be registered under section 45-IA of the Reserve Bank of India Act, 1934. Hence, reporting under clause 3(xvi)(a), (b) and (c) of the Order is not applicable.

(b) In our opinion, there is no core investment company within the Group (as defined in the Core Investment Companies (Reserve Bank) Directions, 2016 and accordingly reporting under 3(xvi)(d) of the Order is not applicable.

(xvii). The Company has not incurred cash losses during the financial year covered by our audit and the immediately preceding financial year.

(xviii). There has been no resignation of the statutory auditors of the Company during the year.

(xix). On the basis of the financial ratios, ageing and expected dates of realisation of financial assets and payment of financial liabilities, other information accompanying the financial statements, the auditor’s knowledge of the Board of Directors and management plans and based on our examination of the evidence supporting the assumptions, nothing has come to our attention, which causes us to believe that any material uncertainty exists as on the date of the audit report indicating that company is not capable of meeting its liabilities existing at the date of balance sheet as and when they fall due within a period of one year from the balance sheet date. We, however, state that this is not an assurance as to the future viability of the Company. We further state that our reporting is based on the facts up to the date of the audit report and we neither give any guarantee nor any assurance that all liabilities falling due within a period of one year from the balance sheet date, will get discharged by the Company as and when they fall due.

(xx) (a) There are no unspent amounts towards Corporate Social Responsibility (CSR) on other than ongoing projects requiring a transfer to a Fund specified in Schedule VII to the Companies Act in compliance with second proviso to sub-section (5) of Section 135 of the said Act. Accordingly, reporting under clause 3(xx)(a) of the Order is not applicable for the year.

(b) There are no ongoing projects, and hence no unspent amount required to be transferred to special account in compliance with the provision of sub-section 6 of section 135 of the Companies Act, 2013. (xxi) The company do not have any subsidiaries, associates or joint ventures and hence consolidation of accounts does not arise and hence, reporting under clause 3(xxi) is not applicable.

For Brahmayya & Co
Chartered Accountants
Firm's Registration Number: 000513S

(T.V.Ramana)
Partner
(ICAI Membership. No. 200523)

Place: VIJAYAWADA
Date: 11th May, 2022

Annexure - B to the Independent Auditors' Report

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

We have audited the internal financial controls with reference to financial statements of **Sree Satyanarayana Spinning Limited** (“the Company, which is in the process of listing with the stock exchange”), as of 31st March 2022 in conjunction with our audit of the Ind AS financial statements of the Company for the year ended on that date.

Management's Responsibility for Internal Financial Controls

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

Auditors' Responsibility

Our responsibility is to express an opinion on the Company's internal financial controls with reference to financial statements based on our audit. We conducted our audit in accordance with the Guidance Note on Audit of Internal Financial Controls over Financial Reporting (the "Guidance Note") and the Standards on Auditing, issued by ICAI and deemed to be prescribed under section 143(10) of the Companies Act, 2013, to the extent applicable to an audit of internal financial controls, both applicable to an audit of Internal Financial Controls and, both issued by the Institute of Chartered Accountants of India. Those Standards and the Guidance Note require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether adequate internal financial controls with reference to financial statements was established and maintained and if such controls operated effectively in all material respects.

Our audit involves performing procedures to obtain audit evidence about the adequacy of the internal financial controls system with reference to financial statements and their operating effectiveness. Our audit of internal financial controls with reference to financial statements included obtaining an understanding of internal financial controls with reference to financial statements, assessing the risk that a material weakness exists, and testing and evaluating the design and operating effectiveness of internal control based on the assessed risk. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion on the Company's internal financial controls system with reference to financial statements.

Meaning of Internal Financial Controls with reference to financial statements

A company's internal financial control with reference to financial statements is a process designed to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles. A company's internal financial control with reference to financial statements includes those policies and procedures that

(1) pertain to the maintenance of records that, in reasonable detail, accurately and fairly reflect the transactions and dispositions of the assets of the company;

(2) provide reasonable assurance that transactions are recorded as necessary to permit preparation of financial statements in accordance with generally accepted accounting principles, and that receipts and expenditures of the company are being made only in accordance with authorizations of management and directors of the company; and

(3) Provide reasonable assurance regarding prevention or timely detection of unauthorized acquisition, use, or disposition of the company's assets that could have a material effect on the financial statements.

Inherent Limitations of Internal Financial Controls with reference to financial statements

Because of the inherent limitations of internal financial controls with reference to financial statements, including the possibility of collusion or improper management override of controls, material misstatements due to error or fraud may occur and not be detected. Also, projections of any evaluation of the internal financial controls with reference to financial statements to future periods are subject to the risk that the internal financial control with reference to financial statements may become inadequate because of changes in conditions, or that the degree of compliance with the policies or procedures may deteriorate.

Opinion

In our opinion, to the best of our information and according to the explanations given to us, the Company has, in all material respects, an adequate internal financial controls system with reference to financial statements and such internal financial controls with reference to financial statements were operating effectively as at 31st March 2022, based on the internal control with reference to financial statements criteria established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls over Financial Reporting issued by the Institute of Chartered Accountants of India.

For Brahmayya & Co
Chartered Accountants
Firm'sRegistration Number:000513S

(T.V.Ramana)
Partner
(ICAI Membership. No. 200523)

Place : VIJAYAWADA
Date : 11th May, 2022

Sree Satyanarayana Spinning Mills Ltd., Tanuku

BALANCE SHEET AS AT 31ST MARCH, 2022 **(Rs. in Lakhs)**

Particulars	Notes	As At 31st March 2022	As At 31st March 2021
ASSETS			
Non current Assets			
Property, Plant and Equipment	2	3,227.75	3,431.13
Capital Work in Progress			-
Investment property			
Other Intangible Assets			
Financial assets:			
(i) Investments	3	524.88	475.94
(ii) Trade receivables			
(iii) Loans		-	-
(iv) Others (To be specified)	4	93.05	93.05
Deferred Tax Assets (net)			
Other Non Current assets	4A	88.22	-
Current Assets			
Inventories	5	1,389.47	1,424.21
Financial assets:			
(i) Investments	6	2,103.69	524.80
(ii) Trade Receivables	7	1,477.15	376.78
(iii) Cash and Cash Equivalents	8.1	13.91	36.95
(iv) Bank balances other than (iii) above	8.2	-	0.47
(v) Loans			
(vi) Others (to be specified)	9	2.90	4.40
Current tax asset(Net)	10		
Other Current Assets	11	68.35	54.36
TOTAL		**8,989.36**	**6,422.10**
EQUITY AND LIABILITIES			
Equity			
Equity Share Capital	12	105.01	105.01
Other Equity	13	7,088.53	5,230.75
LIABILITIES			
Non-Current Liabilities			
Financial Liabiility			
(i) Borrowings	14	-	-
(ia) Lease Liabilities		-	-
(ii) Trade Payables			
Due to Micro & Small Enterprises		-	-
Due to Others		-	-
(iii) Other Financial liabiities			
Provisions	15	55.67	58.29
Deferred Tax Liability (Net)	16	348.75	341.99
Other non-current liabilities		-	-
Current Liabilities			
Financial liabilities:			
(i) Borrowings	18	378.29	144.64
(ia) Lease Liabilities		-	-
(ii) Trade Payables	19		
Due to Micro & Small Enterprises		5.37	10.36
Due to Others		656.91	277.23
(iii) Other Financial liabiities	20	305.11	152.08
Other Current Liabilities	21	22.88	24.03
Provisions	17	11.06	65.40
Current Tax Liabilities (Net)	10	11.78	12.31
TOTAL		**8,989.36**	**6,422.10**
Summary of Significant Accounting policies	1		

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

As per our report of even date
for BRAHMAYYA & CO.
Chartered Accountants
Firm Regn. No.000513S
(T.V.RAMANA)
Partner
Membership No: 200523

For and on behalf of the Board of Directors

E.SATHYANARAYANA,
Managing Director and Chief Executive Officer

P.NARENDRANATH CHOWDARY,Director

Place: Vijayawada
Date: 11th May, 2022

Sree Satyanarayana Spinning Mills Ltd., Tanuku

STATEMENT OF PROFIT AND LOSS FOR THE YEAR ENDED 31st MARCH, 2022

(Rs. In lakhs except no. of equity shares, EPS and per equity share data)

PARTICULARS	Notes	Current Reporting Period 2021-22	Current Reporting Period 2020-21
Revenue from operations	22	9,314.77	5,617.14
Other Income	23	230.90	59.49
Total Income (I)		**9,545.67**	**5,676.63**
<u>Expenses</u>			
Cost of raw materials consumed	24	4,057.25	2,232.90
Changes in Inventories of finished goods and Work-in-progress	25	(193.91)	139.22
Employee benefits expense	26	950.15	821.97
Finance Costs	27	6.22	27.17
Depreciation and amortization expense	28	344.52	319.17
Power and fuel		979.31	825.23
Other expenses	29	854.65	563.55
Total Expenses (II)		**6,998.19**	**4,929.21**
Profit/(loss) before exceptional items and tax (I-II)		**2,547.49**	**747.41**
Less: Exceptional items		-	-
Profit/(loss) before tax		**2,547.49**	**747.41**
Less : Tax expenses			
Current tax		657.00	159.13
MAT credit utilised during the year		-	17.87
Deferred tax		1.58	3.92
Short Provision of Income tax of earlier years		0.93	21.51
Total tax expense		**659.51**	**202.43**
Profit/(loss) for the year from continuing operations		**1,887.97**	**544.99**
Profit (loss) from discontinued operations		-	-
Tax expenses of discontinued operations		-	-
Profit/(loss) from Discontinued operatlons (after tax)		-	-
Profit (loss) for the period		**1,887.97**	**544.99**
Other comprehensive income		-	-
A (i) Items that will not be reclassifled to proflt or loss	30	69.49	(124.29)
(ii) Income tax relating to items that will not be reclassified to profit or loss		(5.17)	(1.50)
B (i) Items that will be reclassified to profit or loss		-	-
(ii) lncome tax relating to items that will be reclassified to profit or loss		-	-
Total Comprehensive Income for the period (comprising profit (loss) for the period and other comprehensive income)		**1,952.29**	**419.20**
Earning per share:-			
Basic / Diluted / Restated		**179.79**	**51.90**
Summary of Significant Accounting policies	1		

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

As per our report of even date
for BRAHMAYYA & CO.
Chartered Accountants
Firm Regn. No.000513S
(T.V.RAMANA)
Partner
Membership No: 200523

Place: Vijayawada
Date: 11th May, 2022

For and on behalf of the Board of Directors

E.SATHYANARAYANA,
Managing Director and Chief Executive Officer

P.NARENDRANATH CHOWDARY,Director

Sree Satyanarayana Spinning Mills Ltd., Tanuku

STATEMENT OF CHANGES IN EQUITY FOR THE YEAR ENDED 31ST MARCH 2022

A. Equity share capital

(1) Current reporting period

(Rs. in Lakhs)

Balance at the beginning of the current reporting period	Changes in Equity Share Capital due to prior period errors	Restated balance at the beginning of the current reporting period	Changes in equity share capital during the current year	Balance at the end of the current reporting period
105.01	-	-	-	105.01

(2) Previous reporting period **(Rs. in Lakhs)**

Balance at the beginning of the previous reporting period	Changes in Equity Share Capital due to prior period errors	Restated balance at the beginning of the previous reporting period	Changes in equity share capital during the previous year	Balance at the end of the previous reporting period
105.01	-	-	-	105.01

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

As per our report of even date
for BRAHMAYYA & CO.
Chartered Accountants
Firm Regn. No.000513S
(T.V.RAMANA)
Partner
Membership No: 200523

Place: Vijayawada
Date: 11th May, 2022

For and on behalf of the Board of Directors

E.SATHYANARAYANA,
Managing Director and Chief Execuitive Officer

P.NARENDRANATH CHOWDARY,Director

Sree Satyanarayana Spinning Mills Ltd., Tanuku

STATEMENT OF CHANGES IN EQUITY FOR THE YEAR ENDED 31ST MARCH 2022

B.Other Equity

(1) Current reporting period **(Rs. in Lakhs)**

Particulars	Capital Redemption Reserve	Capital Reserve	General reserve	Retained Earnings	Equity instruments through Other Comprehensive Income	Deferred tax impact on related items	Acturial Gains/losses reserve	Total
Balance at the beginning of reporting period	3.00	28.31	4,102.40	1,360.92	(263.87)	-	-	5,230.75
Total Comprehensive Income for the year				1,887.97	48.94	(5.17)	20.55	1,952.29
Transfer from/to General Reserve								-
Transfer to FVTOCI reserve						5.17	(20.55)	(15.38)
Transfer from Retained Earnings				15.38				15.38
Final Dividends				(94.51)				(94.51)
Balance at the beginning of reporting period	**3.00**	**28.31**	**4,102.40**	**3,169.76**	**(214.94)**	**-**	**-**	**7,088.53**

(2) Previous reporting period **(Rs. in Lakhs)**

Particulars	Capital Redemption Reserve	Capital Reserve	General reserve	Retained Earnings	Equity instruments through Other Comprehensive Income	Deferred tax impact on related items	Acturial Gains/losses reserve	Total
Balance at the beginning of reporting period	3.00	28.31	4,102.40	811.48	(133.63)	-	-	4,811.55
Changes in accounting policy or prior period errors								
Total Comprehensive Income for the year				544.99	(130.25)	(1.50)	5.95	419.20
Transfer from/to General Reserve								-
Transfer to FVTOCI reserve						1.50	-5.95	(4.45)
Transfer from Retained Earnings				4.45				4.45
Balance at the end of reporting period	**3.00**	**28.31**	**4,102.40**	**1,360.92**	**(263.87)**	**-**	**-**	**5,230.75**

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

As per our report of even date
for BRAHMAYYA & CO.
Chartered Accountants
Firm Regn. No.000513S
(T.V.RAMANA)
Partner
Membership No: 200523

Place: Vijayawada
Date: 11th May, 2022

For and on behalf of the Board of Directors

E.SATHYANARAYANA,
Managing Director and Chief Execuitive Officer

P.NARENDRANATH CHOWDARY,Director

CASH FLOW STATEMENT FOR THE YEAR ENDED 31ST MARCH 2022

(Rs. in Lakhs)

PARTICULARS	31st March 2022 (Rs.)	31st March 2021 (Rs.)
Profit before tax from continuing operations	2,547.49	747.41
Adjustments for		
Interest expense	6.22	27.17
Interest income	(4.43)	(7.56)
Dividend income	(43.88)	(4.03)
Bad debts written off	-	-
Depreciation/amortization on continuing operation	344.52	319.17
Loss/[profit] on sale of fixed assets	(86.07)	(20.00)
Remeasurement of defined benefit plans	20.55	5.95
Operating profit before working capital changes	**2,784.39**	**1,068.12**
Movements in working capital:		
Increase/[decrease] in trade payables	374.69	(249.66)
Increase/[decrease] in non-current provisions	(2.61)	(69.46)
Increase/[decrease] in short-term provisions	(54.35)	5.88
Increase/[decrease] in other liabilities(Current)	(1.15)	0.02
Increase/[decrease] in other financial liabilities (current)	144.14	7.44
Increase/[decrease] in other financial assets (non-current)	-	49.71
Decrease/[increase] in trade receivables	(1,100.38)	451.29
Decrease/[increase] in inventories	34.74	(261.16)
Decrease/[increase] in other assets	(102.21)	338.73
Decrease/[increase] in other financial assets (current)	-	-
Decrease/[increase] in current investments	(1,535.00)	(495.00)
Decrease/[increase] in margin money deposits	0.47	5.49
Cash generated from/[used in] operations	-	-
Direct taxes paid [net of refunds]	(658.47)	(99.51)
Net cash flow from/[used in] operating activities (A)	**(115.73)**	**751.88**
<u>Cash flows from investing activites</u>		
Purchase of fixed assets, including intangible assets, CWIP and	(226.42)	(468.40)
capital advances	-	-
Proceeds from sale of fixed assets	171.36	64.01
Purchase of current investments	(150.00)	(75.00)
Proceeds from sale/maturity of current investments	-	-
Interest received	5.93	10.53
Dividends received from Long- Term investments		
Net cash flow from/[used in] investing activities (B)	**(199.13)**	**(468.87)**
<u>Cash flows from financing activites</u>		
Proceeds from borrowings	378.29	(375.36)
Proceeds from other non-current financial liabilities		
Interest paid	(0.86)	(23.76)
Dividends paid including Interim Dividend	(85.62)	-
Tax on equity dividend paid	-	-
Net cash flow from/[used in] in financing activities [C]	**291.81**	**(399.12)**
Net increase/[decrease] in cash and cash equivalents (A+B+C)	(23.05)	(116.11)
Cash and cash equivalents at the beginning of the year	36.95	153.06
Cash and cash equivalents at the end of the year	13.91	36.95
Components of cash and cash equivalents		
Cash on hand	0.18	0.73
With banks Accounts	1.40	32.78
Unpaid dividend accounts*	12.33	3.44
Total cash and cash equivalents (Note 15)	**13.91**	**36.95**

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

As per our report of even date
for BRAHMAYYA & CO.
Chartered Accountants
Firm Regn. No.000513S
(T.V.RAMANA)
Partner
Membership No: 200523

Place: Vijayawada
Date: 11th May, 2022

For and on behalf of the Board of Directors

E.SATHYANARAYANA,
Managing Director and Chief Executive Officer

P.NARENDRANATH CHOWDARY,Director

NOTES FORMING PART OF FINANCIAL STATEMENTS

1. CORPORATE INFORMATION

Brief description of the Company

Sree Satyanarayana Spinning Mills Limited ('the company, which is in the process of listing with the Stock Exchange"), focus on raw material selection, operational excellence, and the continual incorporation of the latest machinery and technology to produce consistently high-quality yarn to exceed customer expectations with its highly technical and responsive team force committed to integrity and honesty.

The company is a public limited company incorporated and domiciled in India and has its registered office at Tanuku, Andhra Pradesh, India. The securities of the company are in the process of listing with the Stock Exchange.

The financial statements for the year ended March 31, 2022, were approved by the Board of Directors and authorized for issue on May 11th, 2022.

1.1 SIGNIFICANT ACCOUNTING POLICIES

The accounting policies mentioned herein are relating to the standalone financial statements of the Company.

a) Basis of preparation of financial statements

These financial statements are prepared in accordance with Indian Accounting Standards (Ind AS) notified under Section 133 of the Companies Act, 2013 (the Act)read with Rule 3 of the Companies (Indian Accounting Standards) Rules, 2015 as amended.

The financial statement has been prepared on the historical cost convention under the accrual basis of accounting except for certain financial assets and liabilities (as per the accounting policy below), which have been measured at fair value. Historical cost is generally based on the fair value of the consideration given in exchange for goods and services.

b) Use of estimates

The preparation of financial statements requires management to make certain estimates and assumptions that affect the amounts reported in the financial statements and notes thereto. The management believes that these estimates and assumptions are reasonable and prudent. However, actual results could differ from these estimates. Any revision to accounting estimates is recognized prospectively in the current and future periods.

This note provides an overview of the areas that involved a higher degree of judgment or complexity, and of items that are more likely to be materially adjusted due to estimates and assumptions turning out to be different than those originally assessed. Detailed information about each of these estimates and judgments is included in the relevant notes together with information about the basis of calculation for each affected line item in the financial statements.

c) Significant estimates and judgments

The areas involving critical estimates or judgments are:

i) Estimation of the fair value of unlisted securities-
ii) The Defined benefit obligation -
iii) Estimation of the useful life of Property, Plant and Equipment –
iv) Estimation and evaluation of provisions and contingencies relating to tax litigations –.

d) Revenue recognition

Revenue is measured at the fair value of the consideration received or receivable and net of returns, trade allowances rebates, and amounts collected on behalf of third parties. It includes Packing charges, freight and handling charges but excludes GST.

i) Sale of products

Revenue from the sale of products is recognized, when the performance obligation is satisfied, by transferring promised goods to the customer. An asset is transferred when (or as) the customer obtains control of the asset, as per terms of contract and it is probable that the economic benefits associated with the transaction will flow to the Company.

ii) Interest Income

Interest income from debt instruments is recognized using the effective interest rate method and is accrued on a time basis. The effective interest rate is the rate that exactly discounts estimated future cash receipts through the expected life of the financial asset to the gross carrying value of a financial asset. While calculating the effective interest rate, the Company estimates the expected cash flows by considering all the contractual terms of the financial instrument (for example, prepayment, extension, call, and similar options), but does not consider the expected credit losses.

iii) Dividends

Dividends are recognized in profit or loss only when the right to receive payment is established, it is probable that the economic benefits associated with the dividend will flow to the Company, and the amount of dividend can be reliably measured.

e) Property, Plant, and Equipment

Freehold Land is carried at historical cost. All other items of Property Plant and Equipment are stated at cost of acquisition or construction less accumulated depreciation/amortization and impairment if any. Cost includes purchase price, taxes and duties, labor cost, and directly attributable overheads incurred up to the date the asset is ready for its intended use. However, cost excludes Excise Duty, Goods and Service tax, Value Added Tax, and Service Tax, to the extent credit of the duty or tax is availed of.

Subsequent costs are included in the asset's carrying amount or recognized as a separate asset, as appropriate, only when it is probable that future economic benefits associated with the item will flow to the Company and the cost of the item can be measured reliably. The carrying amount of any component accounted for as separate asset is de-recognized when replaced. All other repairs and maintenance are charged to Profit or Loss during the reporting period in which they are incurred.

Gains and losses on disposals are determined by comparing proceeds with carrying amount. These are included in profit or loss within other gains/ (losses).

f) Depreciation and amortization

i) Depreciation on tangible fixed assets is charged over the estimated useful life of the asset,

- On Factory buildings, Plant and machinery and electrical installations are provided under the Straight Line Method.
- On the remaining assets, under the Written Down value method treating the plant as a continuous process plant.
- Depreciation is computed on plant & Machinery treating each machine/equipment as a single unit since the value of components forming part thereof is insignificant.
- In respect of the following assets, the useful life has been estimated by the technical personnel which is different from the life given under Part C of Schedule II of the Companies Act, 2013 as detailed hereunder:
    - Plant & Machinery – 15 years.

ii) Residual values and useful lives are reviewed and adjusted, if appropriate, for each reporting period.

iii) Advances paid towards the acquisition of Property, Plant and Equipment outstanding at each Balance Sheet date are classified as capital advances under other Non-current assets and the cost of assets not put to use before such date are disclosed under capital work-in-progress.

iv) Assets to be disposed of are reported at the lower of carrying value or fair value less cost to sell.

g) Impairment

An asset is treated as impaired when the carrying cost of the same exceeds its recoverable amount. The impairment loss is charged to the statement of profit and loss in the year in which the asset is identified as impaired. The Impairment loss recognized in the prior accounting period is reversed if there has been a change in the estimate of the recoverable amount.

h) Foreign Exchange Translations

(i) Functional and presentation currency

Items included in the financial statements are measured using the currency of the primary economic environment in which the Company operates (‘the functional currency’). i.e., in Indian rupee (INR).

(ii) Transactions and balances

i) 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 the actual receipts of proceeds in foreign exchange.

ii) Import of materials/Capital equipment is accounted at the rates at which the actual payments are affected.

iii) Foreign currency monetary assets and liabilities such as cash, receivables, payables, etc., are translated at year-end exchange rates.

iv) Non-monetary items denominated in foreign currency such as investments, fixed assets, etc., are valued at the exchange rate prevailing on the date of transaction.

v) Exchange differences arising on settlement of transactions and translation of monetary items are recognized as income or expense in the year in which they arise

i) Inventories

Inventories are stated at the lower of cost or net realizable value. The Net realizable value represents the estimated selling price for inventories less all estimated costs of completion and cost necessary to make the sale.

i) In respect of raw materials and Stores and Spares, the cost is determined using FIFO and weighted average methods respectively except, where the realizable value of the finished goods in which they are used is less than the cost of finished goods and in such event, if the replacement cost of such materials, etc.., is less than their book values, they are valued at replacement cost. Cost of work-in-progress and finished goods include an appropriate portion of overheads etc..,
ii) The Stock of scrap and Cotton waste are valued at estimated net realizable value.
iii) Tools and implements are valued at cost after providing for obsolescence.
iv) Machinery spares which can be used only in connection with an item of fixed assets and whose use is expected to be irregular and amortized over the life of the principal asset.

j) Employee benefits

i) Short term obligations:

Liabilities for wages and salaries, including non-monetary benefits that are expected to be settled wholly within 12 months after the end of the period in which the employees render the related service are recognized in respect of employees' services up to the end of the reporting period and are measured at the amounts expected to be paid when the liabilities are settled. The liabilities are presented as current employee benefit obligations in the balance sheet.

ii) Other long term employee benefits:

The liabilities for earned leave are not expected to be settled wholly within 12 months after the end of the period in which the employees render the related service. They are therefore measured as the present value of the expected future payments to be made in respect of services provided by employees up to the end of reporting period using the projected unit credit method. The benefits are discounted using the market yields at the end of the reporting period that has terms approximating the terms of the related obligation. Re-measurements as a result of experience adjustments and changes in actuarial assumptions are recognized in profit or loss.

The obligations are presented as current liabilities in the balance sheet if the entity does not have an unconditional right to defer settlement for at least twelve months after the reporting period, regardless of when the actual settlement is expected to occur.

iii) Post-employment obligation:

The Company operates the following post-employment schemes:

a) Defined benefit plans such as gratuity for its eligible employees,

b) Defined contribution plans such as provident fund and

Gratuity obligation:

The company's liability to gratuity on retirement to its eligible employees is funded with the Life Insurance Corporation Of India, The Incremental expenses thereon for each year is arrived at as per actuarial valuation and is recognized and charged to profit and loss account in the year in which the employee has rendered service

Provident Fund and Employees' state Insurance Scheme:

Eligible employees of Sree Satyanarayana Spinning mills Limited receive benefits from a provident fund and Employees' State Insurance scheme which is a defined benefit plan. Both the eligible employee and the company make monthly contributions to the Provident Fund and Employees' State Insurance equal to a specified percentage of the covered employee's salary.

k) Taxes on income:

Tax expense comprises current and deferred taxes.

The income tax expense(income) for the period is the tax payable on the current period's taxable income based on the applicable income tax rate for each jurisdiction adjusted by changes in deferred tax assets and liabilities attributable to temporary differences and to unused tax losses.

The current income tax is the amount of income taxes payable in respect of the taxable profit (tax loss) for a period. Management periodically evaluates positions taken in tax returns with respect to situations in which applicable tax regulation is subject to interpretation. It establishes provisions where appropriate on the basis of amounts expected to be paid to the tax authorities.

Deferred income tax is provided in full, using the liability method, on temporary differences arising between the tax bases of assets and liabilities and their carrying amounts in the financial statements.

However, deferred tax liabilities are not recognized if they arise from the initial recognition of goodwill. Deferred income tax is also not accounted for if it arises from initial recognition of an asset or liability in a transaction other than a business combination that at the time of the transaction affects neither accounting profit nor taxable profit or loss. Deferred income tax is determined using tax rates (and laws) that have been enacted or substantially enacted by the end of the reporting period and are expected to apply when the related deferred income tax asset is realized or the deferred income tax liability is settled.

Deferred tax assets are recognized only if it is probable that future taxable amounts will be available to utilize those temporary differences and losses.

Deferred tax assets and liabilities are offset when there is a legally enforceable right to offset current tax assets and liabilities and when the deferred tax balances relate to the same taxation authority. Current tax assets and tax liabilities are offset where the entity has a legally enforceable right to offset and intends either to settle on a net basis or to realize the asset and settle the liability simultaneously.

Current and deferred tax is recognized in profit or loss, except to the extent that it relates to items recognized in other comprehensive income or directly in equity. In this case, the tax is also recognized in other comprehensive income or directly in equity, respectively.

Minimum alternate tax payable under the provisions of Income Tax Act, 1961 is recognized as an asset in the year in which credit becomes eligible and is set off to the extent allowed in the year in which the company becomes liable to pay income taxes at the enacted tax rates.

l) Provisions and contingent liabilities

i) Provision:

A provision is recorded when the Company has a present legal or constructive obligation as a result of past events, it is probable that an outflow of resources will be required to settle the obligation and the amount can be reasonably estimated.

Provisions are measured at the present value of management's best estimate of the expenditure required to settle the present obligation at the end of the reporting period. Provisions are discounted when the time value of money is material. The discount rate used to determine the present value is a pre-tax rate that reflects current market assessments of the time value of money and the risks specific to the liability. The increase in the provision due to the passage of time is recognized as interest expenses.

ii) Contingent liabilities:

Wherever there is a possible obligation that arises from past events and whose existence will be confirmed only by the occurrence or non-occurrence of one or more uncertain future events not wholly within the control of the entity or a present obligation that arises from past events but is not recognized because (a) it is not probable that an outflow of resources embodying economic benefits will be required to settle the obligation, or (b) the amount of the obligation cannot be measured with sufficient reliability.

m) Cash and Cash equivalents

For the purpose of presentation in the statement of cash flows, cash and cash equivalents include cash on hand, deposits held at call with financial institutions/banks, other short-term, highly liquid investments with original maturities of three months or less that are readily convertible to known amounts of cash and which are subject to an insignificant risk of changes in value, and bank overdrafts. Bank overdrafts are shown within borrowings in current liabilities in the balance sheet.

n) Cash flow statement:

Cash flows are reported using the indirect method, whereby the profit for the period is adjusted for the effects of transactions of non-cash nature, any deferrals or accruals of past or future operating cash receipts or payments and, item of income or expenses associated with investing or financing cash flows. The cash flows from operating, investing and financing activities of the company are segregated.

o) Financial instruments

Financial assets and financial liabilities are recognized when the company becomes a party to the contractual provisions of the instruments.

Financial assets and financial liabilities are initially measured at fair value. Transaction costs that are directly attributable to the acquisition or issue of financial assets and financial liabilities (other than financial assets and financial liabilities at fair value through profit or loss) are added to or deducted from the fair value of the financial assets or financial liabilities, as appropriate, on initial recognition. Transaction costs directly attributable to the acquisition of financial assets or financial liabilities at fair value through profit or loss are recognized immediately in profit or loss.

Financial assets

All regular-way purchases or sales of financial assets are recognized and de-recognized on a trade date basis. Regular way purchases or sales are purchases or sales of financial assets that require delivery of assets within the time frame established by regulation or convention in the marketplace.

All recognized financial assets are subsequently measured in their entirety at either amortized cost or fair value, depending on the classification of the financial assets

For the impairment policy on financial assets – refer to Para No. “g”

1) Classification of financial assets

Debt instruments that meet the following conditions are subsequently measured at amortized cost (except for debt instruments that are designated as at fair value through profit or loss on initial recognition):

- the asset is held within a business model whose objective is to hold assets to collect contractual cash flows; and
- The contractual terms of the instrument give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding.

Debt instruments that meet the following conditions are subsequently measured at fair value through other comprehensive income (except for debt instruments that are designated as at fair value through profit or loss on initial recognition):

- the asset is held within a business model whose objective is achieved both by collecting contractual cash flows and selling financial assets; and
- The contractual terms of the instrument give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding.

Interest income is recognized in profit or loss for FVTOCI debt instruments. To recognize foreign exchange gains and losses, FVTOCI debt instruments are treated as financial assets measured at amortized cost. Thus, the exchange differences on the amortized cost are recognized in profit or loss and other changes in the fair value of FVTOCI financial assets are recognized in other comprehensive income and accumulated under the heading of 'investment Revaluation reserve' through other comprehensive income'. When the investment is disposed of the cumulative gain or loss previously accumulated in this reserve is reclassified to profit or loss.

All other financial assets are subsequently measured at fair value through Profit and loss.

2) Effective interest method

The effective interest method is a method of calculating the amortized cost of a debt instrument and of allocating interest income over the relevant period. The effective interest rate is the rate that exactly discounts estimated future cash receipts (including all fees and points paid or received that form an integral part of the effective interest rate, transaction costs and, other premiums or discounts) through the expected life of the debt instrument, or, where appropriate, a shorter period, to the net carrying amount on initial recognition.

Income is recognized on an effective-interest basis for debt instruments other than those financial assets classified as at FVTPL. Interest income is recognized in profit or loss and is included in the "Other income" line item.

3) Investments in equity instruments at FVTOCI

On initial recognition, the company can make an irrevocable election (on an instrument-by-instrument basis) to present the subsequent changes in fair value in other comprehensive income pertaining to investments in equity instruments. This election is not permitted if the equity investment is held for trading. These elected investments are initially measured at fair value plus transaction costs. Subsequently, they are measured at fair value with gains and losses arising from changes in fair value recognized in other comprehensive income and accumulated in the 'investment Revaluation Reserve' through other comprehensive income'. The cumulative gain or loss is not reclassified to profit or loss on the disposal of the investments.

A financial asset is held for trading if:

- it has been acquired principally for the purpose of selling it in the near term; or
- on initial recognition it is part of a portfolio of identified financial instruments that the company manages together and has a recent actual pattern of short-term profit-making; or

- it is a derivative that is not designated and effective as a hedging instrument or a financial guarantee.

The company has equity investments which are not held for trading. The company has elected the FVTOCI irrevocable option for both of these investments. Fair value is determined in the manner described in Para No. “t”

Dividends on these investments in equity instruments are recognized in profit or loss when the company's right to receive the dividends is established, it is probable that the economic benefits associated with the dividend will flow to the entity, the dividend does not represent a recovery of part of the cost of the investment and the amount of dividend can be measured reliably. Dividends recognized in profit or loss is included in the 'Other income' line item.

4) Financial assets at fair value through profit or Loss (FVTPL)

Investments in equity instruments are classified as at FVTPL, unless the company irrevocably elects on initial recognition to present subsequent changes in fair value in other comprehensive income for investments in equity instruments which are not held for trading.

Debt instruments that do not meet the amortized cost criteria or FVTOCI criteria (see above) are measured at FVTPL. In addition, debt instruments that meet the amortized cost criteria or the FVTOCI criteria but are designated as at FVTPL are measured at FVTPL.

A financial asset that meets the amortized cost criteria or debt instruments that meet the FVTOCI criteria may be designated as at FVTPL upon initial recognition if such designation eliminates or significantly reduces a measurement or recognition inconsistency that would arise from measuring Assets or Liabilities are recognizing the gains and losses on them on different bases. The company has not designated any debt instrument as at FVTPL.

Financial assets at FVTPL are measured at fair value at the end of each reporting period, with any gains or losses arising on re-measurement recognized in profit or loss. The net gain or loss recognized in profit or loss incorporates any dividend or interest earned on the financial asset and is included in the 'Other income' line item. Dividend on financial assets at FVTPL is recognized when the company's right to receive the dividends is established, it is probable that the economic benefits associated with the dividend will flow to the entity, the dividend does not represent a recovery of part of the cost of the investment and the amount of dividend can be measured reliably.

5) De-recognition of financial assets

The Company de-recognizes a financial asset when the contractual rights to the cash flows from the asset expire, or when it transfers the financial asset and substantially all the risks and rewards of ownership of the asset to another party. If the Company neither transfers nor retains substantially all the risks and rewards of ownership and continues to control the transferred asset, the Company recognizes its retained interest in the asset and an associated liability for amounts it may have to pay. If the Company retains substantially all the risks and rewards of ownership of a transferred financial asset, the Company continues to recognize the financial asset and also recognizes a collateralized borrowing for the proceeds received.

6) Foreign exchange gain and losses

The fair value of financial assets denominated in a foreign currency is determined in that foreign currency and translated at the spot rate at the end of each reporting period.

- For foreign currency-denominated financial assets measured at amortized cost and FVTPL, the exchange differences are recognized in profit or loss except for those which are designated as hedging instruments in a hedging relationship.
- Changes in the carrying amount of investments in equity instruments at FVTOCI relating to changes in foreign currency rates are recognized in other comprehensive income.
- For the purposes of recognizing foreign exchange gains and losses, FVTOCI debt instruments are treated as financial assets measured at amortized cost. Thus, the exchange differences on the amortized cost are recognized in profit or loss and other changes in the fair value of FTVOCI financial assets are recognized in other comprehensive income.

Financial liabilities and equity instrument:

1) Classification as debt or equity

Debt and equity instruments issued by a company entity are classified as either financial liabilities or as equity in accordance with the substance of the contractual arrangements and the definitions of a financial liability and an equity instrument

2) Equity instruments

An equity instrument is any contract that evidences a residual interest in the assets of an entity after deducting all of its liabilities. Equity instruments issued by a company entity are recognized at the proceeds received, net of direct issue costs.

Repurchase of the Company's own equity instruments is recognized and deducted directly in equity. No gain or loss is recognized in profit or loss on the purchase, sale, issue or cancellation of the Company's own equity instruments.

3) Financial liabilities:

All financial liabilities are subsequently measured at amortized cost using the effective interest method or at FVTPL.

(i) Financial liabilities at FVTPL:

Financial liabilities are classified as at FVTPL when the financial liability is either contingent consideration recognized by the Company as an acquirer in a business combination to which Ind AS 103 applies or is held for trading or it is designated as at FVTPL.

A financial liability is classified as held for trading if:

- it has been incurred principally for the purpose of repurchasing it in the near term; or
- on initial recognition it is part of a portfolio of identified financial instruments that the Company manages together and has a recent actual pattern of short-term profit-taking; or
- it is a derivative that is not designated and effective as a hedging instrument.

A financial liability other than a financial liability held for trading or contingent consideration recognized by the Company as an acquirer in a business combination to which Ind AS 103 applies, may be designated as at FVTPL upon initial recognition if:

- such designation eliminates or significantly reduces a measurement or recognition inconsistency that would otherwise arise;
- the financial liability forms part of a company of financial assets or financial liabilities or both, which is managed and its performance is evaluated on a fair value basis, in accordance with the Company's documented risk management or investment strategy, and information about the company is provided internally on that basis; or
- It forms part of a contract containing one or more embedded derivatives, and Ind AS 109 permits the entire combined contract to be designated as at FVTPL in accordance with lnd AS 109.

Financial liabilities at FVTPL are stated at fair value, with any gains or losses arising on re-measurement recognized in profit or loss. The net gain or loss recognized in profit or loss incorporates any interest paid on the financial liability and is included in the 'Other income' line item.

However, for non-held-for-trading financial liabilities that are designated as at FVTPL, the amount of change in the fair value of the financial liability that is attributable to changes in the credit risk of that liability is recognized in other comprehensive income, unless the recognition of the effects of changes in the liability's credit risk in other comprehensive income would create or enlarge an accounting mismatch in profit or loss, in which case these effects of changes in credit risk are recognized in profit or loss. The remaining amount of change in the fair value of a liability is always recognized in profit or loss. Changes in fair value attributable to a financial liability's credit risk that are recognized in other comprehensive income are reflected immediately in retained earnings and are not subsequently reclassified to profit or loss.

Gains or losses on financial guarantee contracts and loan commitments issued by the Company that are designated by the Company as at fair value through profit or loss are recognized in profit or loss.

Fair value is determined in the manner described in Para “t”.

(ii) Financial liabilities subsequently measured at amortized cost

Financial liabilities that are not held-for-trading and are not designated as at FVTPL are measured at amortized cost at the end of subsequent accounting periods. The carrying amounts of financial liabilities that are subsequently measured at amortized costs are determined based on the effective interest method. Interest expense that is not capitalized as part of costs of an asset is included in the 'Finance costs' line item.

The effective interest method is a method of calculating the amortized cost of a financial liability and of allocating interest expense over the relevant period. The effective interest rate is the rate that exactly discounts estimated future cash payments (including all fees and points paid or received that form an integral part of the effective interest rate, transaction costs, and other premiums or discounts) through the expected life of the financial liability, or (where appropriate) a shorter period, to the net carrying amount on initial recognition.

De-recognition of financial liabilities:

The Company de-recognizes financial liabilities when and only when, the Company's obligations are discharged, cancelled or have expired. An exchange between with a lender of debt instruments with substantially different terms is accounted for as an extinguishment of the original financial liability and the recognition of a new financial liability. Similarly, a substantial modification of the terms of an existing financial liability (whether or not attributable to the financial difficulty of the debtor) is accounted for as an extinguishment of the original financial liability and the recognition of a new financial liability. The difference between the carrying amount of the financial liability de-recognized and the consideration paid and payable is recognized in profit or loss.

p) Borrowings

Borrowing costs incurred in connection with the funds borrowed for acquisition/erection of assets that necessarily take a substantial period to get ready for intended use are capitalized as part of such assets. Interest income earned on the temporary investment of specific borrowings pending their expenditure on qualifying assets is deducted from the borrowing cost eligible for capitalization. Borrowing cost also includes exchange differences to the extent regarded as an adjustment to the borrowings costs. All other borrowing costs are charged to revenue.

q) Current and Non-current classification

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

Cash or cash equivalent is treated as current unless restricted from being exchanged or used to settle a liability for at least twelve months after the reporting period. In respect of other assets, it is treated as current when it is:

- expected to be realized or intended to be sold or consumed in the normal operating cycle
- held primarily for the purpose of trading
- Expected to be realized within twelve months after the reporting period.

All other assets are classified as non-current.

A liability is treated as current when:

- it is expected to be settled in the normal operating cycle
- it is held primarily for the purpose of trading
- it is due to be settled within twelve months after the reporting period, or
- There is no unconditional right to defer the settlement of the liability for at least twelve months after the reporting period.

All other liabilities are classified as non-current.

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

r) Dividend:

Final dividends on shares are recorded as a liability on the date of approval by the shareholders and interim dividends are recorded as a liability on the date of declaration by the company's board of directors.

s) Earnings per share:

The company's Basic EPS is calculated by dividing profit or loss from continuing operations attributable to ordinary equity holders by the weighted average number of ordinary shares outstanding during the period as per IND AS-33, Earnings per Share.

The diluted EPS of an entity is calculated on the same basis as basic EPS, after adjusting for the effects of dilutive potential ordinary shares unless the effect of the potential dilutive equity shares is anti-dilutive.

t) Fair value measurement:

In determining the fair value of its financial instruments, the company uses a variety of methods and assumptions that are based on market conditions and risks existing at each reporting date. The methods used to determine fair value include discounted cash flow analysis, available quoted market prices, and dealer quotes. All methods of assessing fair value resulting in general approximation of value and such value may never actually be realized.

u) Expenditure on approved Research and Development Programme:

In respect of approved Research and Development Programme expenditure of capital nature is included in Property, Plant and Equipment and other expenditure is charged off to revenue in the year in which such expenditure is incurred.

v) Non-current assets held for sale:

Non- current assets and disposal groups are classified as held for sale if their carrying amount will be recovered principally through a sale transaction rather than through continuing use. This condition is regarded as met only when the asset (or disposal group) is available for immediate sale in its present condition subject only to terms that are usual and customary for sale of such asset (or disposal group) and its sale is highly probable. Management must be committed to the sale, which should be expected to qualify for recognition as a completed sale within one year from the date of classification.

Non-current assets (and disposal group) classified as held for sale are measured at the lower of their carrying amount and fair value less cost to sell.

Notes - 2.1 : Property, Plant and Equipment

(Rs. in Lakhs)

Description	GROSS BLOCK				DEPRECIATION BLOCK				NET BLOCK	
	Cost as at 01.04.2021	Additions During the year	Deductions During the year	**Cost as at 31.03.2022**	Depreciation up to 31.03.2021	**Depreciation for the year**	Depreciation on Deductions	**Depreciation up to 31.03.2022**	**As at 31.03.2022**	As at 31.03.2021
Land	18.45	--	--	18.45	--	--	--	--	18.45	18.45
Buildings	511.44	--	--	511.44	99.62	19.10	--	118.72	392.71	411.81
Plant & Machinery	4,019.67	99.59	176.57	3,942.68	1,196.51	273.18	91.29	1,378.40	2,564.27	2,823.16
Furniture & Fittings	0.62	0.40	--	1.02	0.32	0.18	--	0.50	0.53	0.30
Office Equipment	1.47	0.40	--	1.87	1.35	0.05	--	1.39	0.48	0.12
Vehicles & Material Handling Equipment	21.16	--	--	21.16	17.07	1.23	--	18.30	2.86	4.09
Electrical Installations & Equipment	299.11	--	--	299.11	152.56	29.79	--	182.35	116.75	146.54
Laboratory Equipment	79.47	125.43	--	204.90	53.22	20.76	--	73.98	130.92	26.25
Computers	7.71	0.61	--	8.32	7.32	0.23	--	7.55	0.77	0.39
TOTAL	**4,959.10**	**226.42**	**176.57**	**5,008.95**	**1,527.97**	**344.52**	**91.29**	**1,781.20**	**3,227.75**	**3,431.13**
PREVIOUS YEAR	4,572.89	468.40	82.19	4,959.10	1,246.99	319.17	38.19	1,527.97	3,431.13	3,325.91

Note:- 1) There were no impairment of assets and intangible assets, hence the relevent information was not furnished.

(Rs. in Lakhs)

3	Non-current Investments	As At 31st March 2022	As At 31st March 2021
	Investments measured at Fair Value through Other Comprehensive Income		
	Investment in Equity instruments (Unquoted)		
	6,70,000 (31st March 2021: 6,70,000) Equity shares of Rs. 10/- each,	524.88	475.94
	fully paid up in Andhra Pradesh Gas Power Corporation Ltd.,		
		524.88	**475.94**
	Aggregate amount of quoted Investments - Market Value Rs.	NIL	NIL
	- Cost Rs.	NIL	NIL
	Aggregate amount of impairment in value of investments	NIL	NIL
	Aggregate amount of unquoted investments	**524.88**	**475.94**

(Rs. in Lakhs)

4	Other Financial Assets (Non-current)	As At 31st March 2022	As At 31st March 2021
	Security Deposit	93.05	93.05
	Others(to be specified)	-	-
	Total	**93.05**	**93.05**

(Rs. in Lakhs)

4A	Other assets (Non-current)	As At 31st March 2022	As At 31st March 2021
	Capital Advances	43.96	--
	Others	44.26	--
	Total	**88.22**	**--**

(Rs. in Lakhs)

5	Inventories (valued at lower of cost and net realizable value)	As At 31st March 2022	As At 31st March 2021
	Raw materials and components at Cost	677.12	916.28
	Work-in-progresss		
	: At Cost	167.57	133.99
	Finished goods		
	: At Cost	406.73	195.90
	: At Estimated Realisable Value		
	Stores and spares at Cost	123.31	112.80
	(including in transit Rs.8,63,458/-)		
	(31st March 2021: Rs. 8,49,898/-)		
	Cotton Waste	14.75	65.25
	Total	**1,389.47**	**1,424.21**

The cost of inventories recognised as an expense during the year in respect of continuing operations was Rs. 4,075.06 lakhs year ended 31st March 2022 and Rs. 2,505.39 lakhs for the year ended 31st March 2021

The mode of valuation of inventories has been stated in note "i" in significant accounting policies

(Rs. in Lakhs)

6	Current Investments	As At 31st March 2022	As At 31st March 2021
	Quoted mutual funds		
	SBI Mutual Funds.		
	-- (31st March 2021 - 170.24) units of Liquid Fund Regular growth plan	-	5.45
	-- (31st March 2021-476149.65)units Saving Fund Regular plan growth mutual funds	-	155.09
	1,98,07,055.52(31st March 2021- 1455759.15)units Short term Debt fund Regular plangrowth	2,103.69	364.26
		2,103.69	**524.80**
	Aggregate amount of quoted Investments - Market Value Rs.	**2,103.69**	**524.80**
	- Cost Rs.		
	Aggregate amount of unquoted Investments		
	Aggregate amount of impairment in value of investments		

(Rs. in Lakhs)

7 Trade receivables	As At 31st March 2022	As At 31st March 2021
Secured, considered good		
Unsecured, considered good	1,477.15	376.78
Which have significant increase in Credit Risk		
Credit impaired		
Total	**1,477.15**	**376.78**

Trade Receivables ageing schedule outstanding as on 31st March 2022 (Rs. in Lakhs)

Particulars	Outstanding for following periods from due date of payment#					Total
	Less than 6 months	6 months - 1 year	1-2 years	2-3 years	More than 3 years	
(i) Undisputed Trade receivables – considered good	**1,477.07**	-	**0.08**	-	-	**1,477.15**
(ii) Undisputed Trade Receivables – which have significant increase in credit risk						-
(iii) Undisputed Trade Receivables – credit impaired						-
(iv) Disputed Trade Receivables– considered good						-
(v) Disputed Trade Receivables – which have significant increase in credit risk						-
(vi) Disputed Trade Receivables – credit impaired						-

Trade Receivables ageing schedule outstanding as on 31st March 2021 (Rs. in Lakhs)

Particulars	Outstanding for following periods from due date of payment#					Total
	Less than 6 months	6 months - 1 year	1-2 years	2-3 years	More than 3 years	
(i) Undisputed Trade receivables – considered good	**376.70**	**0.08**	-	-	-	**376.78**
(ii) Undisputed Trade Receivables – which have significant increase in credit risk						-
(iii) Undisputed Trade Receivables – credit impaired						-
(iv) Disputed Trade Receivables– considered good						-
(v) Disputed Trade Receivables – which have significant increase in credit risk						-
(vi) Disputed Trade Receivables – credit impaired						-

(Rs. in Lakhs)

8.1	Cash and bank balances	As At 31st March 2022	As At 31st March 2021
	Cash and Cash Equivalents :		
	Balances with Banks:		
	On current accounts	1.40	32.78
	Deposits with original maturity of less than 3 months		
	On unclaimed dividend account	12.33	3.44
	Cheques/drafts on hand		
	Cash on hand	0.18	0.73
		13.91	**36.95**
8.2	**Other Bank Balances :**		
	Deposits with original maturity for more than 3 months but less than 12 months		
	Margin money deposit Letter of Credit	-	0.47
	Margin money deposit FD	-	-
		-	**0.47**
	Amount disclosed under non-current assets		
	Total	**13.91**	**37.42**

(Rs. in Lakhs)

9	Other Financial Assets (Current)	As At 31st March 2022	As At 31st March 2021
	Interest accrued on fixed deposits/security deposits	2.90	4.40
	Total	2.90	4.40

(Rs. in Lakhs)

10	Current Tax Assets (net)	As At 31st March 2022	As At 31st March 2021
	Advance Income-tax / TDS (net)	822.22	269.65
	Less: Provision for Income tax	(834.00)	(281.97)
		(11.78)	(12.31)

(Rs. in Lakhs)

11	Other Current assets	As At 31st March 2022	As At 31st March 2021
	Prepaid expenses	24.68	17.22
	Balances with Statutory / government authorities	20.87	28.11
	Advances recoverable in cash or kind		
	Secured, considered good		
	Unsecured, considered good	22.80	9.04
		68.35	54.36

(Rs. in Lakhs)

12 Share Capital	As At 31st March 2022	As At 31st March 2021
Authorised Shares :		
1,09,50,000 (31 March 2021 : 35,00,000) equity shares of Rs.10/- each	1,095.00	350.00
5,000(31 March 2021 :5,000) 9.30% Taxable Redeemable cumulative preference shares of Rs.100/- each	5.00	5.00
	1,100.00	**355.00**
Issued Shares :		
10,50,100(31 March 2021 :10,50,100) equity shares of Rs.10/- each	105.01	105.01
	105.01	**105.01**
Subscribed and fully paid-up shares :		
10,50,100(31 March 2021 :10,50,100) equity shares of Rs.10/- each	105.01	105.01
Total issued, subscribed and fully paid-up capital	**105.01**	**105.01**

a. Reconciliation of the shares outstanding at the beginning and at the end of the reporting period

(Rs. in lakhs except equity shares)

Equity Shares	As At 31st March 2022 Rs.		As At 31st March 2021 Rs.	
	No.	Rs.	No.	Rs.
At the beginning of the period	10,50,100	105.01	10,50,100	105.01
Issued during the period - Bonus issue				
Issued during the period - ESOP				
Outstanding at the end of the period	**10,50,100**	**105.01**	**10,50,100**	**105.01**

b.Details of shareholders holding more than 5% shares in the company

Equity shares of Rs.10/- each fully paid	As At 31st March 2022		As At 31st March 2021	
	No.	% holding in the class	No.	% holding in the class
1) Sri E.Satyanarayana	1,79,140	17.06%	1,79,140	17.06%
2) Sri E.Rangarao	55,310	5.27%	55,310	5.27%
3) Sri B.Ramesh Kumar	72,280	6.88%	72,280	6.88%
Total	**3,06,730**	**29.21%**	**3,06,730**	**29.21%**

c.Equity shares movement during the 5 years preceding March 31, 2022

Equity shares issued as bonus

The Company allotted 9,45,090 equity shares of Rs. 10/- each as fully paid up bonus shares by capitalisation of profits transferred from General Reserve amounting to Rs. 94.51 lakhs during the year 2017-18.

d.Disclosure of Shareholding of Promoters as at 31st March 2022

S.no	Shares held by promoters at the end of the year			% Change during the year
	Promoter name	No. of shares	% of total shares	
1	Sri. E.Sathyanarayana	179140	17.06	-
2	Sri. E Ranga Rao	55310	5.27	-
3	Smt. E.Rajeswari	48800	4.65	-
4	Sri. E Sailesh	42570	4.05	-
5	Sri E.Sidhaarth	14600	1.39	-
6	Smt. E Rama Lakshmi	5000	0.48	-
7	Smt. L Nagaswarna	4420	0.42	-
8	M/s. Ramalakshmi Spinners Pvt ltd	10000	0.95	-
	Total	359840	34.27	-

d.Disclosure of Shareholding of Promoters as at 31st March 2021

S.no	Shares held by promoters at the end of the year			% Change during the year
	Promoter name	No. of shares	% of total shares	
1	Sri. E.Sathyanarayana	179140	17.06	-
2	Sri. E Ranga Rao	55310	5.27	-
3	Smt. E.Rajeswari	48800	4.65	-
4	Sri. E Sailesh	42570	4.05	-
5	Sri. E.Sidhaarth	14600	1.39	-
6	Smt. E Rama Lakshmi	5000	0.48	-
7	Smt. L Nagaswarna	4420	0.42	-
8	M/s. Ramalakshmi Spinners Pvt ltd	10000	0.95	-
	Total	359840	34.27	-

(Rs. in Lakhs)

13 OTHER EQUITY	As At 31st March 2022	As At 31st March 2021
Capital Reserve	28.31	28.31
Capital Redemption Reserve	3.00	3.00
	31.31	**31.31**
Surplus in Other Comprehensive Income		
Balance as per last Financial Statements	(263.88)	(133.63)
Add: Other Comprehensive Income for the year	64.32	(125.79)
Add: Amount transferred from retained earnings	(15.38)	(4.45)
Closing Balance	**(214.94)**	**(263.88)**
General Reserve		
Balance as per the last Financial Statements	4,102.40	4,102.40
Add : Amount transferred from Surplus Balance in the Statement Of Profit and Loss	-	-
Closing Balance	**4,102.40**	**4,102.40**
Surplus/(Deficit) In The Statement Of Profit And Loss		
Balance as per the last Financial Statements	1,360.92	811.48
Profit for the year	1,887.97	544.99
Add: Transfer to FVTOCI Reserve	15.38	4.45
	3,264.26	**1,360.92**
Less :		
Equity Dividend paid	94.51	-
Transfer to FVTOCI Reserve	-	-
Transfer to General Reserve	-	-
Total Deductions	**94.51**	**-**
Net Surplus In Statement Of Profit And Loss	**3,169.76**	**1,360.92**
Total Reserves And Surplus Taken To Balance Sheet	**7,088.53**	**5,230.75**

Capital Reserve: This Reserve represents the sale value over and above the cost of acquisition of related assets.

Capital Redemption Reserve: This Reserve is created pursuant to redemption of preference shares.

General Reserve: This Reserve is created by an appropriation from one component of equity (generally retained earnings) to another, not being an item of Other Comprehensive Income.

Investment Revaluation Reserve: This reserve represents the cumulative gain or loss arising on revaluation of equity instruments measured at Fair Value through Other Comprehensive Income, net of amounts reclassified, if any, to Retained Earnings when those investments are disposed off.

Actuarial Gain/Loss Reserve: This reserve represents the cumulative acturial gains/losses on account of remeasurement of defined benefit plans, net of amounts reclassified, if any to Retained Earnings.

Retained Earnings: This reserve represents the cumulative profits of the Company as at the Balance sheet date.

1. The amount that can be distributed by the company as dividends to equity shareholders is determined based on separate financial statements and as per the requirements of companies Act 2013.

2. For the year ended March 31st, 2022 the Board of Directors declared a Final dividend of Rs. 4.50/- per Share.

(Rs. in Lakhs)

14	**Borrowings (Non-current)**	**As At 31st March 2022**	**As At 31st March 2021**
	Term Loans		
	Indian rupee loan from banks (secured)	-	-
		-	**-**
	Deposits from share holders		
	Deposits from Public		
		-	**-**
	Total Amount	**-**	**-**
	The above amount includes		
	Secured borrowings		
	Unsecured borrowings	-	-
	Amount disclosed under the head		
	"other financial liabilities (current)"(note 9.2)		
	Net Amount	**-**	**-**

(Rs. in Lakhs)

15 Provisions (Non-current)	As At 31st March 2022	As At 31st March 2021
Provision for employee benefits:		
Provision for gratuity	11.24	16.74
Provision for leave benefits	44.43	41.55
	55.67	**58.29**

(Rs. in Lakhs)

16 Deferred Tax Liability (Net)	As At 31st March 2022	As At 31st March 2021
Deferred Tax Liability		
Fixed assets:Impact of difference between tax depreciation and depreciation/amortisation charged for the financial reporting	383.80	382.30
Provision for discounting of liability for APGPCL investments	-	1.35
Others		
Gross deferred tax liability	**383.80**	**383.65**
Deferred tax asset		
Investments		
Impact of expenditure charged to the statement of profit and loss in the current year but allowed for tax purposes on payment basis	35.05	41.65
Provision for dimunition in the value of investments		
Unabsorbed losses		
Others		
Gross deferred tax asset	**35.05**	**41.65**
Net Deferred Tax Liability	**348.75**	**341.99**

(Rs. in Lakhs)

17	Provisions (Current)	As At 31st March 2022	As At 31st March 2021
	Provision for employee benefits:		
	Provision for gratuity	-	50.99
	Provision for leave benefits	11.06	14.41
		11.06	**65.40**

18	Borrowings (Current)	As At 31st March 2022	As At 31st March 2021
	Cash credit from Banks		
	: Secured	378.29	-
	: Unsecured		
	Loan Repayable on Demand (Unsecured)		
	:from Directors		
	Interest free loan and advances from related parties repayable on demand (unsecured)		
	Current maturities of long term borrowings	-	144.64
		378.29	**144.64**
	The above amount includes		
	Secured borrowings	378.29	144.64
	Unsecured borrowings		

Working capital loans from State Bank Of India (Secured by Hypothecation of entire current assets and movable assets of the Company). The above loans are further collaterally secured by first charge on the entire fixed assets of the company. The rate of interest 2% above MCLR for 1 year being 8% with present effetive rate at 7.65% (@9.55%).

The Company has submitted the Quarterly returns to bank showing the particulars of Stocks and Debtors. The company is submitting stock statements to the banks at the valuation based upon "net realizable value less 30% margin" as against "lower of cost or net realizable value" being adopted in the books of accounts. Such stock statements are varied for the quarter ending 30th June 2021, 30th September 2021, 31st December 2021 & 31st March 2022 in respect of valuation of finished goods in excess of Rs. 79.23 Lakhs, Rs. 16.67 Lakhs, Rs. 7.75 Lakhs & Rs. 62.96 Lakhs respectively.

(Rs. in Lakhs)

19	Trade payables	As At 31st March 2022	As At 31st March 2021
	Due to Micro & Small Enterprises	5.37	10.36
	Due to Others	656.91	277.23
		662.29	**287.59**

Trade Payables ageing schedule outstanding as at 31st March 2022

(Rs. in Lakhs)

Particulars	Outstanding for following periods from due date of payment				Total
	Less than 1 year	1-2 years	2-3 years	More than 3 years	
(i) MSME	5.37	-	-	-	5.37
(ii) Others	243.53	-	-	-	243.53
(iii) Disputed dues – MSME	-	-	-	-	-
(iv)Disputed dues - Others	194.61	93.33	2.60	64.64	355.18
Billed					**604.08**
Trade payables - unbilled					58.20
					662.29

Trade Payables ageing schedule outstanding as at 31st March 2021

(Rs. in Lakhs)

Particulars	Outstanding for following periods from due date of payment				Total
	Less than 1 year	1-2 years	2-3 years	More than 3 years	
(i) MSME	10.36	-	-	-	10.36
(ii) Others	43.01				43.01
(iii) Disputed dues – MSME					-
(iv)Disputed dues - Others	93.33	2.60	-	64.64	160.57
Billed					**213.93**
Trade payables - unbilled					73.66
					287.59

(Rs. in Lakhs)

20

Other Financial Liabilties (Current)	As At 31st March 2022	As At 31st March 2021
Project Related payables	44.05	-
Unclaimed dividend	12.32	3.43
Accrued Salaries and Benefits	121.52	119.96
Directors Remuneration Payable	123.47	28.69
Others	3.75	2.50
	305.11	**154.58**

(Rs. in Lakhs)

21

Other Current Liabilities	As At 31st March 2022	As At 31st March 2021
Advance from customers	1.68	-
Statutory Dues	17.71	17.51
Others	3.48	4.02
	22.88	**21.53**

(Rs. in Lakhs)

22

Revenue from operations	This year	Previous year
Sale of products:		
Finished goods	8,809.67	5,336.63
Sale of Cotton Waste	505.10	279.08
	9,314.77	**5,615.71**
Other operating revenue		
Duty draw back	-	1.42
Revenue from operations	**9,314.77**	**5,617.14**

(Rs. in Lakhs)

23

Other Income	This year	Previous year
Interest income on		
Bank deposits	1.21	1.29
Others	3.22	6.27
Dividend income on		
Short-term investments	43.88	4.03
Other non-operating income #	182.59	47.90
	230.90	**59.49**

Note :

(Rs. in Lakhs)

# Other non-operating income includes :	This year	Previous year
Difference in Foreign Exchange (Gain)	-	0.51
Profit on Sale of Asset	86.07	20.00
Miscellaneous Receipts	93.55	24.47
Claims Received	2.97	2.91
Total	**182.59**	**47.90**

(Rs. in Lakhs)

24

Cost of raw material consumed	This year	Previous year
Inventory at the beginning of the year	916.28	528.24
Add:Purchases	3,818.09	2,620.95
	4,734.36	3,149.18
Less: Inventory at the end of the year	677.12	916.28
Cost of raw material consumed	**4,057.25**	**2,232.90**

(Rs. in Lakhs)

25

(Increase)/decrease in inventories	This year	Previous year
Inventories at the end of the year		
Work in progress	167.57	133.99
Finished goods	406.73	195.90
Cotton waste	14.75	65.25
	589.04	**395.14**
Inventories at the beginning of the year		
Work in progress	133.99	210.01
Finished goods	195.90	278.29
Cotton waste	65.25	46.06
	395.14	**534.36**
(Increase)/Decrease of inventories	**(193.91)**	**139.22**

(Rs. in Lakhs)

26

Employee benefit expense	This year	Previous year
Salaries, wages and bonus	823.97	699.33
Contribution to provident and other fund	81.03	75.98
Gratuity expense	31.94	35.83
Staff welfare expenses	13.20	10.84
	950.15	**821.97**

(Rs. in Lakhs)

27

Finance Costs	This year	Previous year
Interest	0.85	20.87
Other borrowing Cost	0.01	0.10
Finance cost - APGPCL	5.36	6.20
	6.22	**27.17**

(Rs. in Lakhs)

28

Depreciation and amortization expense	This year	Previous year
Depreciation of tangible assets	344.52	319.17
	344.52	**319.17**

(Rs. in Lakhs)

29	Other expenses	This year	Previous year
	Consumption of stores and spares	211.72	133.27
	Processing Charges	-	9.98
	Freight and forwarding charges	25.38	40.49
	Rates and taxes	3.79	1.99
	Insurance	19.68	16.90
	Repairs and maintenance		
	Plant and machinery	323.07	245.94
	Buildings	133.27	10.30
	Others	7.54	5.00
	Advertising	1.57	0.89
	Sales commission	54.62	41.89
	Travelling and conveyance	1.34	0.55
	Communication costs	0.46	0.36
	Hank Yarn Obligation charges	1.63	0.63
	Legal and professional fees	24.66	13.50
	Directors' sitting fees	2.70	3.10
	Payment to Auditors (Refer details below)	5.75	4.74
	Tools written off	1.03	1.15
	Bank Charges	6.49	12.15
	Corporate Social Responsibility Expenses	8.40	5.67
	Miscellaneous expenses	21.54	15.06
		854.65	**563.55**

(Rs. in Lakhs)

Payment to Auditors	This year	Previous year
As Auditor:		
Audit fee	2.75	1.75
Tax audit fee	0.40	0.40
GST audit fee	0.30	0.80
Other services (certification fees)	1.01	1.01
Out of pocket expenses	0.30	0.03
Cost Auditors Fee	1.00	0.75
Total	**5.75**	**4.74**

(Rs. in Lakhs)

30	Other Comprehensive income Items that will not be reclassified to profit & loss account	This year	Previous year
	Revaluation gain/(loss) of investments	48.94	(130.25)
	Acturial Gain / Loss (OCI)-Gratuity	18.75	4.56
	Acturial Gain / Loss (OCI)-Leave	1.80	1.40
	Deferred Tax relating to		
	Employee defined benefit obligations	(5.17)	(1.50)
		64.32	**(125.79)**

31. CONTINGENT LIABILITIES NOT PROVIDED FOR IN RESPECT OF: **(Rs. in Lakhs)**

Particulars	As at 31.03.2022	As at 31.03.2021
a) Disputed Electrical Charges Arrears Eastern Power Distribution Company of Andhra Pradesh Ltd since 2020-2021	743.65	154.19
GRAND TOTAL	**743.65**	**154.19**

32.Sale Commitments

Particulars	As at 31.03.2022	As at 31.03.2021
Commitments in respect of sale contracts	595.74	664.43
GRAND TOTAL	**595.74**	**664.43**

33. COMPARISON BETWEEN CONSUMPTION OF IMPORTED AND INDIGENOUS RAW MATERIAL DURING THE YEAR:

(Rs. in Lakhs)

Particulars	**2021-22**		2020-21	
	Value	%	Value	%
Imported	458.54	11.30	312.04	13.97
Indigenous	3,598.70	88.70	1,920.87	86.03
	4,057.25	**100.00**	**2,232.90**	**100.00**

34.COMPARISON BETWEEN CONSUMPTION OF IMPORTED AND INDIGENOUS SPARE PARTS AND COMPONENTS DURING THE YEAR (CHARGED TO APPROPRIATE HEADS)

(Rs. in Lakhs)

Particulars	**2021-22**		2020-21	
	Value	%	Value	%
Imported	24.21	5.55	18.75	8.01
Indigenous	411.97	94.45	215.19	91.99
	436.18	100.00	233.94	100.00

35. VALUE OF IMPORTS DURING THE YEAR CALCULATED ON C.I.F BASIS

(Rs. in Lakhs)

Particulars	2021-22	2020-21
Stores and spares	135.13	18.68
Raw Materials - Cotton	255.72	887.04
	390.85	**905.72**

36. Earnings in Foreign Currency during the year	--	75.93
37. Details of expenditure incured in foreign currency		
Certification Fee	11.41	6.57
Stores and spares	23.41	18.25
Raw Materials Cotton	228.08	858.74

38.Disclosures on payments and dues to "suppliers" as defined in Micro,Small and Medium Enterprises Development Act,2006.

(Rs. in Lakhs)

Particulars	Current Year	Previous Year
1. Amount remaining unpaid to any "Supplier" at the end of the year,		
(a) Principal amount of bills to be paid	5.37	10.36
(b) Interest due thereon	-Nil-	-Nil-
2. Payments made to suppliers, during the year, but beyond appointed/agreed by		
(a) Payments made to Suppliers.	-Nil-	-Nil-
(b)Interest paid along with such payments during the year u/s 16 of the Act.	-Nil-	-Nil-
3. The amount of interest due and payable for the period of delay in making payment but without adding the interest specified under MSMED Act,2006	-Nil-	-Nil-
4. Amount of interest accrued and remaining unpaid, at the end of each accounting year.	-Nil-	-Nil-
5. Amount of further interest remaining due and payable even in succeeding years, until such date when the interest dues above are actually paid to the small enterprises, for the purpose of disallowance of deductible expenditure under section 23 of MSMED Act,2006.	-Nil-	-Nil-
Note: For the purpose of the above details of the Status of the supplier's under the Act has been determined, to the extent of and based on the information furnished by the respective parties, and has accordingly, been relied upon by the company and its auditors.		

39. As the Company is engaged in manufacture of a single line of products, identification of the Company's business into segments does not arise, as contemplated in the Indian Accounting Standard (Ind AS 108), "Operating Segments".

40. DISCLOSURES REQUIRED BY IND AS-19- EMPLOYEE BENEFITS

Summary of Results:

Highlights of the results as at 31st March, 2022 are given below: **(Rs. in Lakhs)**

Particulars	Gratuity		Leave Encashment	
	Financial Year Ending 31/03/2022	Financial Year Ending 31/03/2021	Financial Year Ending 31/03/2022	Financial Year Ending 31/03/2021
Defined Benefit Cost included in P & L *	31.94	35.83	12.97	12.58
Other Comprehensive (Income) / Loss	(18.75)	(4.56)	(1.80)	(1.40)
Total Defined Benefit Cost recognized in P&L and OCI	13.19	31.27	11.17	11.19
Defined Benefit Obligation at the end	387.19	388.30	55.49	55.96
Fair Value of Plan Assets at the end	375.95	320.57	-	-
Net Defined Benefit Liability / (Asset)	11.24	67.73	55.49	55.96
Discount Rate	7.32.%	6.91.%	7.32.%	6.91.%

Summary Of Financial Assumptions

Particulars	Gratuity		Leave encashment	
	31/03/2022	31/03/2021	31/03/2022	31/03/2021
Discount Rate	7.32.%	6.91.%	7.32.%	6.91.%
Salary Escalation	7.00.%	7.00.%	7.00.%	7.00.%

Summary of Demographic Assumptions-Gratuity

Particulars	31/03/2022	31/03/2021
Mortality Rate (as % of IALM (2012-14) (Mod.) Ult. Mortality Table)	100.%	100.%
Disability Rate (as % of above mortality rate)	0.%	0.%
Withdrawal Rate	8.%	8.%
Normal Retirement Age	58 Years	58 Years
Adjusted Average Future Service	24.17.	24.16.

Summary of Demographic Assumptions-Leave encashment

Particulars	31/03/2022	31/03/2021
Mortality Rate (as % of IALM (2012-14) (Mod.) Ult. Mortality	100.00%	100.00%
Disability Rate (as % of above mortality rate)	0.00%	0.00%
Attrition Rate	8.00%	8.00%
Normal Retirement Age	58 Years	58 Years
Leave Encashment Rate during employment	10.00%	10.00%
Leave Availment Rate	2.00%	2.00%

Change in Defined Benefit Obligation **(Rs. in Lakhs)**

Particulars	Gratuity		Leave Encashment	
	Financial Year Ending 31/03/2022	Financial Year Ending 31/03/2021	Financial Year Ending 31/03/2022	Financial Year Ending 31/03/2021
Defined Benefit Obligation at the beginning	388.30	368.13	55.96	52.67
Current Service Cost	29.70	30.02	9.51	9.26
Past Service Cost	-	-	-	-
(Gain) / Loss on settlements	-	-	-	-
Interest Expense	25.54	24.17	3.46	3.32
Benefit Payments from Plan Assets	(37.29)	(27.36)	-	-
Benefit Payments from Employer	-	-	(11.64)	(7.90)
Settlement Payments from Plan Assets	-	-	-	-
Settlement Payments from Employer	-	-	-	-
Other (Employee Contribution, Taxes, Expenses)	-	-	-	-
Increase / (Decrease) due to effect of any business combination / divesture / transfer)	-	-	-	-
Increase / (Decrease) due to Plan combination	-	-	-	-
Remeasurements - Due to Demographic Assumptions	-	-	-	-
Remeasurements - Due to Financial Assumptions Remeasurements -	(11.88)	(2.56)	(0.89)	(0.19)
Due to Experience Adjustments	(7.19)	(4.10)	(0.91)	(1.21)
Defined Benefit Obligation at the end	387.19	388.30	55.49	55.96
Discount Rate	7.32.%	6.91.%	7.32.%	6.91.%
Salary Escalation Rate	7.00.%	7.00.%	7.00.%	7.00.%

Change in Fair Value of Plan Assets **(Rs. in Lakhs)**

Particulars	Gratuity		Leave Encashment	
	Financial Year Ending 31/03/2022	Financial Year Ending 31/03/2021	Financial Year Ending 31/03/2022	Financial Year Ending 31/03/2021
Fair Value of Plan Assets at the beginning	320.57	233.52	-	-
Interest Income	23.30	18.36	-	-
Employer Contributions	70.51	98.81	-	-
Employer Direct Benefit Payments Employer Direct Settlement	-	-	11.64	7.90
Payments	-	-	-	-
Benefit Payments from Plan Assets	(37.29)	(27.36)	-	-
Benefit Payments from Employer	-	-	(11.64)	(7.90)
Settlement Payments from Plan Assets	-	-	-	-
Settlement Payments from Employer	-	-	-	-
Other (Employee Contribution, Taxes, Expenses)	(0.83)	(0.67)	-	-
Increase / (Decrease) due to effect of any business combination / divestiture / transfer	-	-	-	-
Increase / (Decrease) due to Plan combination	-	-	-	-
Remeasurements - Return on Assets (Excluding Interest Income)	(0.32)	(2.10)	-	-
Fair Value of Plan Assets at the end	375.95	320.57	-	-

Weighted Average Asset Allocations at end of Year

Particulars	Gratuity		Leave Encashment	
	Financial Year ending 31.03.2022	Financial Year ending 31.03.2021	Financial Year ending 31.03.2022	Financial Year ending 31.03.2021
Equities	0%	0%	0%	0%
Bonds	0%	0%	0%	0%
Gilts	0%	0%	0%	0%
Insurance Policies	100%	100%	0%	0%
Total	100%	100%	0%	0%

Components of Defined Benefit Cost **(Rs. in Lakhs)**

Particulars	Gratuity		Leave Encashment	
	Financial Year Ending 31/03/2022	Financial Year Ending 31/03/2021	Financial Year Ending 31/03/2022	Financial Year Ending 31/03/2021
Current Service Cost	29.70	30.02	9.51	9.26
Past Service Cost	-	-	-	-
(Gain) / Loss on Settlements	-	-	-	-
Reimbursement Service Cost	-	-	-	-
Total Service Cost	29.70	30.02	9.51	9.26
Interest Expense on DBO	25.54	24.17	3.46	3.32
Interest (Income) on Plan Assets	(23.30)	(18.36)	-	-
Interest (Income) on Reimbursement Rights	-	-	-	-
Interest Expense on (Asset Ceiling) / Onerous Liability	-	-	-	-
Total Net Interest Cost	2.24	5.81	3.46	3.32
Reimbursement of Other Long Term Benefits	-	-	-	-
Defined Benefit Cost included in P & L	31.94	35.83	12.97	12.58
Remeasurements - Due to Demographic Assumptions	-	-	-	-
Remeasurements - Due to Financial Assumptions	(11.88)	(2.56)	(0.89)	(0.19)
Remeasurements - Due to Experience Adjustments	(7.19)	(4.10)	(0.91)	(1.21)
(Return) on Plan Assets (Excluding Interest Income)	0.32	2.10	-	-
(Return) on Reimbursement Rights	-	-	-	-
Changes in Asset Ceiling / Onerous Liability	-	-	-	-
Total Remeasurements in OCI	(18.75)	(4.56)	(1.80)	(1.40)
Total Defined Benefit Cost recognized in P&L and OCI	13.19	31.27	11.17	11.19
Discount Rate	7.32.%	6.91.%	7.32.%	6.91.%
Salary Escalation Rate	7.00.%	7.00.%	7.00.%	7.00.%

Bifurcation of Present Value of Obligations at the end of the valuation period as per revised Schedule III of the Companies Act, 2013 **(Rs. in Lakhs)**

Particulars	Gratuity		Leave encashment	
	Financial Year Ending 31/03/2022	Financial Year Ending 31/03/2021	Financial Year Ending 31/03/2022	Financial Year Ending 31/03/2021
Current Liabilities	35.64	50.99	11.06	14.41
Non- current Liabilities	351.55	337.31	44.43	41.55

Amounts recognized in the Statement of Financial Position **(Rs. in Lakhs)**

Particulars	Gratuity		Leave encashment	
	Financial Year Ending 31/03/2022	Financial Year Ending 31/03/2021	Financial Year Ending 31/03/2022	Financial Year Ending 31/03/2021
Defined Benefit Obligation Fair Value of Plan Assets	387.19 375.95	388.30 320.57	55.49 -	55.96 -
Funded Status	11.24	67.73	55.49	55.96
Effect of Asset Ceiling / Onerous Liability	-	-	-	-
Net Defined Benefit Liability / (Asset)	11.24	67.73	55.49	55.96
Of which, Short term Liability	35.64	50.99	11.06	14.41

Net Defined Benefit Liability / (Asset) reconciliation **(Rs. in Lakhs)**

Particulars	Gratuity		Leave Encashment	
	Financial Year Ending 31/03/2022	Financial Year Ending 31/03/2021	Financial Year Ending 31/03/2022	Financial Year Ending 31/03/2021
Net Defined Benefit Liability / (Asset) at the beginning	67.06	134.60	55.96	52.67
Defined Benefit Cost included in P & L	31.94	35.83	12.97	12.58
Total Remeasurements included in OCI	(18.75)	(4.56)	(1.80)	(1.40)
Net Transfer In / (Out) (Including the effect of any business combination / divesture) Amount recognized due to Plan Combinations	- -	- 0.67	- -	- -
Employer Contributions Employer Direct Benefit Payments Employer Direct Settlement Payments	(70.51) - -	(98.81) - -	- (11.64) -	- (7.90) -
Credit to Reimbursements	-	-	-	-
Net Defined Benefit Liability / (Asset) at the end	9.74	67.73	55.49	55.96

Experience Adjustments on Present Value of DBO and Plan Assets **(Rs. in Lakhs)**

Particulars	Gratuity		Leave Encashment	
	Financial Year Ending 31/03/2022	Financial Year Ending 31/03/2021	Financial Year Ending 31/03/2022	Financial Year Ending 31/03/2021
(Gain) / Loss on Plan Liabilities % of Opening Plan Liabilities	(7.19) 1.85%	(4.10) 1.11%	(0.91) (1.62%)	(1.21) (2.29%)
Gain / (Loss) on Plan Assets % of Opening Plan Assets	(0.32) (0.10%)	(2.10) (0.90%)	--	--

Maturity Profile of Defined Benefit Obligations: **(Rs. in Lakhs)**

Particulars	31st March 2022		31st March 2021	
	Gratuity	Leave Encashment	Gratuity	Leave Encashment
Expected Cash flow in year 1	35.64	11.06	50.99	14.41
Expected Cash flow in year 2	46.97	9.93	34.34	8.86
Expected Cash flow in year 3	39.38	8.27	42.65	7.91
Expected Cash flow in year 4	40.49	7.59	35.70	6.64
Expected Cash flow in year 5	39.49	7.67	34.34	5.88
Expected Cash flow in year 6	35.05	6.24	37.96	6.01
Expected Cash flow in year 7	33.93	4.17	31.56	4.72
Expected Cash flow in year 8	37.44	5.36	28.62	3.46
Expected Cash flow in year 9	33.47	2.80	33.90	4.09
Expected Cash flow in year 10	32.81	3.21	33.69	2.64

Significant Estimates: Sensitivity analysis

Discount rate, Salary escalation rate and Withdrawl rate are significant acturial assumptions. The change in Pesent value of defined benefit obligation for a change of 100 basis points from the assumed assumption is given below:

(Rs. in Lakhs)

Particulars	Effect on Gratuity valuation		Effect on Gratuity valuation	
	31st March 2022	% change	31st March 2021	% change
Impact on Present value of Defined obligation if salary escalation rate increases by 1%	32.13	8.30%	32.21	8.30%
Impact on Present value of Defined obligation if salary escalation rate decreases by 1%	(28.48)	-7.36%	(28.50)	-7.34%
Impact on Present value of Defined obligation if withdrawal rate increases by 1%	0.39	0.10%	(0.35)	-0.09%
Impact on Present value of Defined obligation if withdrawal rate decreases by 1%	(0.44)	-0.11%	0.39	0.10%
Impact on Present value of Defined obligation if discount rate increases by 1%	(26.33)	-6.80%	(26.36)	-6.79%
Impact on Present value of Defined obligation if discount rate decreases by 1%	30.22	7.81%	30.35	7.82%

(Rs. in Lakhs)

Particulars	Effect on Leave Encashment		Effect on Leave Encashment	
	31st March 2022	% change	31st March 2021	% change
Impact on Present value of Defined obligation if salary escalation rate increases by 1%	2.53	4.56%	2.50	4.47%
Impact on Present value of Defined obligation if salary escalation rate decreases by 1%	(2.37)	-4.28%	(2.34)	-4.18%
Impact on Present value of Defined obligation if withdrawal rate increases by 1%	0.03	0.05%	(0.01)	-0.01%
Impact on Present value of Defined obligation if withdrawal rate decreases by 1%	(0.03)	-0.05%	0.01	0.01%
Impact on Present value of Defined obligation if discount rate increases by 1%	(2.06)	-3.70%	(2.01)	-3.59%
Impact on Present value of Defined obligation if discount rate decreases by 1%	2.23	4.03%	2.19	3.91%

41. Earning Per Share - Numerators and Denominators used to calculate Basic and Diluted Earnings Per Share for the year 2021-22

(Rs. in Lakhs)

Particulars	2021-22	2020-21
Profit attributable to the Share Holders	1,887.97	544.99
Basic/weighted average number of equity shares outstanding during the year	10.50	10.50
Nominal Value of Equity Shares	10.00	10.00
Basic/Diluted earning per share	**179.79**	**51.90**
Bonus issue shares	--	--
Restated Earnings per Share:	**179.79**	**51.90**

42. Related party disclosures pursuant to Ind AS 24

List of related parties:

Key Managerial Personnel

Sri. E. Sathyanarayana, Managing Director & C.E.O.
Sri P. Narendranath Chowdary, Director
Sri A. Dharma Raju, Independent Director
Sri Sunkavally Parvatha Rao, Independent Director
Sri Chevuturi Murali Krishna, Independent Director
Sri K. Rajendra, Company Secretary till 06th October'2021

Relatives of Key Managerial Personnel

Sri. E.Sidhaarth, Son of Sri.E.Sathyanarayana, Managing Director & C.E.O.
Kum. E.Shilpa, Daughter of Sri.E.Sathyanarayana, Managing Director & C.E.O.
Smt. E.Rajeswari, Wife of Sri.E.Sathyanarayana, Managing Director & C.E.O.
Sri. E.Ranga Rao, Brother of Sri.E.Sathyanarayana, Managing Director & C.E.O.
Sri. E.Sailesh, Brother of Sri.E.Sathyanarayana, Managing Director & C.E.O.
Smt. E.Rama Lakshmi, Mother of Sri.E.Sathyanarayana, Managing Director & C.E.O.
Smt. L.Nagaswarna, Sister of Sri.E.Sathyanarayana, Managing Director & C.E.O.

Enterprises in which key management personnel have significant influence:

M/s. Sidhaarth Cotton Yarn Processors Pvt.Ltd.
M/s. Sidhaarth Exports Pvt Ltd
M/s. Sree Dinakar Fabrics Pvt Ltd

(Rs. in Lakhs)

Transactions during the year	Key Managerial personnel	Relatives of Key Managerial Personnel	Enterprises in which key Managerial personnel have significant influence
a) Purchase of Goods From			
Sree Dinakar fabrics Pvt Ltd			0.08 (--)
Sidhaarth Exports Pvt Ltd			-- (2.12)
b) Sale of Goods to			
Sree Dinakar fabrics Pvt Ltd			-- (7.27)
Sidhaarth Exports Pvt Ltd			-- (0.50)
c) Services rendered to			
d) Services rendered by			
Sidhaarth Cotton Yarn Processors Pvt Ltd			-- (6.20)
e) Remuneration (including Commission) paid to			
Sri E.Sathyanarayana	134.08 (39.34)		
Sri K Rajendra	2.91 (3.28)		
f) Interest paid to			
g) Dividend paid to			
Sri E.Sathyanarayana	16.12 --		
Smt. E.Rajeswari		4.39 --	
Sri E.Sidhaarth		1.31 --	
Smt. E.Ramalakshmi		0.45 --	

Sri. E.Ranga Rao		4.98	
		--	
Sri. E.Sailesh		3.83	
		--	
Smt. L.Nagaswarna		0.40	
		--	
h) Directors sitting fee			
Sri A. Dharma Raju	1.00		
	(1.10)		
Sri Sunkavally Parvatha Rao	0.85		
	(0.90)		
Sri Chevuturi Murali Krishna	0.85		
	(1.10)		
g) Reimbursement of expenses paid by			
Sidhaarth Exports Pvt Ltd			0.50
			(0.20)
Balances as at 31st March 2022			
i. Share capital held by			
Sri E.Sathyanarayana	17.91		
	(17.91)		
Smt. E.Rajeswari		4.88	
		(4.88)	
Sri E.Sidhaarth		1.46	
		(1.46)	
Smt. E.Ramalakshmi		0.50	
		(0.50)	
Sri. E.Ranga Rao		5.53	
		(5.53)	
Sri. E.Sailesh		4.26	
		(4.26)	
Smt. L.Nagaswarna		0.44	
		(0.44)	

ii. Amount due to Sidhaarth Exports Pvt Ltd			-- (0.03)
Sree Dinakar Fabrics Pvt Ltd			0.08 (--)
iii. Amount due from			
iv. Remuneration Payable - Sri E.Sathyanarayana	123.47 (28.69)		

43. Corporate Social Responsibility (CSR)

(Rs. in Lakhs)

Particulars	**Year ended March 31,2022**	**Year ended March 31,2021**
(i) amount required to be spent by the company during the year,	8.38	5.63
(ii) amount of expenditure incurred,	8.40	5.67
(iii) shortfall at the end of the year,	-	-
(iv) total of previous years shortfall,	-	-
(v) reason for shortfall,	NA	NA
(vi) nature of CSR activities,	Promoting education, Health care, eradication of hunger and malnutrition, Art and Culture, destitute care and rehabilitation and Rural development projects.	education, Health care, eradication of hunger and malnutrition, Art and Culture, destitute care and rehabilitation and
(vii) details of related party transactions - contribution to a trust controlled by the company in relation to CSR expenditure.	No related parties involved	No related parties involved
(viii)where a provision is made with respect to a liability incurred by entering into a contractual obligation, the movements in the provision during the year shall be shown separately.	Nil	Nil

44. Financial Instruments

The following tables show the carrying amounts and fair values of financial assets and financial liabilities, including their levels in the fair value hierarchy.

Level 1: Level 1 hierarchy includes financial instruments measured using quoted prices. This includes listed equity instruments and mutual fund units that have a quoted price. The fair value of all equity instruments which are traded on Stock Exchanges is valued using the closing price as at the reporting period. The mutual fund units are valued using the closing net asset value (NAV).

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

Level 3: If one or more of the significant inputs is not based on observable market data, the instrument is included in level 3. These instruments are collectively not material and hence disclosures regarding significant unobservable inputs used in level 3 fair values have not been made.

Financial Assets measured at fair value

(Rs. in Lakhs)

Financial Assets	31st March 2022			31st March 2021		
	Level 1	Level 2	Level 3	Level 1	Level 2	Level 3
Unquoted instruments	524.88			475.94		
Quoted Mutual funds	2,103.69			524.80		

-

Sree Satyanarayana Spinning Mills Ltd., Tanuku

As at 31st March,2022 **(Rs. in Lakhs)**

	Note	Carrying amount				
		Financial assets - FVTOCI	**Financial assets -FVTPL**	**Financial assets- Amortised cost**	**Financial Liabilities- Amortised cost**	**Total**
Financial instruments measured at fair value						
Non Current investments	3	524.88				524.88
Current investments	6		2,103.69			2,103.69
Financial assets not measured at fair value						
Trade receivables	7			1,477.15		1,477.15
Cash and Cash Equivalents	8.1			13.91		13.91
Bank balances other than above	8.2			-		-
Other Financial assets						
Security Deposits	4			93.05		93.05
Interest accrued on fixed deposits/security deposits	9			2.90		2.90
		524.88	**2,103.69**	**1,587.01**	**-**	**4,215.57**
Financial liabilities not measured at fair value						
Borrowings	14 & 18				378.29	378.29
Trade payables	19				662.29	662.29
Other financial liabilities						
Unclaimed dividend	20				12.32	12.32
Accrued Salaries and Benefits	20				121.52	121.52
Directors Remuneration Payable	20				123.47	123.47
		-	**-**	**-**	**1,297.89**	**1,297.89**

As at 31st March,2021 **(Rs. in Lakhs)**

Particulars	Note	Carrying amount				
		Financial assets - FVTOCI	**Financial assets -FVTPL**	**Financial assets- Amortised cost**	**Financial Liabilities- Amortised cost**	**Total**
Financial instruments measured at fair value						
Non Current investments	3	475.94				475.94
Current investments	6		524.80			524.80
Financial assets not measured at fair value						
Trade receivables	7			376.78		376.78
Cash and Cash Equivalents	8.1			36.95		36.95
Bank balances other than above	8.2			0.47		0.47
Other Financial assets						
Security Deposits	4			93.05		93.05
Interest accrued on fixed deposits/security deposits	9			4.40		4.40
		475.94	**524.80**	**511.65**	**-**	**1,512.39**
Financial liabilities not measured at fair value						
Borrowings	14 & 18				144.64	144.64
Trade payables	19				290.09	290.09
Other financial liabilities						
Unclaimed dividend	20				3.43	3.43
Accrued Salaries and Benefits	20				119.96	119.96
Directors Remuneration Payable	20				28.69	28.69
		-	-	-	**586.82**	**586.82**

Management's Approach and the key assumptions used to determine the fair value under Level 3 Hierarchy:

Income approach is the valuation technique used for determination of fair value of the unquoted equity instruments.It converts the future expected cash flows(savings in costs) to a single discounted amount by using the present value techniques.

Financial asset	**Unobervable inputs**	**Value Assigned to Key**	**Approach to Determining Key Assumptions**
Un Quoted Equity Instruments in APGPCL	Annual Savings	Rs. 0.93 per unit	Estimated Based on Company's Past Experience
	No. of Units of Power	100.74 Lakh units	Estimated that Company continues to hold the same no. of Equity Shares in the Foreseeable future.
	Cash flow forecast Period	10 years	Reviewed the 10 year forecast prepared by the Techincal Personnel.
	Long Term Growth Rate	Nil	This is the weighted Average growth rate used to extrapolate cash flows beyond the budgeted period. The Rate is consistant with forecasts included in Industry Reports.
	Discount Rate (%)	5.60%	Based on the Company's Cost of Equity.

Financial Instruments
a) Management of Credit Risk

Credit risk is the risk that the counterparty will not meet its obligation under a financial instrument or customer contract, leading to financial loss. The credit risk arises principally from its operating activities (primary trade receivables) and from its investing activities, including deposits with banks and other financial instruments. Credit risk is controlled by analysing credit limits and creditworthiness of customers on a continuous basis to whom credit has been granted after obtaining necessary approvals for credit. The collection from the trade receivables are monitored on a continuous basis by the receivables team.

Credit risk arising from trade receivables is managed in accordance with the Company's established policy, procedures and control relating to customer credit risk management. Credit quality of a customer is assessed based on a detailed study of credit worthiness and accordingly individual credit limits are defined/modified.

b) Management of market risk

i) Commercial risk
ii) Fair value risk

The above risks may affect income and expenses, or the value of its financial instruments of the Company. The objective of the Management of the Company for market risk is to maintain this risk within accepatable parameters, while optimising returns. The Company exposure to, and the Management of, these risks is explained below:

i) Commercial risk
Sale price risk **(Rs. in Lakhs)**

Particulars	Impact on profit			
	2021-22		2020-21	
	Increase by 5%	Decrease by 5%	Increase by 5%	Decrease by 5%
Product name				
Cotton yarn	**440.48**	**(440.48)**	266.83	(266.83)
Cotton waste	**25.25**	**(25.25)**	13.95	(13.95)

Raw material price risk **(Rs. in Lakhs)**

Particulars	Impact on profit			
	2021-22		2020-21	
	Increase by 5%	Decrease by 5%	Increase by 5%	Decrease by 5%
Product name				
Cotton	**202.86**	**(202.86)**	111.65	(111.65)

ii) Fair value risk

Potential impact of risk	Management policy	Sensitivity to risk
The Company is mainly exposed to the Fair value risk due to its investments in equity instruments. The Fair value risk arises due to uncertainties about the future market. In general, these securities are not held for trading purposes. These investments are not subject to changes in the market price of securities. The fair value of equity instruments classified as fair value through Other Comprehensive Income as at March 31, 2022 of amount Rs. 524.88 lakhs. (Rs. 475.94 lakhs on March 31, 2021.)	In order to manage its Fair value risk arising from investments in equity instruments, the Company maintains its portfolio in accordance with the framework set by the Risk Management policies. Any new investment or divestment must be approved by the Board of Directors, Chief Financial Officer.	As an estimation of the approximate impact of Fair value risk,with respect to investments in equity instruments, the Company has calculated the impact as follows.

Sensitivity analysis **(Rs. in Lakhs)**

Particulars	Impact in Other Comprehensive Income			
	2021-22		2020-21	
	Increase by 5%	Decrease by 5%	Increase by 5%	Decrease by 5%
Andhra Pradesh Gas Power Corporation Ltd.,	**26.24**	**(26.24)**	23.80	(23.80)

Management of Liquidity risk

Liquidity risk is the risk that the company will not be able to meet its obligations associated with its financial liabilities that are settled by delivering cash or another financial asset as they fall due. The Company is exposed to this risk from its oerating activites and financial activities. The Company's approach to managing liability is to ensure as far as possible that it will have sufficient liquidity to meet its liabilities when they become due, under both normal and stressed conditions, without incurring unacceptable losses or risking damage to the Company's reputation. Liquidity requirements are maintained within the credit facilites established and are available to the Company to meet its obligations. The table now provides details regarding the contractual maturities of significant financial liabilities as of the reporting date.

As at 31st March 2022 **(Rs. in Lakhs)**

Particulars		Contractual cash flows		
	Carrying value	Less than 1 year	1-2 years	More than 2 years
Borrowings	378.29	378.29		
Trade payables (Current)	662.29	662.29		
Other financial liabilties(Current)	301.36	301.36		
	1,341.94	**1,341.94**	**-**	**-**

As at 31st March 2021 **(Rs. in Lakhs)**

Particulars		Contractual cash flows		
	Carrying value	Less than 1 year	1-2 years	More than 2 years
Borrowings	144.64	144.64	-	
Trade payables (Current)	290.09	290.09		
Other financial liabilties(Current)	152.08	152.08		
	586.82	**586.82**	**-**	**-**

Additional Regulatory Information

45. Relationship with Struck off Companies

Relationship with struck off companies as at March 31,2022 **(Rs. in Lakhs)**

Name of struck off Company	Nature of transactions with struck-off Company	Balance outstanding as at March 31,2022	Relationship with the Struck off company, if any, to be disclosed
Ambica mech pro private limied	Payables	0.32	Vendor

Relationship with struck off companies as at March 31,2021 **(Rs. in Lakhs)**

Name of struck off Company	Nature of transactions with struck-off Company	Balance outstanding as at March 31,2021	Relationship with the Struck off company, if any, to be disclosed
Ambica mech pro private limied	Payables	0.32	Vendor

46. Satisfaction of charges with Registrar of Companies **(Rs. in Lakhs)**

Party	Amount of charge	Reason	Date of loan closure
Andhra pradesh state financial corporation	1.23	The company has cleared the loan outstanding. Company is in the process of clearing the charge	FY:1983-84

47.Ratios

Ratio	Numerator	Denominator	Current year	Previous year	% Variance	Reasons
Current Ratio (in times)	Current assets	Current liabilities	3.63	3.53	2.86	
Debt-Equity Ratio (in times)	Total Debt	Shareholder's Equity	0.05	0.03	48.45	There were Cash Credit balances at the end of the year
Debt Service Coverage Ratio (in times)	Earnings available for debt service	Debt service	5.60	5.07	9.41	
Return on Equity Ratio (in %)	Net profit after taxes - Preference dividend(If any)	Average shareholders equity	30%	11%	64.72	Increase in sale price of yarn during the current year
Inventory turnover ratio (in times)	Cost of goods sold or sales	Average inventory	6.62	4.34	34.44	Company is able to manage the level of inventory held
Trade Receivables turnover ratio (in times)	Net credit sales	Average Accounts receivable	10.05	9.32	7.23	
Trade payables turnover ratio (in times)	Net credit purchases	Average trade payables	8.04	6.35	20.95	
Net capital turnover ratio (in times)	Net sales	Working capital	2.54	3.24	(27.29)	Company invested profits in mutual funds.
Net profit ratio (in %)	Net profit	Net sales	20%	10%	52.12	Increase in sale price of yarn during the current year
Return on Capital employed (in %)	Earning before interest and taxes	Capital employed	32%	13%	58.74	Increase in sale price of yarn during the current year
Return on investment (in %)	Net profit after taxes	Equity share capital	36%	9%	76.49	Increase in sale price of yarn during the current year

Sree Satyanarayana Spinning Mills Ltd., Tanuku

48. Income Tax Reconciliation

Taxation

a) Profit and loss section

(Rs. in Lakhs)

Particulars	For the year ended	
	31st March 2022	31st March 2021
Current Income tax		
Current tax charges	**657.00**	159.13
MAT Credit utilised during the year	**-**	17.87
Short Provision of Income tax of earlier years	**0.93**	21.51
Deferred Tax		
Relating to origination and reversal of temporary differences	**1.58**	3.92
Tax Expense reported in the Statement of Profit and Loss	**659.51**	202.43

Other Comprehensive Income ('OCI') Section

(Rs. in Lakhs)

Particulars	For the year ended	
	31st March 2022	31st March 2021
Deferred tax related to items recognised in OCI during the year		
Employee defined benefit obligations	**5.17**	1.50
Unrealised Loss/ (Gain) on FVTOCI Equity Securities	**-**	-
Tax Expense in the OCI Section	**5.17**	1.50

b) Balance sheet section

(Rs. in Lakhs)

Particulars	31st March 2022	31st March 2021
Tax recoverable	**822.22**	269.65
Provision for Tax	**(834.00)**	(281.97)
Net of advance tax recoverable	**(11.78)**	(12.31)

Reconciliation of tax expenses and the accounting profit multiplied by India's domestic tax rate for the year ended March 31, 2022 and March 31, 2021

(Rs. in Lakhs)

Particulars	31st March 2022	31st March 2021
Accounting profit/(loss) before Income tax	**2,547.49**	747.41
At India's Statutory income tax rate	**641.15**	207.93
Increase/(Decrease) of tax expense on account of		
Non-taxable income/Exempt income	**-**	-
Reduction in depreciation/(accelerated depreciation)	**(1.50)**	(12.94)
Expenses not allowed under income tax act	**8.63**	4.96
Expenses that are allowed under payment basis	**5.16**	(27.03)
Provisions no longer required credited back	**-**	-
Carry forward of current year loss	**-**	-
Income tax relatng to earlier years	**0.93**	21.51
Other adjustments	**3.55**	4.08
Deferred tax liability recognised	**1.58**	3.92
Total		
Tax expense reported in Statement of profit and Loss	**659.51**	202.43

Reconciliation of Deferred tax liabilities (net)

(Rs. in Lakhs)

Particulars	31st March 2022	31st March 2021
Deferred Tax income / (expenses) during the period recognised in Statement of Profit and Loss	**1.58**	3.92
Deferred Tax income / (expenses) during the period recognised in OCI	**5.17**	1.50
MAT credit	**-**	17.87
Total	**6.75**	23.29

Income tax expense

(Rs. in Lakhs)

Particulars	31st March 2022	31st March 2021
Current tax expense		
Current year	**657.00**	159.13
Short Provision of Income tax of earlier years	**0.93**	21.51
(A)	**657.93**	180.64
Deferred tax expense		
Decrease/(Increase) in deferred tax asset	**6.60**	49.28
Increase/(Decrease) in deferred tax liability	**0.15**	(25.99)
(B)	**6.75**	23.29
Tax expense recognised in the income statement (A+B)	**664.69**	**203.93**

49. Paise have been rounded off to the nearest rupee.

50. Previous year figures have been regrouped whereever necessary.

51. Figures in brackets denote those for previous year.

COMMUNICATION TO SHAREHOLDERS

FOR TAX DEDUCTED AT SOURCE ON PAYMENT OF DIVIDEND

Dear Shareholder(s),

As per Finance Act 2020, with effect from 1st April 2020, Dividend Distribution Tax is abolished, and dividend income is taxable in the hands of the shareholders. Companies are required to withhold tax at source from dividends paid to shareholders at prescribed rates (plus applicable surcharge and education Cess), as may be notified from time to time.

The Company shall accordingly deduct the Income tax from the dividend, if declared, that will be paid to the shareholders in the Financial Year 2022 -23.

Resident Shareholders:

I. In accordance with Section 194 of the Income tax Act, 1961 (Act), tax shall be deducted at source from the dividend amount at rate of **10%** where shareholders have registered their valid Permanent Account Number (PAN) and at the rate of **20%** for cases where the shareholders do not have PAN/ have not registered their valid PAN details in their demat Account or with Registrar and Share Transfer Agent (RTA) if shares are held in physical form.

II. No tax shall be deducted on the dividend payable to shareholder in following cases:

a. Resident Individual Shareholders:

i. If total dividend to be received by them during FY 2022 - 23 does not exceed Rs.5000.

ii. Where the dividend exceeds Rs.5000 for the Financial Year 2022-23 and the shareholder provides duly signed from 15G or 15H (as may be applicable) along with the self-attested copy of the PAN card, provided that all the required eligibility conditions are met.

b. Resident Non-Individual Shareholders

If Shareholder is **Resident Company/ Firm / HUF / AOP / Trust** based on the Permanent Account Number (PAN), the dividend receivable would not be taxable under the Income Tax Act, 1961 as follows:-

i. Insurance Company- Self-declaration that it has full beneficial interest in respect of shares owned along with Self-attested copy of PAN card.

ii. Mutual Funds- Self-declaration that they are specified in section 10(23D) of the Act along with self-attested copy of PAN card and registration certificate.

iii. Alternative Investment Fund (AIF) established/incorporated in India- Self-declaration that its income is exempt under section10 (23FBA) of the Act and they are governed by SEBI regulations as category I or category ii AIF along with self-attested copy of the PAN card and registration certificate.

iv. Other non-Individual shareholders who are not subjected to withholding tax under section 196 of the Act-self-attested copy of the documentary evidence supporting the exemption status along with self-attested copy of PAN card.

III. In case where the shareholders provide certificate under section 197 of the Act for lower/NIL withholding of taxes, rate specified in the said certificate shall be considered based on submission of self-attested copy the same.

Non-Resident Shareholders

i. In accordance with the provisions of section 195 of the Act the withholding tax shall be at the rate of 20% (plus applicable surcharge and education Cess) on the amount of dividend payable of them. In case, certificate issued under section 195/197 of the income Tax Act, 1961 is given by non-resident shareholders for lower/Nil withholding of taxes, rate specified in the said certificate shall be considered based on submission of self-attested copy of the same.

ii. Further, as per section 90 of the Income tax Act,1961 the non-resident shareholder has the option to be governed by the provisions of the double Tax Avoidance Agreement (tax treaty) between India and the county of tax residence of the shareholder read with provisions laid down in Multilateral instrument, wherever applicable. For this purpose, i.e to avail Tax Treaty benefits, the non-resident shareholders will have to provide the following:

1. Self-attested copy of PAN card allotted by the Indian Income Tax authorities. If PAN is not allotted, please provide your email address, contact number, Tax identification number allotted in the country of residence and address in country of residence.
2. Self-attested copy of Tax Residency Certificate (TRC) obtained from the tax authorities of the county of which the shareholder is resident with respect to dividend income applicable for the period April 2022-March 2023.
3. Self-declaration in Form 10F.
4. Self-declaration of having to taxable presence, fixed base or permanent establishment in India in accordance with the applicable Tax Treaty and Beneficial ownership by the non-resident shareholder.

Kindly note that, the company is not obligated to apply beneficial tax treaty rates at the time of Tax deduction / withholding on dividend amounts. Application of beneficial rate of tax as per tax treaty for the purpose of withholding taxes shall depend upon completeness and satisfactory review by the company of the documents submitted by the non-resident shareholder.

I. In case of Foreign institutional Investors (FII) and Foreign Portfolio Investors (FPI), taxes shall be withheld at 20% plus applicable Surcharge and education Cess in accordance with provisions of Section 196D of the lncomeTax Act, 1961.

Accordingly, in order to enable the Company to determine the appropriate Tax deducted at Source (TDS)/ withholding tax rate applicable, we request you to provide these details and documents as mentioned above before 10th September, 2022 to update our records from withholding tax Perspective.

The dividend declared if any, will be paid after deducting the tax at source as under.

A. For Resident Shareholders:

- **Nil in case of 15G or Form 15H** (as applicable)/ declarations/ supporting documents (as specified above) along with self-attested copy of the PAN card is submitted.
- **Lower/NIL withholding tax rate** on submission of self-attested copy of the certificate issued under Section 197 of the Income Tax Act, 1961.
- **10% in case valid PAN** is provided/ available.
- **20% in case valid PAN** is not provided / not available.

B. For Non Resident Shareholders

- Beneficial rate based on tax treaty between country of residence and India, as applicable will be applied on the basis of documents submitted.
- Lower/ NIL withholding tax rate on submission of self-attested copy of the certificate issued under section195/197 of the Income Tax Act, 1961.
- **20% plus applicable surcharge and education Cess in all other cases** (including FII/ FPI)

C. For shareholders holding multiple accounts under different status/ category

- Highest rate of tax based on status in which shares are held will be applied on their entire holding in different accounts.

D. For shareholders with PAN status not matching with demat account Status/Category

- TDS will be deducted at the rate applicable to the status as per Demat a/c or status as per PAN whichever is higher.

IV. To comply with Section 206AB/206CCA of the Income Tax Act, 1961 which comes in to effect from 1st July, 2021 the Company will be requiring particulars of income tax returns as filled by Shareholders. Please note that in case of non- submission of information as sought by the Company within 10th September, 2022 and/or in case of non-filing of Income Tax returns by the Shareholder(s) will attract deduction of tax at source by the Company as per rates prescribed under Section 206AB/206CCA.

Kindly note that the aforementioned documents/details are required to be emailed to sssmills.tanuku@gmail.com before 10th September, 2022 in order to enable the Company to determine and deduct appropriate TDS/withholding tax rate. No communication on the tax determination/deduction shall be entertained post this date for the purpose of dividend Payment.

It may be further noted that in case the tax on the dividend, declared if any, is deducted at a higher rate in absence of receipt of them aforementioned details/documents from you, shareholder shall have an option to file the return of income and claim an appropriate refund, if eligible, if PAN is not registered with the company/DP shareholder may not be able to claim the refund.

No Claim Shall lie against the company for such taxes deducted.

For Sree Satyanarayana Spinning Mills Limited

Date: 8th August, 2022
Place: Tanuku.

E.Sathyanarayana,
Managing Director and CEO

SREE SATYANARAYANA SPINNING MILLS LTD.

Regd. Office: Venkatarayapuram, Tanuku – 534215

CIN: U18101AP1962PLC000919 :: Ph : 08819-224166

e-Mail: sssmills.tanuku@gmail.com, WWW : http://www.sssmills.com

Form No. MGT-11
Proxy form

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

I/We being the member(s) of …………. shares of the above named Company hereby appoint:

(1) Name………………………………………… Address: …………………………………...………………..
E-mail ID: ………………………..……………………….. Signature ……………………. or failing him

(2) Name………………………………………… Address: …………………………………...………………..
E-mail ID: ………………………..……………………….. Signature ………………………………………

as my/our proxy to attend and vote (on a poll) for me/us and on my/our behalf at the **59th Annual General Meeting** of the Company to be held **on Tuesday, 20th September, 2022 at 10.00 A.M** through **Hybrid mode (electronic mode and physical mode)** with virtual and physical presence of the Shareholders at the Registered Office of the Company situated at Venkatarayapuram, Tanuku and at any adjournment thereof in respect of such Resolutions as are indicated below:

Resolution No.	RESOLUTION	Optional	
		For	Against
1.	Adoption of Financial Statements for the year ended 31st March, 2022		
2.	To declare dividend on equity shares for the financial year 2021-22.		
3.	Re-appointment of Shri P.Narendranath Chowday, as Director who retires by rotation.		
4.	Re-appointment of Auditors and fix their remuneration		

Signed this……………. day of ……………..2022
Signature of Shareholders ………………………..
Signature of Proxy holder(s) ……………………..

Affix Revenue Stamp Rs.1/-

Note:

1. 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.
2. For the Resolutions, Explanatory Statement and Notes, please refer to the Notice of the 59th **Annual General Meeting.**
3. It is optional to put a 'X' in the appropriate column against the Resolutions indicated in the Box. If you leave the 'For' or 'Against' column blank against any or all Resolutions, your proxy will be entitled to vote in the manner as he/she thinks appropriate.
4. Please complete all details including details of member(s) in above box before submission.
5. If a Member intends to attend the meeting through VC / OAVM, he/she will not be entitled to appoint a proxy.