

**SARA ELGI**

**SUPER**



# **Super Spinning Mills Limited**

**59th Annual Report  
2020 - 21**





# Super Spinning Mills Limited

CIN: L17111TZ1962PLC001200

## Corporate Information

<b>Chairman and Managing Director</b>	Mr. Sumanth Ramamurthi
<b>Board of Directors</b>	Mr. Sudarsan Varadaraj
	Mr. C G Kumar
	Mrs. Suguna Ravichandran
	Mr. B Lakshmi Narayana
	Mr. Sanjay Krishna Ramamurthi
<b>Chief Financial Officer</b>	Mr. B Sathyanarayana Reddy (resigned w.e.f. 15.07.2021)
<b>Company Secretary</b>	Mrs. Narmatha G K
<b>Auditors</b>	M/s. Sethia, Prabhada Hegde & Co., Bangalore
<b>Secretarial Auditor</b>	Mr. M D Selvaraj, MDS & Associates, Coimbatore
<b>Bankers</b>	IDBI Bank
	State Bank of India
	Union Bank of India
<b>Registrar and Share Transfer Agent</b>	Link Intime India Pvt Ltd (Coimbatore Branch)
	"Surya", 35, May Flower Avenue
	Behind Senthil Nagar, Sowripalayam Road
	Coimbatore - 641 028
	Ph : (0422) 2314792, 2315792
	E-mail : coimbatore@linkintime.co.in
<b>Registered Office</b>	"ELGI TOWERS", PB 7113, Green Fields
	Puliakulam Road
	Coimbatore – 641 045, Tamil Nadu
	Ph : (0422) 2311711
	Fax : (0422) 2311611
	E-mail : investors@ssh.saraelgi.com
	Internet : www.superspining.com

### Mills

A Unit	:	Kirikera, Andhra Pradesh
B Unit	:	Kotnur, Andhra Pradesh
Super Sara	:	Beerapalli, Andhra Pradesh

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## Notice to the Members

Notice is hereby given that the **59th Annual General Meeting** of the Company will be held on Thursday, the 16th day of September, 2021 at 3:30 P.M **through Video Conferencing (“VC”) / Other Audio Visual Means (“OAVM”)** without the in-person presence of shareholders to transact the following business:

### Ordinary Business

1. To receive, consider and adopt the audited financial statements including Statement of Profit and Loss (including Other Comprehensive Income) along with the Statement of Cash Flows and the Statement of Changes in Equity for the financial year ended 31st March 2021, the Balance Sheet as at that date and the Report of the Board of Directors and Auditors thereon.
2. To appoint a Director in the place of Mr. Sanjay Krishna Ramamurthi (DIN 08730627), who retires by rotation and being eligible, offers himself for re-appointment.

### Special Business

3. To consider and if thought fit, to pass the following resolution as an **Ordinary Resolution**

**RESOLVED THAT** pursuant to Section 148(3) and other applicable provisions, if any, of the Companies Act, 2013 read with Rule 14 of The Companies (Audit and Auditors) Rules, 2014 (including any statutory modification or re-enactment thereof, for the time being in force), as amended from time to time, the appointment of Mr.R.Krishnan, Cost Accountant (Membership No.7799), by the Board of Directors of the Company on the recommendation of Audit Committee as Cost Auditor, to conduct audit of the cost records maintained by the Company, for the financial year ending on 31st March 2022, on a remuneration of Rs.50,000/- (Rupees Fifty Thousand Only) exclusive of applicable Taxes and out of pocket expenses incurred in this connection as fixed by the Board of Directors, be and is hereby ratified and confirmed.

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

### Statement pursuant to Section 102 of the Companies Act, 2013:

#### Item No. 3

The Board of Directors of the Company on the recommendation of the Audit Committee, approved the appointment of Mr.R.Krishnan, Cost Accountant (Registration No. 7799) as the Cost Auditors of the Company for the financial year 2021-22 for a fee of 50,000/- (Rupees Fifty Thousand Only) for conducting the audit of the cost accounting records of the Company and for issuing an audit report on cost accounting records maintained by the Company.

Section 148(3) of the Companies Act, 2013 read with Rule 14 of the Companies (Audit and Auditors) Rules, 2014 (“the Act”), requires the Board to appoint an individual, who is a Cost Accountant or a firm of Cost Accountants, as Cost Auditor of the Company on such remuneration as may be determined by the Board of Directors subject to the ratification by the shareholders at the General Meeting.

Accordingly, the consent of the members is sought for passing an ordinary resolution as set out at item no. 3 of the notice, for ratification of the remuneration payable to the cost auditor for conducting the cost audit of the Company, for the financial year 2021-22.

None of the Directors or Key Managerial Personnel of your company and their relatives are concerned or interested financially or otherwise in the above resolution.

The Board recommends the resolution set out in Item No. 3 of the notice for the approval of the members.

By Order of the Board  
For Super Spinning Mills Limited

Coimbatore  
24th June 2021

**Narmatha G K**  
Company Secretary

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Notes:

1. In view of the continuing Covid-19 pandemic, the Ministry of Corporate Affairs ("MCA") has vide its circular dated 5th May, 2020 read with circulars dated 8th April, 2020, 13th April, 2020, 15th June, 2020, 28th September, 2020, 31st December, 2020 and 13th January, 2021 (collectively referred to as "MCA Circulars") permitted holding of the Annual General Meeting of companies through Video Conferencing or Other Audio Visual Means ("VC / OAVM"), without the physical presence of the Members at a common venue. The same has been acknowledged by the Securities and Exchange Board of India vide their circulars dated 12th May, 2020 and 15th January, 2021 (collectively referred to as "SEBI Circulars"). The deemed venue for the AGM shall be the Registered Office of the Company. In compliance with the provisions of the Companies Act, 2013 ("Act"), SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 ("SEBI Listing Regulations") MCA Circulars and SEBI Circulars the AGM of the Company is being held through VC / OAVM. Members desirous of participating in the meeting through VC/OAVM, may refer to the procedure mentioned below.
  2. The Company has appointed M/s Link Intime India Pvt. Limited ("LIPL"), Registrar and Transfer Agent of the Company, to provide the VC/ OAVM facility for conducting AGM electronically and for voting through remote e-voting or through e-voting at the AGM.
  3. 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. Since this AGM is being held pursuant to the MCA Circulars through VC / OAVM, physical attendance of Members has been dispensed with. Accordingly, the facility for appointment of proxies by the Members will not be available for the AGM and hence the Proxy Form and Attendance Slip are not annexed to this Notice.
  4. Brief resume, details of shareholding and Directors' inter-se relationship of Directors seeking election/re-election/ changes in terms as required under Regulation 36 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 and Secretarial Standards 2, are provided as Annexure to this Notice.
  5. Institutional / Corporate Shareholders (i.e. other than individuals / HUF, NRI, etc.) are required to send a scanned copy (PDF/JPG Format) of its Board or governing body Resolution/Authorization etc., authorizing its representative to attend the AGM through VC / OAVM on its behalf and to vote through remote e-voting. The said Resolution/Authorization shall be sent to the Scrutinizer by email through its registered email address to mds@mdsassociates.in with a copy marked to investors@ssh.saraelgi.com and to its RTA at enotices@linkintime.co.in.
  6. The Register of Members and share transfer books of the Company will remain closed from Friday, 10th September, 2021 to Thursday, 16th September, 2021 (both days inclusive) as per Regulation 42 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 and Section 91 of the Companies Act, 2013.
  7. Members whose shareholding is in the electronic mode are requested to update bank account details (Bank Account No., name of the Bank, Branch, IFSC code, MICR code and place with PIN Code) to their respective Depository Participants and not to the Company. Members whose shareholding is in the physical mode are requested to direct the above details to the Company or to the RTA. Regular updation of bank particulars is intended to prevent fraudulent transactions.
  8. The Company has entered into agreements with National Securities Depository Limited ("NSDL") and Central Depository Services (India) Limited ("CDSL"). The Depository System envisages the elimination of several problems involved in the scrip-based system such as bad deliveries, fraudulent transfers, fake certificates, thefts in postal transit, delay in transfers, mutilation of share certificates, etc. Simultaneously, Depository System
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offers several advantages like exemption from stamp duty, elimination of concept of market lot, elimination of bad deliveries, reduction in transaction costs, improved liquidity, etc. Members, therefore, now have the option of holdings and dealing in the shares of the company in electronic form through NSDL or CDSL. Members are encouraged to convert their holding to electronic mode.

9. Securities and Exchange Board of India 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 / Registrars 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. Necessary prior intimation in this regard was provided to the shareholders.
10. a) Members are requested to notify immediately any change of address:
  - i. to their Depository Participants ("DPs") in respect of the shares held in electronic form, and
  - ii. to the Company or its RTA, in respect to the shares held in physical form together with a proof of address viz, Aadhar/Electricity Bill/ Telephone Bill/Ration Card/Voter ID Card/ Passport etc.
- b) In case the registered mailing address is without the Postal Identification Number Code ("PIN CODE"), Members are requested to kindly inform their PIN CODE immediately to the Company / RTA/ DPs.
11. Non-Resident Indian ("NRI") Members are requested to inform the Company or its RTA or to the concerned Depository Participants, as the case may be, immediately:
  - a. the change in the residential status on return to India for permanent settlement or
  - b. the particulars of the NRE/NRO Account with a Bank in India, if not furnished earlier.
12. As per the provisions of Section 72 of the Act, facility for making nominations is now available to INDIVIDUALS holding shares in the Company. Members holding shares in physical form may obtain the Nomination Form from the RTA of the Company. Members holding shares in electronic form must approach their Depository Participant(s) for completing the nomination formalities.
13. Members who are holding shares in identical order of names in more than one folio are requested to send to the Registrar and Share Transfer Agent ('RTA'), the details of such folios together with the share certificates for consolidating their holdings into one folio. The share certificates will be returned to the Members after making requisite changes thereon.
14. Members are requested to make all correspondence in connection with shares held by them by addressing letters directly to the Company Secretary of the Company or its RTA, namely, M/s Link Intime India Pvt. Limited, "Surya", 35 May Flower Avenue, II Floor, Behind Senthil Nagar, Sowripalayam, Coimbatore – 641028 by quoting the Folio number or the Client ID number with DP ID number.
15. In case of joint holders, the Member whose name appears as the first holder in the order of names as per the Register of Members of the Company will be entitled to vote at the AGM.
16. A member who needs any clarification on accounts or operations of the Company shall write to the Company Secretary, so as to reach him at least 7 days before the meeting. The same will be replied by the Company suitably.
17. In compliance with the aforesaid MCA Circulars and SEBI Circulars, Notice of the AGM along with the Annual Report 2020-21 is being sent only through electronic mode to those Members whose email addresses are registered with the Company/Depositories. Members may note that the physical copy of the Annual Report will not be sent. Members may note that the Notice and Annual Report 2020-21 will also be available on the

Company's website [www.superspinning.com](http://www.superspinning.com), websites of the Stock Exchanges i.e. BSE Limited and National Stock Exchange of India Limited at [www.bseindia.com](http://www.bseindia.com) and [www.nseindia.com](http://www.nseindia.com) respectively, and on the website of Link Intime India Private Limited at [instavote.linkintime.co.in](http://instavote.linkintime.co.in). Members can attend and participate in the Annual General Meeting through VC/OAVM facility only.

18. Members attending the AGM through VC / OAVM shall be counted for the purpose of reckoning the quorum under Section 103 of the Act.
19. Members may note that M/s. Sethia, Prabhad Hegde & Co., (Firm Registration No: 013367S) Chartered Accountants were appointed as the Statutory auditors of the Company by the shareholders at the 55th Annual General Meeting of the Company to hold office for a period of five years from the conclusion of that Annual General Meeting till the conclusion of the 60th Annual General Meeting, subject to ratification by the shareholders at every Annual General Meeting. However, the Ministry of Corporate Affairs vide notification dated May 7, 2018 has done away with the requirement of seeking ratification of members for appointment of auditors at every Annual General Meeting. Accordingly, no resolution is being proposed for ratification of appointment of statutory auditors at the 59th Annual General Meeting.
20. Since the AGM will be held through VC / OAVM, the Route Map is not annexed in this Notice.
21. The Securities and Exchange Board of India (SEBI) has mandated the submission of Permanent Account Number (PAN) by every participant in securities market. Members holding shares in electronic form are, therefore, requested to submit the PAN to their Depository Participant(s) with whom they are maintaining their demat account(s). Members holding shares in physical form can submit their PAN details to the Company or RTA.
22. As per the green initiative taken by the Ministry of Corporate Affairs, the shareholders are advised to register/update their e-mail address with the Company/RTA in respect of shares held in physical form and with the concerned Depository Participant in respect of shares held in electronic form in order to enable the Company to serve documents in electronic mode.
23. Annual financial statements and related details is posted on the Company's website and is also kept for inspection at the Registered Office of the Company. A copy of the same will be provided to the members on request.
24. Soft copies the Register of Directors and Key Managerial Personal and their shareholding, maintained under Section 170 of the Companies Act, 2013 and the Register of Contracts or Arrangements in which Directors are interested, maintained under Section 189 of the Companies Act, 2013 will be available for inspection by the members during the AGM. Members seeking to inspect such registers can send their request to [narmatha.gk@ssh.saraelgi.com](mailto:narmatha.gk@ssh.saraelgi.com)
25. Registration of email ID and Bank Account details:

In case the shareholder's email ID is already registered with the Company/its Registrar & Share Transfer Agent "RTA"/Depositories, log in details for e-voting are being sent on the registered email address.

In case the shareholders has not registered his/her/their email address with the Company/its RTA/Depositories and or not updated the Bank Account mandate for receipt of dividend, the following instructions to be followed:

- (i) In case of shares held in physical form, kindly log in to the website of our RTA, Link Intime India Private Ltd. at [www.linkintime.co.in](http://www.linkintime.co.in) under Investor Services > Email/Bank detail Registration - fill in the details and upload the required documents and submit. (or)
- (ii) In the case of Shares held in Demat mode, the shareholder may please contact the Depository Participant ("DP") and register the email address and bank account details in the demat account as per the process

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followed and advised by the DP.

## **26. VOTING THROUGH ELECTRONIC MEANS**

Pursuant to the provisions of Section 108 of the Companies Act, 2013 read with Rule 20 of the Companies (Management and Administration) Rules, 2014, as amended by the Companies (Management and Administration) Amendment Rules, 2015 (including any statutory modification(s), clarifications, exemptions or reenactments thereof for the time being in force), Regulation 44 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 and Secretarial Standard on General Meetings (SS - 2), the Company is providing to its Members with the facility to cast their vote electronically from a place other than venue of the Annual General Meeting ("remote e-voting") using an electronic voting system provided by M/s. Link Intime India Private Ltd ('LI IPL'), as an alternative, for all members of the Company to enable them to cast their votes electronically, on all the business items set forth in the Notice of Annual General Meeting and the business may be transacted through such remote e-voting. The instructions to e-voting explain the process and manner for generating/ receiving the password, and for casting of vote(s) in a secure manner. However, the Members are requested to take note of the following items

- I. Any person, who acquires shares of the Company and becomes Member of the Company after dispatch of Annual General Meeting Notice and holding shares as of the cut-off date, i.e. Thursday, 9th September, 2021, may refer to this Notice of the Annual General Meeting, posted on Company's website [www.superspinning.com](http://www.superspinning.com) for detailed procedure with regard to remote e-voting. Any person who ceases to be the member of the Company as on the cut-off date and is in receipt of this Notice, shall treat this Notice for information purpose only.
- II. Members attending the meeting through VC shall be provided the facility of voting through e-voting during the meeting. During this time, members who have not already cast their vote through remote e-voting may exercise their vote through the said modes at the meeting.
- III. The Members who have cast their vote by remote e-voting prior to the AGM may also attend/ participate in the AGM through VC / OAVM but shall not be entitled to cast their vote again.
- IV. The e-voting period begins on Monday, 13th September, 2021 9.00 A.M. and ends on Wednesday, 15th September, 2021 5.00 P.M. During this period Shareholders of the Company, holding shares either in physical form or in dematerialized form, as on the cut-off date of Thursday, 9th September, 2021 may cast their votes electronically. The remote e-voting module shall be disabled by CDSL for voting thereafter.

### **The instructions for members for voting electronically are as under: -**

Pursuant to SEBI circular dated December 9, 2020 on e-Voting facility provided by Listed Companies, Individual shareholders holding securities in demat mode can vote through their demat account maintained with Depositories and Depository Participants only post 9th June, 2021.

Shareholders are advised to update their mobile number and email ID in their demat accounts to access e-Voting facility.

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

Type of shareholders	Login Method
<b>Individual Shareholders holding securities in demat mode with NSDL</b>	<ul style="list-style-type: none"> <li>● If you are already registered for NSDL IDeAS facility, please visit the e-Services website of NSDL. Open web browser by typing the following URL: <a href="https://eservices.nsdl.com">https://eservices.nsdl.com</a> either on a Personal Computer or on a mobile. Once the home page of e-Services is launched, click on the “Beneficial Owner” icon under “Login” which is available under ‘IDeAS’ section. A new screen will open. You will have to enter your User ID and Password.</li> <li>● After successful authentication, you will be able to see e-Voting services. Click on “Access to e-Voting” under e-Voting services and you will be able to see e-Voting page. Click on company name or e-Voting service provider name and you will be re-directed to e-Voting service provider website for casting your vote during the remote e-Voting period or joining virtual meeting &amp; voting during the meeting.</li> <li>● If the user is not registered for IDeAS e-Services, option to register is available at <a href="https://eservices.nsdl.com">https://eservices.nsdl.com</a>. Select “Register Online for IDeAS “Portal or click at <a href="https://eservices.nsdl.com/SecureWeb/IdeasDirectReg.jsp">https://eservices.nsdl.com/SecureWeb/IdeasDirectReg.jsp</a></li> <li>● Visit the e-Voting website of NSDL. Open web browser by typing the following URL: <a href="https://www.evoting.nsdl.com/">https://www.evoting.nsdl.com/</a> either on a Personal Computer or on a mobile. Once the home page of e-Voting system is launched, click on the icon “Login” which is available under ‘Shareholder/Member’ section. A new screen will open. You will have to enter your User ID (i.e. your sixteen digit demat account number hold with NSDL), Password/OTP and a Verification Code as shown on the screen. After successful authentication, you will be redirected to NSDL Depository site wherein you can see e-Voting page. Click on company name or e-Voting service provider name and you will be redirected to e-Voting service provider website for casting your vote during the remote e-Voting period or joining virtual meeting &amp; voting during the meeting.</li> </ul>
<b>Individual Shareholders holding securities in demat mode with CDSL</b>	<ul style="list-style-type: none"> <li>● Existing user of who have opted for Easi / Easiest, they can login through their user id and password. Option will be made available to reach e-Voting page without any further authentication. The URL for users to login to Easi / Easiest are <a href="https://web.cdslindia.com/myeasi/home/login">https://web.cdslindia.com/myeasi/home/login</a> or <a href="http://www.cdslindia.com">www.cdslindia.com</a> and click on New System Myeasi.</li> <li>● After successful login of Easi / Easiest the user will be also able to see the E Voting Menu. The Menu will have links of e-Voting service provider i.e. NSDL, KARVY, LINKINTIME, CDSL. Click on e-Voting service provider name to cast your vote.</li> <li>● If the user is not registered for Easi/Easiest, option to register is available at <a href="https://web.cdslindia.com/myeasi./Registration/EasiRegistration">https://web.cdslindia.com/myeasi./Registration/EasiRegistration</a></li> <li>● Alternatively, the user can directly access e-Voting page by providing demat Account Number and PAN No. from a link in <a href="http://www.cdslindia.com">www.cdslindia.com</a> home page. The system will authenticate the user by sending OTP on registered Mobile &amp; Email as recorded in the demat Account. After successful authentication, user will be provided links for the respective ESP where the E Voting is in progress.</li> </ul>



Type of shareholders	Login Method
<b>Individual Shareholders (holding securities in demat mode) &amp; login through their depository participants</b>	<ul style="list-style-type: none"> <li>You can also login using the login credentials of your demat account through your Depository Participant registered with NSDL/CDSL for e-Voting facility.</li> <li>Once login, you will be able to see e-Voting option. Once you click on e-Voting option, you will be redirected to NSDL/CDSL Depository site after successful authentication, wherein you can see e-Voting feature. Click on company name or e-Voting service provider name and you will be redirected to e-Voting service provider website for casting your vote during the remote e-Voting period or joining virtual meeting &amp; voting during the meeting.</li> </ul>
<b>Individual Shareholders holding securities in Physical mode &amp; evoting service Provider is LINKINTIME.</b>	<ol style="list-style-type: none"> <li>Open the internet browser and launch the URL: <a href="https://instavote.linkintime.co.in">https://instavote.linkintime.co.in</a> <ul style="list-style-type: none"> <li>Click on "Sign Up" under '<b>SHARE HOLDER</b>' tab and register with your following details: -               <ol style="list-style-type: none"> <li><b>User ID:</b> Shareholders/ members holding shares in physical form shall provide Event No + Folio Number registered with the Company.</li> <li><b>PAN:</b> Enter your 10-digit Permanent Account Number (PAN) (Members who have not updated their PAN with the Depository Participant (DP)/ Company shall use the sequence number provided to you, if applicable.</li> <li><b>DOB/DOI:</b> Enter the Date of Birth (DOB) / Date of Incorporation (DOI) (As recorded with your DP / Company - in DD/MM/YYYY format)</li> <li><b>Bank Account Number:</b> Enter your Bank Account Number (last four digits), as recorded with your DP/Company.                   <ul style="list-style-type: none"> <li>Shareholders/ members holding shares in physical form but have not recorded 'C' and 'D', shall provide their Folio number in 'D' above</li> </ul> </li> </ol> <li>Set the password of your choice (The password should contain minimum 8 characters, at least one special Character (@!#\$%&amp;*), at least one numeral, at least one alphabet and at least one capital letter).</li> <li>Click "confirm" (Your password is now generated).</li> </li></ul> </li> <li>Click on 'Login' under '<b>SHARE HOLDER</b>' tab.</li> <li>Enter your User ID, Password and Image Verification (CAPTCHA) Code and click on '<b>Submit</b>'.</li> <li>After successful login, you will be able to see the notification for e-voting. Select '<b>View</b>' icon.</li> <li>E-voting page will appear.</li> <li>Refer the Resolution description and cast your vote by selecting your desired option '<b>Favour / Against</b>' (If you wish to view the entire Resolution details, click on the 'View Resolution' file link).</li> <li>After selecting the desired option i.e. Favour / Against, click on '<b>Submit</b>'. A confirmation box will be displayed. If you wish to confirm your vote, click on '<b>Yes</b>', else to change your vote, click on '<b>No</b>' and accordingly modify your vote.</li> </ol>

### **Institutional shareholders:**

Institutional shareholders (i.e., other than Individuals, HUF, NRI etc.) and Custodians are required to log on the e-voting system of LIPL at <https://instavote.linkintime.co.in> and register themselves as '**Custodian / Mutual Fund / Corporate Body**'. They are also required to upload a scanned certified true copy of the board resolution /authority letter/power of attorney etc. together with attested specimen signature of the duly authorised representative(s) in PDF format in the '**Custodian / Mutual Fund / Corporate Body**' login for the Scrutinizer to verify the same.

### **Individual Shareholders holding securities in Physical mode & evoting service Provider is LINKINTIME, have forgotten the password:**

- ※ Click on '**Login**' under '**SHARE HOLDER**' tab and further Click '**forgot password?**'
- ※ Enter **User ID**, select **Mode** and Enter Image Verification (CAPTCHA) Code and Click on '**Submit**'.
- In case shareholders/ members is having valid email address, Password will be sent to his / her registered e-mail address.
- Shareholders/ members can set the password of his/her choice by providing the information about the particulars of the Security Question and Answer, PAN, DOB/DOI, Bank Account Number (last four digits) etc. as mentioned above.
- The password should contain minimum 8 characters, at least one special character (@!#\$%&\*), at least one numeral, at least one alphabet and at least one capital letter.

### **Individual Shareholders holding securities in demat mode with NSDL/ CDSL have forgotten the password:**

- Shareholders/ members who are unable to retrieve User ID/ Password are advised to use Forget User ID and Forget Password option available at abovementioned depository/ depository participants website.
  - ※ It is strongly recommended not to share your password with any other person and take utmost care to keep your password confidential.
  - ※ For shareholders/ members holding shares in physical form, the details can be used only for voting on the resolutions contained in this Notice.

During the voting period, shareholders/ members can login any number of time till they have voted on the resolution(s) for a particular "Event".

### **Helpdesk for Individual Shareholders holding securities in demat mode:**

In case shareholders/ members holding securities in demat mode have any technical issues related to login through Depository i.e., NSDL/ CDSL, they may contact the respective helpdesk given below:

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

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**Helpdesk for Individual Shareholders holding securities in physical mode/ Institutional shareholders & evoting service Provider is LINKINTIME.**

In case shareholders/ members holding securities in physical mode/ Institutional shareholders have any queries regarding e-voting, they may refer the **Frequently Asked Questions ('FAQs')** and **InstaVote e-Voting manual** available at <https://instavote.linkintime.co.in>, under **Help** section or send an email to [enotices@linkintime.co.in](mailto:enotices@linkintime.co.in) or contact on: - Tel: 022 -4918 6000.

**Process for those shareholders whose e-mail address is not registered with the depositories for obtaining login credentials for e-voting for the resolution proposed in this Notice:**

1. For physical shareholders – please provide necessary details like Folio No., Name of shareholder, scanned copy of the share certificate (front and back), PAN (self-attested scanned copy of PAN card), AADHAR (self-attested scanned copy of Aadhar Card) by email to [investors@ssh.saraelgi.com](mailto:investors@ssh.saraelgi.com) or [coimbatore@linkintime.co.in](mailto:coimbatore@linkintime.co.in)
2. For Demat shareholders – Members are requested to update their email address with the depository participants by following the procedure advised by them and then follow the instructions as detailed above to login for e-voting
3. The Company/Registered Share Transfer Agent shall co-ordinate to provide the login credentials to the above mentioned shareholders.

**Instructions for Shareholders/Members to attend the Annual General Meeting through InstaMeet (VC/OAVM) are as under:**

- 1) Shareholders/Members are entitled to attend the Annual General Meeting through VC/OAVM provided by M/s. Link Intime India Private Limited by following the below mentioned process. Facility for joining the Annual General Meeting through VC/OAVM shall open 30 minutes before the time scheduled for the Annual General Meeting and will be available to the Members on first come first serve basis.

Shareholders/Members are requested to participate on first come first serve basis as participation through VC/OAVM is limited and will be closed on expiry of 15 (fifteen) minutes from the scheduled time of the Annual General Meeting. Shareholders/Members with >2% shareholding, Promoters, Institutional Investors, Directors, KMPs, Chair Persons of Audit Committee, Nomination and Remuneration Committee, Stakeholders Relationship Committee and Auditors etc. may be allowed to the meeting without restrictions of first-come-first serve basis. Members can log in and join 30 (thirty) minutes prior to the schedule time of the meeting and window for joining shall be kept open till the expiry of 15 (fifteen) minutes after the schedule time.

**Shareholders/ Members will be provided with InstaMeet facility wherein Shareholders/ Member shall register their details and attend the Annual General Meeting as under:**

1. Open the internet browser and launch the URL for InstaMeet <<<https://instameet.linkintime.co.in>>> and register with your following details:
    - a. DP ID / Client ID or Beneficiary ID or Folio No.: Enter your 16 digit DP ID / Client ID or Beneficiary ID or Folio Number registered with the Company
    - b. PAN: Enter your 10 digit Permanent Account Number (PAN) (members who have not updated their PAN with the Depository Participant or company shall use the sequence number provided to you, if applicable)
    - c. Enter your Mobile No.
    - d. Enter your Email ID, as recorded with your DP/Company.
-

## 2. Click “Go to Meeting”

Shareholders/ Members are encouraged to join the Meeting through Tablets/ Laptops connected through broadband for better experience.

Shareholders/ Members are required to use Internet with a good speed (preferably 2 MBPS download stream) to avoid any disturbance during the meeting.

Please note that Shareholders/Members connecting from Mobile Devices or Tablets or through Laptops connecting via Mobile Hotspot may experience Audio/Visual loss due to fluctuation in their network. It is therefore recommended to use stable Wi-Fi or LAN connection to mitigate any kind of aforesaid glitches.

In case the shareholders/members have any queries or issues regarding e-voting, you can write an email to [instameet@linkintime.co.in](mailto:instameet@linkintime.co.in) or Call us: - Tel : ( 022-49186175 )

### **Instructions for Shareholders/Members to register themselves as Speakers during Annual General Meeting**

- Shareholders/ Members who would like to express their views/ask questions during the meeting may register themselves as a speaker by sending their request mentioning their name, demat account number/folio number, email id, mobile number at [investors@ssh.saraelgi.com](mailto:investors@ssh.saraelgi.com) from 10th September, 2021 9.00 A.M. to 15th September, 2021 12.00 P.M.
- The first 20 Speakers on first come first basis will only be allowed to express their views/ask questions during the meeting.
- Shareholders/ Members, who would like to ask questions, may send their questions in advance mentioning their name demat account number/folio number, email id & mobile number at (company email id). The same will be replied by the company suitably.

Those shareholders/members who have registered themselves as a speaker will only be allowed to express their views/ask questions during the meeting. The Company reserves the right to restrict the number of speakers depending on the availability of time for the Annual General Meeting.

Shareholders/ Members should allow to use camera and are required to use Internet with a good speed (preferably 2 MBPS download stream) to avoid any disturbance during the meeting.

### **Instructions for Shareholders/Members to Vote during the Annual General Meeting through InstaMeet**

Once the electronic voting is activated by the scrutiniser during the meeting, shareholders/ members who have not exercised their vote through the remote e-voting can cast the vote as under:

1. On the Shareholders VC page, click on the link for e-Voting “Cast your vote”.
2. Enter Demat Account No. / Folio No. and OTP (received on the registered mobile number/ registered email Id) received during registration for InstaMeet and click on ‘Submit’.
3. After successful login, you will see “Resolution Description” and against the same the option “Favour/ Against” for voting.
4. Cast your vote by selecting appropriate option i.e. “Favour/Against” as desired.

Enter the number of shares (which represents no. of votes) as on the cut-off date under ‘Favour/Against’.

5. After selecting the appropriate option i.e. Favour/Against as desired and you have decided to vote, click on “Save”. A confirmation box will be displayed. If you wish to confirm your vote, click on “Confirm”, else to change your vote, click on “Back” and accordingly modify your vote.

- 
6. Once you confirm your vote on the resolution, you will not be allowed to modify or change your vote subsequently.

**Note:**

Shareholders/ Members, who will be present in the Annual General Meeting through InstaMeet facility and have not cast their vote on the Resolutions through remote e-Voting and are otherwise not barred from doing so, shall be eligible to vote through e-Voting facility during the meeting.

Shareholders/ Members who have voted through Remote e-Voting prior to the Annual General Meeting will be eligible to attend/participate in the Annual General Meeting through InstaMeet. However, they will not be eligible to vote again during the meeting.

In case the shareholders/members have any queries or issues regarding e-voting, you can write an email to [instameet@linkintime.co.in](mailto:instameet@linkintime.co.in) or Call us: - Tel : ( 022-49186175)

- V. The voting rights of shareholders shall be in proportion to their shares of the paid up equity share capital of the Company, as on the cut-off date (record date) of 9th September, 2021.
- VI. The Chairman shall, at the Annual General Meeting, at the end of discussion on the resolutions on which voting is to be held shall allow e-voting for all those members who are present at the Annual General Meeting by electronic means but have not cast their votes by availing remote e-voting facility.
- VII. Mr. M.D.Selvaraj, FCS of MDS & Associates, Company Secretaries in Practice, Coimbatore has been appointed as the Scrutinizer to scrutinize the e-voting process in a fair and transparent manner.
- VIII. The Scrutinizer shall immediately after the conclusion of the Annual General Meeting, first count the votes cast at the meeting and thereafter unblock the votes cast through remote e-voting in the presence of at least two (2) witnesses not in the employment of the Company and make a Scrutinizer's Report of the votes cast in favour or against, if any, forthwith to the Chairman of the Company.
- IX. The Results shall be declared within 2 days of the conclusion of the Annual General Meeting. The results declared along with the Consolidated Scrutinizer's Report shall be placed on the Company's website [www.superspinning.com](http://www.superspinning.com) and on the website of LIPL and communicated to the Stock Exchanges where the Company's shares are listed by the Chairman or a person authorized by him.
-

## Annexure

Additional information of Directors seeking appointment / re-appointment as required under Regulation 36(3) of Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements), Regulations, 2015) and Secretarial Standard on General Meetings ("SS-2"), issued by the Institute of Company Secretaries of India

The information relating to the directors proposed to be appointed / re-appointed is given hereunder:-

<b>Name</b>	<b>Mr. Sanjay Krishna Ramamurthi</b>
Director Identification Number (DIN)	08730627
Date of Birth / Age	01.11.1996 / 24 Years
Nationality	Indian
Qualification	B.A. (Hons) Graduation in International Business at Hull University, UK.
Expertise in Functional Area	He possesses adequate knowledge in Finance and Technology
Experience	NIL
Shareholding in the Company	40,00,000 Equity Shares of Re 1/- each
Board Position Held	Non-Executive Non-Independent Director
Date of first appointment on the Board	27-06-2020
Terms and Conditions of re-appointment	Liable to retire by rotation
Number of meetings of the Board attended during the year	4 (four)
Directorships of other Boards	Elgi Electric And Industries Ltd
Membership/ Chairmanship of Committees of other Boards	Nil
Remuneration last drawn / sought to be paid	Not Applicable
Inter-se relationship with other directors	Mr. Sumanth Ramamurthi, who is a Chairman and Managing director of the Company is the father of Mr. Sanjay Krishna Ramamurthi

Coimbatore  
24th June 2021

By Order of the Board  
For Super Spinning Mills Limited  
**Narmatha G K**  
Company Secretary



## DIRECTOR'S REPORT

### To the Members,

The Directors hereby present the 59th Annual Report of the Super Spinning Mills Limited, on the business and operations of your company along with audited financial statements for the year ended 31st March, 2021.

### Financial Highlights:

The summary of the financial performance of the Company for the year ended 31st March 2021 is as follows.

(Rs. In Lakhs)

Particulars	31.03.2021	31.03.2020
Revenue from operation	4888.42	14560.63
Other Income	542.34	443.40
<b>Total Revenue</b>	<b>5430.76</b>	15004.03
<b>Earnings before Finance Cost, Depreciation &amp; Tax</b>	<b>628.95</b>	(564.20)
Less: Finance Cost	575.73	880.50
Earnings before Depreciation & Tax	53.22	(1444.70)
Less: Depreciation and amortization	307.68	389.56
<b>Profit/ (Loss) before Exceptional Items &amp; Tax</b>	<b>(254.46)</b>	(1834.26)
Add: Exceptional Items	532.06	704.00
Add: Profit from Discontinued operations	(546.85)	-
<b>Profit / (Loss) before Tax</b>	<b>(269.25)</b>	(1130.26)
Less: Current and deferred Tax	-	-
Less: Income tax pertaining to earlier years	519.91	-
Add : Other Comprehensive Income	(173.47)	(98.60)
<b>Profit / (Loss) after Tax</b>	<b>(962.63)</b>	(1228.86)

### Review of business operations & Outlook for the current year

During the year under review, your Company continued

to operate below its normal rated capacity resulting in a lower turnover during the year. On account of severe working capital constraints, the Company could not operate Super A and B units at its normal full capacity. SUPER A UNIT manufacturing facility had become uncompetitive and hence your company took the decision of selling the Unit. Through Postal Ballot held on 5th August 2020, the shareholders approval was obtained by the Company to sell its Manufacturing unit along with 36.26 Acres of land situated at Company's SUPER A UNIT - Kirikera, Hindupur, Andhra Pradesh ("Undertaking"), together with all specified tangible and intangible assets in relation to the Undertaking (excluding its brand name and the specific liabilities) to any prospective buyer.

Against the backdrop of the turbulence period, your Company's total turnover has come down drastically with only one unit running actively. There was a marginal profit of Rs. 53.22 lakhs for Earnings before depreciation and tax as against a loss of Rs. 1444.70 lakhs in the previous year. The overall after tax loss stood at Rs 962.63 lakhs as against the loss of Rs 1228.86 in the previous year. Your Company is hoping for a improved performance the coming year.

### Change in the nature of business

There was no change in the nature of principal business of the Company during the financial year ended 31st March 2021.

### Transfer to Reserves

During the year under review, no amount has been transferred to general reserves. However, the current year loss of Rs 789.16 Lakhs has been adjusted against the retained earnings under the head "other equity".

### Dividend

Due to losses incurred by the Company during the year under review the Directors have not recommended any Dividend for the year ended 31st March 2021.

### Share Capital

The issued, subscribed and paid-up share capital of the Company as on 31st March 2021 stood at Rs.5,50,00,000/- divided into 5,50,00,000 equity shares of Re.1/- each. During the year under review the Company has not made any fresh issue of shares.





### **Transfer of Unclaimed Dividend/ Shares to Investor Education and Protection Fund**

There was no amount to be transferred during the year to the Investor Education and Protection Fund established by the Central Government.

### **Extract of Annual Return**

The Annual Return of the Company for the Financial Year 2020-21, in the Prescribed Form MGT-7 as required under Section 92(3) of the Companies Act, 2013 is available on the website of the Company and can be accessed on the Company's website at the link <https://www.superspinning.com/wp-content/uploads/2021/08/AnnualReturn2021.pdf>

### **Board and Committee meetings**

During the year under review, Six meetings of the Board were held. For details of meetings of the Board, please refer to the Corporate Governance Report, which is a part of this report.

The details pertaining to the composition and meetings of the Audit Committee are included in the Corporate Governance Report, which is a part of this report.

### **Statement of Compliance with Secretarial Standards**

The Directors have devised proper systems to ensure compliance with the provisions of all applicable secretarial standards and such systems are adequate and operating effectively. The Company has duly complied with Secretarial Standards issued by Institute of Company Secretaries of India on meeting of the Board of Directors (SS-1) and General Meetings (SS-2).

### **Directors Responsibility Statement**

Pursuant to the requirement under Section 134(3)(c) of the Companies Act, 2013, with respect to Directors' Responsibility Statement, it is hereby confirmed that:

- a) in the preparation of the annual accounts, the applicable accounting standards had been followed and there are no material departures from those 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 loss of the company for that period;

- c) the directors had taken proper and sufficient care for the maintenance of adequate accounting records in accordance with the provisions of this Act for safeguarding the assets of the company and for preventing and detecting fraud and other irregularities;
- d) the directors had prepared the annual accounts on a going concern basis;
- e) the directors have laid down internal financial controls to be followed by the Company and that such internal financial controls are adequate and 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.

### **Details in respect of frauds reported by Auditors under Section 143(12) of the Companies Act, 2013 other than those which are reportable to the Central Government**

There have been no frauds reported by the Auditors pursuant to Section 143(12) of the Companies Act, 2013.

### **Declaration of Independent Directors**

The Company has received declarations from all the Independent Directors of the Company confirming that they meet the criteria of independence as stipulated in Section 149(6) of the Companies Act, 2013 and Regulation 16(1)(b) of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015. Further, they have also declared that they are not aware of any circumstance or situation, which exist or may be reasonably anticipated, that could impair or impact their ability to discharge their duties with an objective independent judgment and without any external influence. Based on the declarations received from the Independent Directors, the Board of Directors has confirmed that they meet the criteria of independence as mentioned under Regulation 16(1)(b) of the SEBI Listing Regulations and Rule 6 of Companies (Appointment and Qualification of Directors) Rules, 2014 and that they are independent of the management.

**Statement regarding opinion of the board with regard to integrity, expertise and experience (including the proficiency) of the independent directors appointed during the year**

Board of Directors have evaluated the Independent Directors appointed/ re-appointed and opined that the integrity, expertise and experience (including proficiency) of the Independent Directors is satisfactory.

**Company's Policy Relating to Directors Appointment, Payment of Remuneration and other matters**

The Company pursuant to the provisions of Section 178 of the Companies Act, 2013 and in terms of Regulation 19(4) of the SEBI Listing Regulations has formulated a policy on Nomination and Remuneration for its Directors, Key Managerial Personnel and Senior Management. The Nomination and Remuneration Policy of the Company is annexed herewith as **Annexure 1** and can also be accessed on the Company's website at the link <http://www.superspinning.com/wp-content/uploads/2019/03/NominationAndRemunerationPolicy.pdf>

**Comments on Auditors' Report**

There were no qualifications, reservations, adverse remarks or disclaimers made by M/s.Sethia, Prabhad & Hedge, Statutory Auditors and Mr.M.D.Selvaraj of MDS & Associates, Secretarial Auditor in their report.

The Auditors report includes an emphasis of matter relating to COVID-19 Pandemic's impact on company's financial performance, which is given in the Note no: 52 to the financial statements.

**Particulars of Loans, Guarantees or Investments made under Section 186 of the Companies Act, 2013**

During the year under review the Company has not granted any loans or given any security or made any investments pursuant to the provisions of Section 186 of the Companies Act, 2013. However, the details in respect of investments made by the Company in the earlier years are disclosed in the notes to the financial statements.

**Particulars of contracts or transactions with related parties**

All the transactions entered into by the Company with

related parties as defined under the Companies Act, 2013 and Regulation 23 of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 during the financial year 2020-21 were in the ordinary course of business and on arms' length basis.

The particulars of contract and arrangement entered into by the Company with related parties referred to Section 188(1) of the Companies Act, 2013 including certain arm's length transactions under third proviso thereto are disclosed in **Annexure 2** (Form No. AOC-2) and forms part of this Report.

The policy on related party transactions as approved by the Board of Directors of the Company has been uploaded on the company's website and may be accessed through the link at [https://www.superspinning.com/wp-content/uploads/2020/06/RPTpolicy\\_20200610.pdf](https://www.superspinning.com/wp-content/uploads/2020/06/RPTpolicy_20200610.pdf)

**Material changes and commitments affecting the financial position of the company**

Due to outbreak of COVID 19 pandemic and based on the directives of the Government of India, the operations of the Company was carried on in a phased manner with minimal workforce by following requisite precautions/ guidelines. This has impacted the turnover and profitability of the Company. Since March 2021 major parts of the Country were affected by the second wave of Covid-19.

**Conservation of Energy, Technology Absorption, Foreign Exchange Earnings and Outgo**

The information pertaining to conservation of energy, technology absorption, Foreign Exchange Earnings and outgo as required under Section 134(3)(m) of the Companies Act, 2013 read with Rule 8(3) of the Companies (Accounts) Rules, 2014 is attached herewith as **Annexure 3** to this report.

**Risk Management Policy of the company**

The Company recognizes that risk is an integral part of business and it is committed to managing the risks in a proactive and efficient manner. Keeping the same in mind, the Board of Directors of the Company has formulated the Risk Management Policy. The Company does not face any risk other than those prevalent in the industry and it has taken all possible steps to overcome such risks. However, some of the risks which may pose challenges are set out in the Management Discussion



and Analysis Report, which forms part of this report.

### **Audit Committee**

The Company has constituted Audit Committee in accordance with Section 177 of the Companies Act, 2013. Kindly refer the Report on Corporate Governance for matters relating to the composition, meetings and functions of the committee.

The Board has accepted the Audit Committee's recommendations during the year wherever required and hence no disclosure is required under Section 177(8) of the Companies Act, 2013, with respect to rejection of any recommendations of Audit Committee by the Board.

### **Whistle Blower Policy (Vigil Mechanism)**

The Company has a Whistle Blower Policy and has established the necessary vigil mechanism for directors and employees in confirmation with Section 177(9) of the Act and Regulation 22 of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 to enable the directors and employees to report concerns about unethical behaviour, actual or suspected fraud or violation of the company's code of conduct or ethics policy. The Whistle Blower policy is available on the company's website and may be accessed through the link at <http://www.superspinning.com/wp-content/uploads/2016/08/WhistleBlowerPolicy.pdf>.

### **Corporate Social Responsibility initiatives**

The brief outline of the Corporate Social Responsibility (CSR) policy of the Company and the initiatives undertaken by the Company on CSR activities during the year under review are set out in **Annexure 4** of this report.

The company has adopted a Corporate Social Responsibility Policy defining therein the CSR activities to be undertaken by the Company in line with the provisions of Schedule VII of the Companies Act, 2013. The Corporate Social Responsibility Committee of the Board is responsible for the implementation and effective monitoring of the CSR activities of the Company.

### **Annual evaluation of the Board on its own performance and of the individual Directors**

The Board of Directors has carried out an annual

evaluation of its own performance, board committees and individual directors pursuant to the provisions of the Act. The performance of the Board was evaluated by the Board after seeking inputs from all the directors on the basis of criteria such as the board composition and structure, effectiveness of board processes, information and functioning, etc.

In a separate meeting of independent directors, performance of non-independent directors, the Board as a whole and the Chairman of the Company was evaluated, taking into account the views of executive directors and non-executive directors.

The Board and the Nomination and Remuneration Committee reviewed the performance of individual directors. At the board meeting that followed the meeting of the independent directors and meeting of Nomination and Remuneration Committee, the performance of the Board, its Committees, and individual directors was also discussed. Performance evaluation of Independent Directors was done by the entire Board, excluding the independent director being evaluated.

### **Directors and Key Managerial Personnel**

Pursuant to the provisions of Section 152 of the Companies Act, 2013, Mr. Sanjay Krishna Ramamurthi (DIN: 08730627), Director of the Company, retires by rotation and being eligible offers himself for reappointment. A resolution seeking shareholders' approval for his re-appointment forms part of the Notice.

At the Board of Directors meeting held on 27th June 2020, Mr. Sanjay Krishna Ramamurthi (DIN: 08730627) was appointed as the Additional Director of the Company. Subsequently in the Postal Ballot held on 5th August 2020, the same was approved by the shareholders of the company.

Key Managerial Personnel of the Company required under Sec 2(51) and Section 203 of the Companies Act, 2013, are Mr. Sumanth Ramamurthi, Chairman and Managing Director; Mr. Sathyanarayan Reddy, Chief Financial Officer and Mrs. Narmatha G K, Company Secretary.

### **Subsidiaries, Joint Ventures and Associate Companies**

The Company does not have any subsidiaries, Joint Ventures or Associate Companies.



## Fixed Deposits

Since the Company has not accepted any fixed deposit covered under Chapter V of the Companies Act, 2013, there are no deposits remaining unclaimed or unpaid as on 31st March, 2021 and accordingly, the question of default in repayment of deposits or payment of interest thereon during the year does not arise.

## Details of significant and material orders passed by the regulators or Courts or Tribunals impacting the going concern status and Company's operation in future

There are no significant and material order passed by the regulators or courts or tribunals impacting the going concern status and company's operation in future.

## Adequacy of internal financial controls with reference to the financial statements

The Company has implemented and evaluated the Internal Financial Controls which provide a reasonable assurance. During the year, the Internal Auditor of the Company were assigned the responsibility for ensuring and reviewing the adequacy of legal compliance systems in the Company as required under the Companies Act, 2013. The audit Committee of the Board constantly reviews the observations of the internal auditor with respect to the internal control systems and their adequacy, significant risk areas, control mechanism and the operations of the Company. It also discusses and implements the recommendations made for corrective action through the internal audit reports. The Directors and Management confirm that the Internal Financial Controls are adequate with respect to the operations of the Company. A report of Auditors pursuant to Section 143(3) (i) of the Companies Act, 2013 certifying the adequacy of Internal Financial Controls is annexed with the Auditors Report.

## Auditors

### a) Statutory Auditors

M/s.Sethia, Prabhad Hegde & Co., Chartered Accountants (FRN 013367S) Bengaluru, were appointed as the statutory auditors of the company for a period of five years at the 55th Annual General Meeting of the company held on 1st December 2017. Pursuant to the amendment of Section 139 of the Companies Act, 2013, the company is no longer

required to seek the ratification of the appointment of the auditor at every annual general meeting.

The company has received a certificate from M/s.Sethia, Prabhad Hegde & Co., Chartered Accountants, confirming that they are not disqualified from continuing as statutory auditors of the company.

### b) Secretarial Auditors

Pursuant to the provisions of Section 204 of the Companies Act, 2013 read with corresponding rules framed thereunder, the Company has appointed Mr. M.D.Selvaraj, MDS & Associates, Company Secretaries in Practice to undertake the Secretarial Audit of the Company. The report of the Secretarial Audit in Form No. MR-3 for the financial year 2020-21 is annexed herewith as **Annexure 5** to this report.

Further, the Secretarial Compliance Report for the year ended 31st March, 2021 issued by the Practicing Company Secretary pursuant to Regulation 24A of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, has been filed with BSE Limited and the National Stock Exchange of India Limited. A copy of the same is available on the Company's website: [www.superspinning.com](http://www.superspinning.com)

### c) Cost Auditors

Based on the recommendation of the Audit Committee, the Board of Directors has appointed Mr.R.Krishnan, Cost Accountant, (Membership No. 7799) as the Cost Auditor of the company for the financial year 2021-22. Pursuant to Section 148 of the Companies Act, 2013, read with the Companies (Audit and Auditors) Rules, 2014, the remuneration payable to the Cost Auditors is subject to the ratification of the members in a general meeting. The Board recommends the ratification of his remuneration. The Cost Audit Report for the financial year 2021-2022 will be filed within the required period under Companies Act, 2013.

## Maintenance of cost records under sub-section (1) of Section 148 of the Companies Act, 2013

Pursuant to the provisions of Section 148(1) of the Companies Act, 2013 read with Companies (Cost



Records and Audit) Rules, 2014, the Company was required to maintain cost records. Accordingly, the company has duly made and maintained the cost records as mandated by the Central Government.

**Details of application made or any proceeding pending under the Insolvency and Bankruptcy Code, 2016 during the year**

No applications have been made and no proceedings are pending against the Company under the Insolvency and Bankruptcy Code, 2016.

**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.**

The disclosure under this clause is not applicable as the Company has not undertaken any one-time settlement with the banks or financial institutions.

**Particulars of Employees**

The details pursuant to Section 197(12) of the Companies Act, 2013 read with Rule 5(1) of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014 is annexed herewith as **Annexure 6** to this report.

**Corporate Governance**

A detailed review of the operations, performance and future outlook of the Company and its businesses is given in the Management's Discussion and Analysis Report (Regulation 34 of the SEBI (Listing Obligations & Disclosure Requirements) Regulations, 2015), which forms part of this Report.

The Corporate Governance Report is annexed to and forms part of this report. The Company has complied

with the conditions relating to Corporate Governance as stipulated in SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015. A report of the Statutory Auditors of the Company confirming the compliance of conditions of Corporate Governance as required by SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 is annexed to this report and forms part of this report.

**Disclosure 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.

Internal Complaint Committee has been setup to redress complaints received regularly. There was no complaint received from any employee during the financial year 2020-21 and hence no complaint is outstanding as on 31st March, 2021 for redressal.

**Personnel Relations**

The Company continues to enjoy the cordial relationship with its employees at all levels.

**Acknowledgements**

Your Directors wish to place on record their appreciation of the confidence reposed by the shareholders in the Company at all times. The Directors thank the Company's Bankers, Financial Institutions, Customers, Vendors, Investors, Suppliers and Business Associates for their unstinted support. The Board of Directors also wishes to place on record their appreciation for the contributions made by the employees towards the growth of the Company.



## **NOMINATION AND REMUNERATION POLICY**

### **Introduction:**

In pursuance of the Company's policy to consider human resources as its invaluable assets, to pay equitable remuneration to all Directors, Key Managerial Personnel (KMP) and employees of the Company, to harmonize the aspirations of human resources consistent with the goals of the Company and in terms of the provisions of the Companies Act, 2013 and the listing agreement as amended from time to time this policy on nomination and remuneration of Directors, Key Managerial Personnel and Senior Management has been formulated by the Committee and approved by the Board of Directors.

### **Objective and purpose of the Policy:**

The objective and purpose of this policy are:

- To lay down criteria and terms and conditions with regard to identifying persons who are qualified to become Directors (Executive and Non-Executive) and persons who may be appointed in Senior Management and Key Managerial positions and to determine their remuneration.
- To determine remuneration based on the Company's size and financial position and trends and practices on remuneration prevailing in peer companies, in the textile industry.
- To carry out evaluation of the performance of Directors, as well as Key Managerial and Senior Management Personnel.
- To provide them reward linked directly to their effort, performance, dedication and achievement relating to the Company's operations.

In the context of the aforesaid criteria the following policy has been formulated by the Nomination and Remuneration Committee and adopted by the Board of Directors at its meeting held on 28th May, 2014.

### **Effective Date:**

This policy shall be effective from 1st April, 2014

### **Definitions**

- Board means Board of Directors of the Company.
- Directors mean Directors of the Company.
- Committee means Nomination and Remuneration Committee of the Company as constituted or reconstituted by the Board.
- Independent Director means a director referred to in Section 149 (6) of the Companies Act, 2013.
- Key Managerial Personnel (KMP) means-
  - i. Executive Chairman and / or Managing Director;
  - ii. Whole-time Director;
  - iii. Chief Financial Officer;
  - iv. Company Secretary;
  - v. Such other officer as may be prescribed under the applicable statutory provisions / regulations.
- Senior Management means personnel of the company who are members of its core management team excluding the Board of Directors. This would also include all members of management one level below the chief executive officer/managing director/whole time director/manager (including chief executive officer/manager, in case they are not part of the board) and shall specifically include company secretary and chief financial officer.
- Unless the context otherwise requires, words and expressions used in this policy and not defined herein but defined in the Companies Act, 2013 as may be amended from time to time shall have the meaning respectively assigned to them therein.

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**Constitution of the Nomination and Remuneration Committee:**

The Remuneration Committee was constituted on 31st July 2008 consisting of four Independent Directors. The Board has changed the nomenclature of Remuneration Committee constituted by renaming it as Nomination and Remuneration Committee on 28th May, 2014.

The Board has the power to reconstitute the Committee consistent with the Company's policy and applicable statutory requirement.

**Role Of Committee**

The role of the Committee inter alia will be the following:

- a) to formulate a criteria for determining qualifications, positive attributes and independence of a Director.
- b) to recommend to the Board the appointment and removal of Senior Management
- c) to carry out evaluation of Director's performance and recommend to the Board appointment / removal based on his / her performance.
- d) to recommend to the Board on (i) policy relating to remuneration for Directors, Key Managerial Personnel and Senior Management and (ii) Executive Directors remuneration and incentive.
- e) to make recommendations to the Board concerning any matters relating to the continuation in office of any Director at any time including the suspension or termination of service of an Executive Director as an employee of the Company subject to the provision of the law and their service contract;
- f) ensure that level and composition of remuneration is reasonable and sufficient, relationship of remuneration to performance is clear and meets appropriate performance benchmarks,
- g) to devise a policy on Board diversity;
- h) to develop a succession plan for the Board and to regularly review the plan;

**Membership**

- a) The Committee shall consist of a minimum 3 non-executive directors, majority of them being independent.
- b) The quorum for a meeting of the nomination and remuneration committee shall be either two members or one third of the members of the committee, whichever is greater, including at least one independent director in attendance.
- c) Membership of the Committee shall be disclosed in the Annual Report.
- d) Term of the Committee shall be continued unless terminated by the Board of Directors.

**Chairman**

- a) Chairman of the Committee shall be an Independent Director.
- b) Chairperson of the Company may be appointed as a member of the Committee but shall not be a Chairman of the Committee.
- c) In the absence of the Chairman, the members of the Committee present at the meeting shall choose one amongst them to act as Chairman.
- d) Chairman of the Nomination and Remuneration Committee meeting could be present at the Annual General Meeting or may nominate some other member to answer the shareholders' queries.

**Frequency Of Meetings**

The nomination and remuneration committee shall meet at least once in a year.

**Secretary**

The Company Secretary of the Company shall act as Secretary of the Committee.

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**Nomination Duties**

The duties of the Committee in relation to nomination matters include:

- Ensuring that there is an appropriate induction & training programme in place for new Directors and members of Senior Management and reviewing its effectiveness;
- Ensuring that on appointment to the Board, Non-Executive Directors receive a formal letter of appointment in accordance with the Guidelines provided under the Companies Act, 2013;
- Identifying and recommending Directors who are to be put forward for retirement by rotation.
- Determining the appropriate size, diversity and composition of the Board;
- Setting a formal and transparent procedure for selecting new Directors for appointment to the Board;
- Evaluating the performance of the Board members and Senior Management in the context of the Company's performance from business and compliance perspective;
- Making recommendations to the Board concerning any matters relating to the continuation in office of any Director at any time including the suspension or termination of service of an Executive Director as an employee of the Company subject to the provision of the law and their service contract.
- Delegating any of its powers to one or more of its members or the Secretary of the Committee;
- Recommend any necessary changes to the Board.
- Considering any other matters as may be requested by the Board

**Remuneration Duties**

The duties of the Committee in relation to remuneration matters include:

- to consider and determine the Remuneration Policy, based on the performance and also bearing in mind that the remuneration is reasonable and sufficient to attract retain and motivate members of the Board and such other factors as the Committee shall deem appropriate all elements of the remuneration of the members of the Board.
- to approve the remuneration of the Senior Management including key managerial personnel of the Company maintaining a balance between fixed and incentive pay reflecting short and long term performance objectives appropriate to the working of the Company.
- to delegate any of its powers to one or more of its members or the Secretary of the Committee
- to consider any other matters as may be requested by the Board;
- Professional indemnity and liability insurance for Directors and senior management.

**Minutes Of Committee Meeting**

Proceedings of all meetings must be recorded by way of minutes and signed by the Chairman of the Committee at the subsequent meeting. Minutes of the Committee meetings will be tabled at the subsequent Board and Committee meeting.

**Policy Review**

This policy was last modified and adopted on 01st April 2019 and will be reviewed as and when deemed necessary.



**Form No. AOC-2**

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

Form for disclosure of particulars of contracts/arrangements entered into by the company with related parties referred to in sub-section (1) of Section 188 of the Companies Act, 2013 including certain arm's length transactions under third proviso thereto.

**1. Details of contracts or arrangements or transactions not at arm's length basis**

Not Applicable

**2. Details of material contracts or arrangement or transactions at arm's length basis**

a. Name of the related party	M/s. Elgi Electric and Industries Limited
Nature of relationship	Mr. Sumanth Ramamurthi, Chairman and Managing Director is interested as Director/Shareholder
b. Nature of contracts/ arrangements/transactions	Sales and purchase of goods & availing and rendering of services and other transactions in the ordinary course of business upto a maximum aggregate value of Rs.50 Crores per annum.
c. Duration of the contracts/ arrangements/ transactions	5 years with effect from 01.01.2019
d. Salient terms of the contracts or arrangements or transactions including the value, if any;	The proposed transaction would be carried at arm's length basis and in the normal course of business
e. Date(s) of approval by the Board, if any.	27th October 2018
f. Amount paid as advances, if any.	-

Coimbatore  
24th June 2021

By Order of the Board  
For Super Spinning Mills Limited  
**Sumanth Ramamurthi**  
Chairman & Managing Director  
DIN: 00002773

**Annexure 3**

**Conservation of Energy, Technology Absorption and Foreign Exchange Earning and Outgo**

**A) Conservation of Energy**

- i) the steps taken or impact on conservation of energy;
  - 1) FO M/c Pot Conversion done in existing machines, wherein 30% of energy saving is observed. Out of 16 machines 14 machines completed last financial year and balance 2 machines completed in this financial year.
  - 2) CDS system for Ring frames in place of Elite System wherein 20% power saving observed. Out of 31 machines 13 machines completed last financial year and balance 18 machines completed in this financial year.
  - 3) T5 Tube lights replaced with LED tube lights in all departments
  - 4) Compressor air energy consumption reduced by monitoring and arresting the air leakages
- ii) the steps taken by the company for utilizing alternate sources of energy;

Solar Energy is being sourced
- iii) the capital investment on energy conservation equipment's;

The Company has invested Rs. 44 Lakhs during the year under review towards Energy Conservation equipment.

**B) Technology absorption-**

- i) the efforts made towards technology absorption - NIL
- ii) the benefits derived like product improvement, cost reduction, product development or import substitution; - NIL
- iii) in case of imported technology (imported during the last three years reckoned from the beginning of the financial year)-
  - a) the details of technology imported; NIL
  - b) the year of import; N.A.
  - c) whether the technology been fully absorbed; N.A.
  - d) if not fully absorbed, areas where absorption has not taken place, and the reasons thereof; N.A.
- iv) the expenditure incurred on Research and Development. NIL

**C) Foreign Exchange earnings and outgo**

The foreign Exchange earned in terms of actual inflows during the year and the foreign exchange outgo during the year in terms of actual outflows. (Rs. in lakhs)

Particulars	2020-21	2019-20
Total Foreign Exchange earnings	-	755.10
Total Foreign Exchange outflow	-	179.27

**Annual Report on Corporate Social Responsibility (CSR) Activities**

**1. Brief outline on CSR Policy of the Company**

The Company has framed a Corporate Social Responsibility Policy with intent on improving the welfare of the people by providing education and basic sanitation facilities to the impoverished classes of people. Besides improving welfare, the policy framed in accordance with Schedule VII of the Companies Act, 2013 also focuses on environmental sustainability and preservation of national heritage, art and culture. The company also intends to promote sports among the rural masses through its various initiatives.

**2. Composition of CSR Committee**

The CSR Committee of the Board of Directors has been constituted with the following directors as its members:

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	Mr. B Lakshmi Narayana	Non-Executive Independent Director (Chairman of the Committee)	1	1
2	Mr. Sumanth Ramamurthi	Managing Director (Member)	1	1
3	Mrs. Suguna Ravichandran	Non-Executive Independent Director (Member)	1	1

**3. The web-link where the CSR policy is disclosed on the website of the Company is “<http://www.superspinning.com/wp-content/uploads/2015/05/CorporateSocialRespPolicy.pdf>”.**

**4. 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:**

The Company has not carried out Impact assessment of CSR projects in pursuance of sub-rule (3) of rule 8 of the Companies (Corporate Social responsibility Policy) Rules, 2014 as the same is not applicable to the Company.

**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**

There is no amount available for set off in pursuance of sub-rule (3) of rule 7 of the Companies (Corporate Social Responsibility Policy) Rules, 2014 and hence disclosure under this clause is not applicable to the Company.

**6. Average Net Profit of the Company as per Section 135(5):**

There was net loss for the immediately preceding three financial years.

**7. (a) Two percent of average net profit of the company as per section 135(5)**

The Company was not required to spend on the Corporate Social Responsibility activities as the average net profits of the immediately preceding three financial years of the Company was in the negative.

- (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): NIL

**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 provision to section 135(5).		
	Amount.	Date of transfer.	Name of the Fund	Amount.	Date of transfer.
NIL	NIL	Not Applicable	Not Applicable	NIL	Not Applicable

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

The Company has not spent any amount against ongoing projects during the financial year under review.

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

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
As the company was not required to spend any amount on CSR expenses the disclosure with regard to the manner in which the amount was spent during the financial year does not arise.									

**(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): Nil**

**(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)	NIL
(ii)	Total amount spent for the Financial Year	
(iii)	Excess amount spent for the financial year [(ii)-(i)]	
(iv)	Surplus arising out of the CSR projects or programmes or activities of the previous financial years, if any	
(v)	Amount available for set off in succeeding financial years [(iii)-(iv)]	



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

The Company does not have any unspent CSR amount in any of the preceding three financial years and hence disclosure under this clause does not arise.

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

The Company does not have any ongoing projects in any of the preceding financial years and hence disclosure under this clause does not arise.

**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:**

The company has not created or acquired any capital asset through CSR spending in the financial year and hence reporting under this clause does not arise.

**11. Reasons for not spending an amount equal 2% of the Average Net Profits as per section 135(5):**

The Company was not required to spend on the Corporate Social Responsibility activities as the average net profits of the preceding three financial years of the Company was in the negative.

By Order of the Board  
For Super Spinning Mills Limited

**Sumanth Ramamurthi**

Chairman & Managing Director

DIN: 00002773

**B Lakshmi Narayana**

Chairman of CSR Committee

DIN: 00504396

Coimbatore  
24th June 2021

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**FORM NO. MR-3**  
**SECRETARIAL AUDIT REPORT**  
**FOR THE FINANCIAL YEAR ENDED 31ST MARCH, 2021**

[Pursuant to Section 204(1) of the Companies Act, 2013 and Rule No.9 of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014 and pursuant to Regulation 24A of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015]

To

The Members,

**Super Spinning Mills Limited**

(CIN: L17111TZ1962PLC001200)

'ELGI Towers', P.B No: 7113 Green Fields,

Puliakulam Road,

Coimbatore – 641045.

I have conducted the secretarial audit of the compliance of applicable statutory provisions and the adherence to good corporate practices by **M/s. Super Spinning Mills Limited** (hereinafter called the Company). Secretarial Audit was conducted in a manner that provided me a reasonable basis for evaluating the corporate conducts/ statutory compliances and expressing my opinion thereon.

Based on my verification of **M/s. Super Spinning Mills Limited's** books, papers, minute books, forms and returns filed and other records maintained by the Company and also the information provided by the Company, its officers, agents and authorized representatives during the conduct of secretarial audit, I hereby report that in my opinion, the Company has, during the audit period covering the financial year ended on **31st March, 2021** complied with the statutory provisions listed hereunder and also that the Company has proper Board-processes and compliance mechanism in place to the extent, in the manner and subject to the reporting made hereinafter.

I have examined the books, papers, minute books, forms and returns filed and other records maintained by the Company for the financial year ended on 31st March, 2021 according to the provisions of:

- i) The Companies Act, 2013 (the Act) and the rules made thereunder;
- ii) The Securities Contracts (Regulation) Act, 1956 ('SCRA') and the rules made thereunder;
- iii) The Depositories Act, 1996 and the Regulations and bye-laws framed thereunder;
- iv) The following Regulations prescribed under the Securities and Exchange Board of India Act, 1992 ('SEBI Act'):-
  - a) The Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015.
  - b) The Securities and Exchange Board of India (Substantial Acquisition of Shares and Takeovers) Regulations, 2011;
  - c) The Securities and Exchange Board of India (Prohibition of Insider Trading) Regulations, 2015;
  - d) The Securities and Exchange Board of India (Registrars to an Issue and Share Transfer Agents) Regulations, 1993 regarding the Companies Act and dealing with client;
  - e) The Securities and Exchange Board of India (Depositories and Participants) Regulations, 2018

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v. The following Law, as identified by the management, is specifically applicable to the industry to which the Company belongs,

- a. Hank Yarn Packing Notification, 2003 issued under Textile (Development and Regulation) Order, 2001 pursuant to Section 3 of the Essential Commodities Act, 1955;

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

- a) Secretarial Standards with respect to Board Meetings (SS-1) and General Meetings (SS-2) issued by the Institute of Company Secretaries of India (ICSI);
- b) Listing Agreement entered into by the Company with the BSE Limited and National Stock Exchange of India Limited;

During the year under review, the Company has complied with the provisions of the Acts, Rules, Regulations and Standards etc., mentioned above.

I further report that, during the year under review, there were no actions/ events in pursuant of the following Rules/ Regulations requiring compliance thereof by the Company:

- a. Foreign Exchange Management Act, 1999 and the rules and regulations made thereunder to the extent of Foreign Direct Investment, Overseas Direct Investment and External Commercial Borrowings;
- b. The Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2018;
- c. The Securities and Exchange Board of India (Share Based Employee Benefits) Regulations 2014;
- d. The Securities and Exchange Board of India (Issue and Listing of Debt Securities) Regulations, 2008;
- e. The Securities and Exchange Board of India (Delisting of Equity Shares) Regulations, 2009; and
- f. The Securities and Exchange Board of India (Buy back of Securities) Regulations, 2018;

I further report that having regard to the compliance system prevailing in the Company and on the review of quarterly compliance reports taken on record by the Board of Directors and on examination of the relevant documents and records in pursuance thereof, on test-check basis, the Company has complied with the labour and environmental laws as applicable.

I further report, that the compliance by the Company of applicable financial laws, like direct and indirect tax laws, has not been reviewed in this Audit since the same have been subject to review by statutory financial auditor and other designated professionals.

#### **I further report that**

The Board of Directors of the Company is duly constituted with proper balance of Executive Directors, Non-Executive Directors, Independent Directors and a Woman Director. The changes in the composition of the Board of Directors that took place during the period under review were carried out in compliance with the provisions of the Act.

Adequate notice is given to all directors to schedule the Board Meetings, agenda and detailed notes on agenda were sent at least seven days in advance, and a system exists for seeking and obtaining further information and clarifications on the agenda items before the meeting and for meaningful participation at the meeting.

All decisions at Board meetings and Committee Meetings are carried out unanimously as recorded in the minutes of the meetings of the Board of Directors or Committees of the Board, as the case may be.

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I further report that there are adequate systems and processes in the Company commensurate with the size and operations of the Company to monitor and ensure compliance with applicable laws, rules, regulations and guidelines, referred to above.

I further report that during the period covered under the Audit, the Company has made the following specific actions having a major bearing on the Company's affairs in pursuance of the laws, rules, regulations, guidelines

- a. I further report that during the audit period, the Company has obtained the approval of the members under Section 180(1)(a) of the Companies Act, 2013 through postal ballot on 07th August 2020 to sell or dispose off and transfer its Textile Yarn Manufacturing Unit along with 36.26 Acres of land viz., "SUPER A" situated at Kirikera, Hindupur, Andhra Pradesh.

Other than the above, there were no instances of:

- Public / Rights / Preferential issue of Shares / Debentures / Sweat Equity.
- Redemption / buy-back of securities
- Merger / Amalgamation / Reconstruction etc.
- Foreign technical collaborations.

**M D SELVARAJ**

MDS & Associates

Company Secretaries

FCS No.: 960, C P No.: 411

UDIN: F000960C000494411

Peer Review No: 985/2020

Place : Coimbatore

Date : 24.06.2021

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

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**ANNEXURE TO SECRETARIAL AUDIT REPORT ISSUED BY COMPANY SECRETARY IN PRACTICE**

To

The Members,  
Super Spinning Mills Limited  
(CIN: L17111TZ1962PLC001200)  
'ELGI Towers', P.B No: 7113 Green Fields,  
Puliakulam Road,  
Coimbatore – 641045.

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

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

**M D SELVARAJ**

MDS & Associates

Company Secretaries

FCS No.: 960, C P No.: 411

UDIN: F000960C000494411

Peer Review No: 985/2020

Place : Coimbatore

Date : 24.06.2021

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**Statement pursuant to Section 197 (12) of the Companies Act, 2013 read with the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014**

i) Names of the top ten employees in terms of remuneration drawn and the name of every employee who was in receipt of remuneration not less than Rupees One Crore and two lakhs per annum or Rupees Eight Lakhs Fifty Thousand per month.

Name	Date of Joining	Designation	Qualification & Experience	Age	% of share holding	Remuneration (Rs. in Lakhs) (p.a.)	Last Employed
Sumanth Ramamurthi	04.01.1992	Chairman and Managing Director	B.S. (Electrical) USA. 29 Years	62	17.16	28.20	NA
Sathyararayana Reddy B	09.02.2019	Chief Financial Officer	M.Com - 37 Years	62	0.00%	16.80	M/s. KPR Agro chem Ltd
Rangaraj C	05-06-2017	AGM - HR	MSW, DLLAL, PGDPMIR, PGDBA-26 Years	50	0.00%	11.82	M/s. BFG International Ltd
Navaneethakrishnan R	23-01-2017	DGM - Technical	B.Tech – 26 Years	46	0.00%	12.60	M/s. Hindustan Spinners Ltd
Balaji ASC	01.01.1990	DGM - Cotton	B.Com -33 Years	58	0.00%	10.80	M/s. RP & GT Processing Limited
Subba Rao G V	21.03.2018	DGM - Production	DTT - 20 Years	37	0.00%	9.55	M/s. Lucky Spinners Co. Ltd
Jeganathan M	01.12.2003	Manager - IT	MCA – 31 Years	53	0.00%	9.48	M/s.Mahindra Logicsoft Business solution Ltd
Raghu Ram Rao M	06.03.2017	Manager – Accounts & Admin	B.Com, MBA – 32 Years	55	0.00%	8.40	M/s. RSWM Ltd
Suguna A	07.05.2008	Sec. to CMD	BA – 34 Years	57	0.00%	6.55	M/s. Pricol Ltd
Narmatha G K	30.08.2018	Company Secretary	M.Com, ACS - 12 Years	37	0.00%	4.80	Practicing CS

**Note:**

1. All the executives are in the permanent rolls of the Company.
2. No employees are related to any of the Directors of the Company.
3. Remuneration includes Salary, Allowances, contribution to Provident Fund and other taxable perquisites.

**Particulars pursuant to Rule 5 of Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014**

ii) (a) The ratio of the remuneration of each director to the median employee's remuneration for the financial year is given below:

Name	Ratio
Mr.Sumanth Ramamurthi, Chairman and Managing Director	11.90:1
Mr. Sudarsan Varadaraj	0.27:1
Mr. C G Kumar	0.53:1
Mrs. Suguna Ravichandran	0.55:1
Mr. B.Lakshmi Narayana	0.57:1
Mr. Sanjay Krishna Ramamurthi	0.21:1

Sitting Fees paid to Non-Executive Directors has been considered as their remuneration.

(b) The percentage increase in remuneration of each Director, CFO, CEO, CS or Manager, if any, in the financial year.

Name of the Director/ CFO/CEO/ CS/Manager	Designation	Percentage increase in Remuneration
Mr. Sumanth Ramamurthi	Chairman and Managing Director	-
Mr. B Sathyanarayana Reddy	Chief Financial Officer	-
Mrs. Narmatha G K	Company Secretary	-

- c) The percentage decrease in the median remuneration of employees in the financial year: 19.39%
- d) The number of permanent employees on the rolls of company: 156
- e) Average percentile increase already made in the salaries of employees other than the managerial personnel in the last financial year and its comparison with the percentile increase in the managerial remuneration and justification thereof and any exceptional circumstances for increase in the managerial remuneration.

Average increase in remuneration is for Employees and Managerial Personnel is NIL.

- f) Your Directors affirm that the remuneration is as per the remuneration policy of the Company.

Coimbatore  
24.06.2021

By Order of the Board  
For Super Spinning Mills Limited

**Sumanth Ramamurthi**  
Chairman & Managing Director  
DIN: 00002773

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## **Management Discussion and Analysis**

### **Industry Conditions**

The year 2020 has been the most challenging year in our lifetimes. What started as a promising year for our industry quickly turned into a difficult one. COVID-19 pandemic brought the entire world to a standstill, equitably affecting markets and supply chains globally. Asia, which is one of the largest markets for the textile industry in the world, has suffered too due to lockdowns in various countries added with the drop in international demand for their products. The loss was particularly high in countries where the textile industry accounted for a larger share of the exports. Due to the pandemic, all economic activities except for the essential goods and services came to a standstill. The textile and apparel industry was no exception to this.

But, the rapid industrialization in the developed and developing countries and the evolving technology are helping the textile industry to recover. New Consumer Trends have emerged in the market, where e-commerce sale of goods and apparel saw a steep rise in 2020.

### **Review of Operations & Outlook for current year**

Considering the general industry conditions, your Company continued to operate below its normal rated capacity by running lesser number of working days due to Covid 19 lock down imposed and running of only one operating unit in view of closure of operations of Super A unit. This resulting in a lower turnover during the year. The total income of the company was Rs. 54 Crores as compared to Rs 150 Crores in the previous Financial year. The Board of Directors of the Company, at its meeting held on 27th June 2020, approved to sell/ transfer/dispose off its Manufacturing unit along with 36.26 Acres of land situated at Company's SUPER A UNIT - Kirikera, Hindupur, Andhra Pradesh ("Undertaking"), and the same was approved by the shareholders of the company in the Postal Ballot held on 5th August 2020. The net proceeds from the sale of the Undertaking has been utilized to repay the bank borrowings, employee settlements, creditors payments resulting in reduction of interest burden and optimisation of working capital borrowings of the company.

With regard to the SUPER B unit, in view of the lower working capital requirements for synthetic and blended yarn, we have migrated to man made fibres. Demand of skilled workmen seems to be one of the main constrain faced in the current year. Also, since March 2021 major parts of the Country are affected by the second wave of Covid-19. Despite these challenges, we hope for an improved performance during the current year.

### **Opportunities**

Post the COVID-19 lockdown, the textile markets are in great demand and the domestic markets are doing really well. The government of India has initiated various policies to support textile and apparel sector's growth for the long-term horizon. With the allowance of 100% FDI in the sector under the automatic route it is expected to attract moew foreign investments in the coming years. Further, various Government schemes like Integrated Textile Parks (SITP) and Technology Upgradation Fund Scheme (TUFS) is expected to accelerate the growth of the textile industry.

All these present an opportunity to the industry and also your company in the years to come.

### **Threats**

The COVID-19 pandemic and its resulting impact on the economy, has brought the total turnover of the Industry down. Moreover, rigid Labour laws, Fragmented infrastructure, High cost of transportation due to increased fuel prices, manpower shortage and Unreliable statistics of cotton, produce, quality and availability contribute to the threats of our company. Also, Lack of modernization of machineries of our company added with stagnant income and slow down in economic growth could also be considered as threats.

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**Risks and concerns**

Considering the large scale disruption in economic activity on account of the enforced Lockdowns, optimum capacity utilization of the Plant is a cause of concern. Further, there are other risks like high volatility in cotton prices, uncertainty of cotton crop and it's quality, shortage of skilled man power and high power cost. The nature and the magnitude of the risks associated with the Company are reviewed and placed before the Board periodically.

**Health, safety and Security Environment**

Your Company has always been adopting all possible safety measures concerning the health and safety of the Workers and staffs at all levels. Your company is committed to providing all its employees with a healthy and safe work environment.

**Human Resources/Industrial Relations**

Your Company continued to remain cordial with its employees at all levels and focuses on attracting and retaining competent personnel. Necessary measures are being adopted to improve the life, work culture, productivity, efficiency and effectiveness of the workers and staff at all levels. The Company has 156 permanent employees on roll as on 31st March 2021.

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## Report on Corporate Governance

### Report on Corporate Governance

Corporate Governance is a reflection of our value system. We believe that good Corporate Governance is an essential element of business, which helps the Company to fulfill its responsibilities to all its stakeholders. The Directors of the Company present the Report on Corporate Governance for the year ended March 31, 2021, in terms of Regulation 34(3) read with Para C of Schedule V of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 ("Listing Regulation").

### Company's philosophy on Code of Governance

Your Company considers fair and transparent Corporate Governance as one of its core management beliefs. Your Company follows the best governance practices with highest integrity, transparency and accountability.

The Company's policy reiterate on the adherence of all statutory rules and regulations, timely disclosures, transparent accounting policies and practices, maintenance of the highest degree of integrity and ethical conduct towards all the stakeholders namely shareholders, employees, financial institutions, suppliers and business partners.

### Board of Directors - Composition, Category and Attendance

The Company believes in a well-balanced and diverse Board which enriches discussions and enables effective decision making. The Board has an optimum combination of Executive, Non-Executive and Independent Directors of which four are Independent Directors including one Woman Director as per requirements of SEBI (Listing Obligations and Disclosure Requirements), Regulations, 2015.

The details of composition of the Board of Directors and number of directorship held in other Companies / Board Committees by each member of the Board of Directors of the Company is as under:

Name of the Director	Category	No. of Directorships in other Companies ##	Committee of other Board's in which he is a Chairman/ Member*		No. of Board Meetings attended	Whether attended the AGM held on 23.09.2020
			Chairman	Member		
Mr. Sumanth Ramamurthi (DIN : 00002773)	Chairman & Managing Director Promoter	5	1	1	6	Yes
Mr. Sudarsan Varadaraj (DIN : 00133533)	Independent and Non-Executive	5	Nil	2	5	Yes
Mr. C G Kumar (DIN : 02823567)	Independent and Non-Executive	-	Nil	Nil	6	Yes
Mrs. Suguna Ravichandran (DIN : 00170190)	Independent and Non-Executive	2	Nil	2	6	Yes
Mr. B Lakshmi Narayana (DIN : 00504396)	Independent and Non-Executive	2	Nil	2	6	Yes
Mr. Sanjay Krishna Ramamurthi ** (DIN : 08730627)	Non-Independent Non-Executive	1	Nil	Nil	4	NA

## Directorships in foreign companies and private companies have not been considered

\* Only Audit Committee and Stakeholders' Relationship Committee has been considered.

\*\* Appointed w.e.f. 27.06.2020

Mr. Sanjay Krishna Ramamurthi is the son of Mr. Sumanth Ramamurthi. None of the other Directors on the Board are related to each other.

**Disclosure of Directorships in other Listed Entities:**

Directors	Details of the other listed entities where the Directors hold directorship	
	Name of the listed entity	Designation
Mr. Sumanth Ramamurthi (DIN: 00002773)	Precot Limited	Non-Executive-Independent Director
Mr. Sudarsan Varadaraj (DIN No.00133533)	Kovilpatti Lakshmi Roller Flour Mills limited	Non-Executive - Non-Independent Director
	Elgi equipments Limited	Non-Executive - Non-Independent Director
	Elgi Rubber Company Limited	Executive Chairman & Managing Director
Mr. C G Kumar (DIN : 02823567)	Nil	Nil
Mrs. Suguna Ravichandran (DIN : 00170190)	The Lakshmi Mills Company Limited	Non-Executive-Independent Director
Mr. B Lakshmi Narayana (DIN : 00504396)	Super Sales India Limited	Non-Executive-Independent Director
Mr. Sanjay Krishna Ramamurthi (DIN : 08730627)	Nil	Nil

None of the Directors holds directorship in more than 20 Companies (including limit of maximum directorships in 10 public companies) pursuant to the provisions of the Companies Act, 2013. Further, none of the Directors including Independent Directors hold directorships in more than the maximum number of Directorships prescribed under Regulation 17A of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015.

As per the disclosures received from the directors, none of the directors serve as member of more than 10 committees nor the Chairman / Chairperson of more than 5 committees, as per the requirements of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015.

During the year 2020-21, the Company has held at least one Board meeting in every quarter and the gap between two meetings did not exceed one hundred and twenty days. The necessary quorum was present in all the meetings. All relevant information as required under Schedule II of the SEBI (Listing Obligation and Disclosure Requirements) Regulations, 2015 was placed before the board from time to time. Accordingly, six board meetings were held during the year and the date on which the board meetings were held and the particulars of attendance are as follows:

Sl.No	Date of Board Meeting	No. Of Directors Attended
1	04th May 2020	4
2	27th June 2020	5
3	29th August 2020	6
4	12th November 2020	6
5	04th December 2020	6
6	06th February 2020	6

## Shareholding of Non-Executive Directors

Mr. Sudarsan Varadaraj is holding 72,810 equity shares and Mr. Sanjay Krishna Ramamurthi is holding 40,00,000 equity shares in the Company as on 31st March 2021. None of the other Non-Executive directors are holding any shares in the Company.

There has been no materially relevant pecuniary transaction or relationship between the Company and its Non-Executive Independent Directors during the year.

The company has not issued any type of convertible instruments to non-executive directors.

None of the Directors were issued ESOPs.

## INDEPENDENT DIRECTORS

### Familiarization program for Independent Directors

The Board familiarization program consists of giving an insight on their roles, rights and responsibility in the Company, nature of the Industry, unit-wise operational and financial aspects. Further, the Independent directors of the company are also provided with orientation programme to enable them to understand the business. This is in compliance as per Regulation 25 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015. The details of familiarization program for the independent directors are placed on the Company's website <https://www.superspinning.com/wp-content/uploads/2021/04/FAMILIARIZATIONPROGRAMFORID.pdf>

### Chart / Matrix setting out the skills/expertise/competence of the Board of Directors

The Board of Directors comprises of experts who bring in the necessary skills and competence that allow them to make effective decisions or contributions to the Board, its committees and the management.

The list of core skills/ expertise/ competencies pertaining to the business, as identified and available with the Board of Directors are as follows:

Expertise in legal, finance & accountancy	Financial performance & Legal expertise	Qualifications and experience in accounting and/or finance and the ability to: ● analyse key financial statements; ● critically assess financial viability and performance; ● contribute to strategic financial planning; ● oversee budgets and the efficient use of resources; and oversee funding arrangements and accountability. ● legal and regulatory compliance ●expertise advise in legal issues
Risk	Risk and compliance oversight	Ability to identify key risks to the organization in a wide range of areas including legal and regulatory compliance, and monitor risk and compliance management frameworks and systems
Technical	Technical forsee	Skills and specialist knowledge to assist the ongoing aspects of the board's role
Industry	Industry experience	Experience and knowledge of the industry in which the organisation operates in. Understanding of government policies and legislative processes.

All the above mentioned skill sets are available with the current Board of Directors for guiding the management in the efficient functioning of the Company. In the table below the specific areas of focus or expertise of individual Board members have been highlighted. However, in the absence of a mark against a members name does not necessarily mean that the member does not possess the corresponding qualification or skill.



Name of the Directors/Skills	Financial performance	Risk and compliance oversight	Technical forsee	Industry experience
Mr. Sumanth Ramamurthi	✓	✓	✓	✓
Mr. B Lakshminarayana	✓	✓	✓	✓
Mr. C G Kumar	✓	✓		✓
Mrs. Suguna Ravichandran	✓	✓	✓	✓
Mr. Sudarsan Varadaraj	✓	✓	✓	✓
Mr. Sanjay Krishna Ramamurthi	✓	✓	✓	

**Confirmation on the fulfillment of the conditions of independence:**

Based on the declarations received from the Independent Directors, the Board of Directors are of the opinion that the Independent Directors fulfill the conditions specified in the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 and the Companies Act, 2013 and are independent of the management.

**Resignation of Independent Directors before expiry of tenure:**

Subject to the above, none of the Independent Directors has resigned before the expiry of the tenure during the year under review.

**Separate Meeting of the Independent Directors:**

Pursuant to the requirements of the Companies Act, 2013 and SEBI (LODR) Regulations, 2015, the Independent Directors meeting was held on 06th February 2021, without the attendance of Non-Independent Directors and members of Management to inter alia, discuss and review the performance of Non-Independent Directors, the Board as a whole, Chairman of the Company and to access the quality, quantity and timeliness of flow of information between the Company and the Board.

The terms and conditions for appointment of Independent Directors are placed on Company's website [www.superspinning.com](http://www.superspinning.com). Based on the declarations received from the Independent Directors, the Board of Directors are of the opinion that the Independent Directors fulfill the conditions specified in the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 and the Companies Act, 2013 and are independent of the management.

**Committee of Board**

**a) Audit Committee**

**Composition:**

The Board has constituted a well-qualified Audit Committee in compliance with Section 177 of the Companies Act, 2013 read with Regulation 18 of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015. Three members of the Committee are Independent Directors including its Chairman. They possess sound knowledge on accounts, audit, finance, taxation, internal controls etc. The Chief Financial Officer attends all the meetings of the Committee. The Company Secretary acts as the Secretary of the Committee.

**Terms of Reference:**

The Company has duly defined the role and objectives of the Audit committee. The terms of reference of this Committee are on the lines with Regulation 18 read with part C of Schedule II of the SEBI (Listing Obligations and

Disclosure Requirements) Regulation, 2015 and as per Section 177 of the Companies Act, 2013 as amended from time to time. The Committee acts as a link between the Statutory and Internal Auditors and the Board of Directors of the Company.

**Meetings:**

The Audit Committee met five times during the year on 04th May 2020, 27th June 2020, 29th August 2020, 12th November 2020 and 06th February 2021. The composition of the Audit Committee and particulars of meetings attended by the members of the Audit Committee are given below:

<b>Name</b>	<b>No. of Meetings Held</b>	<b>No. of Meetings Attended</b>
Mrs. Suguna Ravichandran, Chairman	5	5
Mr. C G Kumar, Member	5	5
Mr. B Lakshmi Narayana, Member	5	5

The Chairman of the Audit Committee had attended the Annual General Meeting for the FY 2019-20.

The Statutory Auditors, Internal Auditors and Executives of the Company attended the meetings to discuss on the financials, internal controls etc. The minutes of the Audit Committee Meetings were placed at the Board Meetings. The Audit Committee considered and reviewed the accounts for the year 2020-21, before it was placed in the Board.

**b) Nomination and Remuneration Committee**

**Composition:**

The Nomination and Remuneration Committee is constituted in compliance with Section 178 of the Companies Act, 2013 and Regulation 19 of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015. The Committee comprises of three members, with its chairman being Non- Executive Independent Director. The Company Secretary acts as the Secretary of the Committee.

**Terms of Reference:**

The terms of reference of this Committee are as required by under Regulation 19 read with Part D of Schedule II of the SEBI (Listing Obligations and Disclosure Requirements) Regulation, 2015. The Committee was formed for identifying persons to be appointed as Directors, Key Managerial Personnel and Senior Management positions, recommend to the Board the appointment and removal of Directors, carryout evaluation of Directors, formulate criteria for determining qualification, positive attributes and independence of Directors, recommend policy relating to remuneration of Directors, Key Managerial Personnel and other employees.

**Meetings:**

During the year under review, the Committee met twice on 26th June 2020 and 05th February, 2021. The composition of Nomination and Remuneration Committee and the meetings attended by the members are as under.

<b>Name</b>	<b>No. of Meetings Held</b>	<b>No. of Meetings Attended</b>
Mr. B Lakshmi Narayana, Chairman	2	2
Mr. Sudarsan Varadaraj, Member	2	2
Mr. C G Kumar, Member	2	2

The Chairman of the Nomination and Remuneration Committee had attended the Annual General Meeting for FY 2019-20.

## Remuneration of Directors

Remuneration of the Executive Directors are decided by the Board based on the recommendations and approval of the Nomination and Remuneration Committee as per the remuneration policy of the company, within the ceiling fixed by the shareholders and within the overall ceiling limits prescribed under the Companies Act, 2013.

The remuneration paid / payable to the Executive Directors of the Company for the year ended March 31, 2021 is as follows.

Name of the Director	Salary, Allowance and Perquisites (Rs in Lakhs)	Service Contract
Mr. Sumanth Ramamurthi, Chairman and Managing Director	58 .80	01.04.2020 to 31.03.2023

**Note:** Remuneration includes Salary, Allowances, Perquisites and Company's contribution to Provident Fund.

No performance linked incentives were paid. No sitting fees were paid to the Chairman and Managing Director.

## Remuneration paid to Non-Executive Director

The Non-Executive Directors are paid sitting fees for attending each Board and Committee Meetings as per details furnished below:

Name of the Non-Executive Director	Sitting Fees (In Rs.)
Mr. Lakshminarayana	1,34,000
Mr. Sudarsan Varadaraj	64,000
Mrs. Suguna Ravichandran	1,30,000
Mr. C G Kumar	1,26,000
Mr. Sanjay Krishna Ramamurthi	50,000

The Company currently does not have any Stock Option Scheme.

## Policy for appointment and remuneration of Directors, KMP and Senior Management

The Nomination and Remuneration committee (N&R Committee) and the Board of Directors, have adopted a nomination and remuneration policy, which, inter alia, deals with the criteria for appointment of the Directors, KMP and Senior Management Personnel and their remuneration. The remuneration policy of the Company is annexed to the Board's Report and can also be accessed on the Company's website at the link <https://www.superspinning.com/wp-content/uploads/2019/03/NominationAndRemunerationPolicy.pdf>

## Criteria for appointment of Directors

While recommending the appointment of the Directors to the Board, the Nomination and Remuneration Committee shall consider criteria / attributes like qualification, expertise, experience of the Directors in their respective fields, professional or business standing and diversity of the Board. The Nomination and Remuneration Committee has the discretion to decide whether qualification, expertise and experience possessed by a person is sufficient / satisfactory for the concerned position.

## Performance Evaluation of Non-Executive and Independent Directors / Performance evaluation criteria

The evaluation of the performance of the Independent Directors is based on their qualification, experience, knowledge and competency, participation and attendance, independence of behavior and judgement, commitment,

contribution, impact and influence. Accordingly, the performance evaluation of Independent Directors has been conducted and the results have been communicated to the Chairman of the Board.

Further, pursuant to the provisions of the Companies Act, 2013 and Regulation 37(10) of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, the Board has carried out the annual performance evaluation of its own performance, the Directors individually as well as the evaluation of the working of its Audit, Nomination and Remuneration Committee, and Stakeholder Relationship Committee. A peer review was done by all the Directors evaluating every other Director. They also evaluated various aspects of the Board such as adequacy of the composition of the Board and its Committees, Board Diversity, execution and performance of specific duties, obligations and governance. Feedback on the appraisal has been provided to the board members.

### **c) Stakeholders Relationship Committee**

#### **Composition:**

The Stakeholders Relationship Committee primarily considers and resolves grievances of the shareholders of the Company. The Committee is formed in compliance with Regulation 20 of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 and the provisions of Section 178 of the Companies Act, 2013. The Committee comprises of three members, with its Chairman being Non- Executive Independent Director. The Company Secretary acts as the Secretary to the Committee.

#### **Terms of Reference:**

The terms of reference of the Stakeholders Relationship Committee are as required under Regulation 20 read with Part D of Schedule II of the SEBI Listing Obligations and Disclosure Requirements) Regulations, 2015. The Committee apart from looking into the mechanism for addressing the grievance of the shareholders, also suggests improvements to investor relations initiatives undertaken at the Company. It also periodically reviews the matters relating to transfer and transmission of shares, issue of duplicate share certificates, non receipt of annual report etc. The minutes of the same are placed at the Board Meetings from time to time.

#### **Meetings:**

During the year, four meetings of the Stakeholders Relationship Committee were held on 04th May 2020, 28th August 2020, 11th November 2020 and 05th February 2021. The composition of the Stakeholders Relationship Committee and particulars of meetings attended by the members is as follows:

<b>Name</b>	<b>No. of Meetings Held</b>	<b>No. of Meetings Attended</b>
Mrs. Suguna Ravichandran, Chairman	4	4
Mr. B Lakshmi Narayana, Member	4	4
Mr. Sumanth Ramamurthi, Member	4	4

The Chairman of the Committee had attended the Annual General Meeting held for the FY 2019-20.

#### **Details of Investors Complaints**

During the year the Company has not received any complaint from the shareholders. Also there were no complaints pending unresolved during the year ended 31st March 2021.

Pursuant to Regulation 40(9) of Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015, a certificate on half-yearly basis confirming due compliance of share transfer formalities by the Company from Practising Company Secretary has been submitted to the Stock Exchanges within stipulated time.

### Disclosure with respect to Unclaimed Suspense Account

Pursuant to Regulation 39(4) read with Schedule VI of Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015, the Company had transferred on 05.07.2014, its unclaimed shares to “Super Spinning Mills Limited unclaimed suspense account” opened with Coimbatore Capital Limited. The details of the Unclaimed Securities Suspense Account is given below:

Particulars	Number of Shareholders	Number of Equity shares
Aggregate number of shareholders and the outstanding shares in the suspense account lying at the beginning of the year	481	9,67,410
Number of shareholders who approached the Company for transfer of shares from suspense account during of the year	2	710
Number of shareholders to whom shares were transferred from suspense account during of the year	2	710
Aggregate number of shareholders and the outstanding shares in the suspense account lying as on 31st March, 2021	479	9,66,700

The voting rights on the outstanding unclaimed shares as on 31st March, 2021 shall remain frozen till the rightful owner of such shares claims the shares by submission of the requisite documentary proof of their identity to the Company’s Registrar & Share Transfer Agent.

### d) Corporate Social Responsibility (CSR) Committee:

In compliance with the provisions of Section 135 of the Companies Act, 2013 and the Companies (Corporate Social Responsibility Policy) Rules, 2014, the Company has constituted the Corporate Social Responsibility Committee.

#### Terms of reference:

The terms of reference of CSR policy are

- To formulate and recommend to the Board, a CSR policy which shall indicate the activities to be undertaken by the Company as specified in Schedule VII
- To recommend the amount of expenditure to be incurred on the activities referred to in Clause A
- To monitor the CSR policy of the Company from time to time
- Any other matter that may be referred by the Board from time to time or as may be necessary for compliance with the Companies Act, 2013 or Rules made thereunder or any other statutory laws of India

The Committee comprised of three directors with its Chairman being Non- Executive Independent Director. The Committee met on 29th August 2020. The composition of the Corporate Social Responsibility Committee and particulars of meeting attended by the members is as follows:

Name	No. of Meetings Held	No. of Meetings Attended
Mr. B Lakshmi Narayanan, Chairman	1	1
Mr. Sumanth Ramamurthi, Member	1	1
Mrs. Suguna Ravichandran, Member	1	1

However, the Company has not required to incur any expenditure on the CSR initiatives during the year under review as the average net profits of the preceding three financial years of the Company was in negative.

### **Management Discussion and Analysis Report:**

Management Discussion and Analysis Report covering matters in Schedule V of the SEBI (Listing Obligations and Disclosure Requirements) for the year under review forms part of the Annual Report.

### **General Body Meetings**

Location and time for last three AGMs held and the Special Resolutions, if any, passed thereat, are as given below:

Year	Location	Date	Time	Special Resolutions passed in the AGM's
2018	Ardra Convention Centre, Kaanchan, No.9, North Huzur Road, Coimbatore 641 018	29.08.2018	3:30 PM	Payment of Consultancy fees to Mr.A.R.Balasundharam, Non-Executive Director
2019	Ardra Convention Centre, Kaanchan, No.9, North Huzur Road, Coimbatore 641 018	28.08.2019	3:30 PM	a. Re-appointment of Mr. C G Kumar as an Independent Director for a second term of 5 consecutive years.
				b. Re-appointment of Mr. Sudarsan Varadaraj as an Independent Director for a second term of 5 consecutive years.
				c. Re-appointment of Mrs. Suguna Ravichandran as an Independent Director for a second term of 5 consecutive years.
				d. Payment of Consultancy fees to Mr.A.R.Balasundharam, Non-Executive Director
2020	Through Video Conferencing (VC) / Other Audio Visual Means (OAVM)	23.09.2020	2:30 PM	Nil

All resolutions moved at the last Annual General Meeting were passed by the requisite majority of shareholders.

### **Extra Ordinary General Meeting:**

During the year under review no Extra Ordinary General Meeting was held.

### **Postal Ballot**

During the year, the Company had conducted a Postal Ballot vide Notice dated 27th June, 2020 for seeking approval of the shareholders by way of the following special/ordinary resolutions through postal ballot only through remote e-voting;

1. To approve the sale of undertaking under Section 180 (1) (a) of the Companies Act, 2013.
2. To appoint Mr. Sanjay Krishna Ramamurthi, (DIN 08730627) as Director of the Company.

The details of resolution passed through Postal Ballot and the voting pattern for the said resolutions are disclosed as under:

Resolution Particulars	Type of Resolution	No. Of votes polled	Votes cast in favour		Votes cast against		Invalid Votes Cast
			No of Votes	%	No of Votes	%	No of Votes
Sale of undertaking under Section 180 (1) (a) of the Companies Act, 2013	Special Resolution	2,21,18,811	2,21,13,246	99.97	5,565	0.03	NA
Appoint Mr. Sanjay Krishna Ramamurthi, (DIN 08730627) as Director of the Company.	Ordinary Resolution	2,21,18,811	2,21,13,256	99.97	5,555	0.03	NA

Sri. M.D. Selvaraj, FCS of M/s. MDS & Associates, Company Secretaries, Coimbatore, was appointed as the scrutinizer for carrying on the postal ballot process in a fair and transparent manner.

#### **Postal Ballot proposed to be conducted:**

As on date of this report, the Company does not foresee the need for postal ballot to pass any resolution in the financial year 2021-22.

#### **Procedure for postal ballot:**

Pursuant to the provisions of Section 108 & 110 of the Companies Act, 2013 read with Rule 22 of the Companies (Management and Administration) Rules, 2014 (as amended), Regulation 44 of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 and the General Circulars No.14/2020 dated April 8, 2020, No. 17/2020 dated April 13, 2020 and No. 22/2020 dated June 15, 2020, issued by the Ministry of Corporate Affairs, Government of India, the resolutions as specified in the Notice of the Postal Ballot dated 27th June 2020 were transacted by means of voting through electronic means only (e-voting). The Company had engaged the services of M/s. Link Intime India Private Limited ("LIPL") for providing e-voting facility to the members.

The members were provided the option of exercising their right to vote on the said resolution through e-voting only during the period commencing from 9:00 AM on Tuesday, the 07th July 2020 to 5.00 PM on Wednesday, the 05th August, 2020. Upon completion of the voting period, the scrutinizer completed the scrutiny of votes cast and submitted his report to the Chairman and Managing Director. The results of the voting were declared on Friday, 07th August 2020 on the website of the Company, Stock Exchanges and LIPL.

#### **Means of Communication**

The quarterly, half yearly and annual financial results are published in the newspapers viz., Business Standard (all editions) and Maalai Murasu (Vernacular paper) and displayed on website of the company [www.superspinning.com](http://www.superspinning.com) and at the website of Stock Exchanges viz., [www.nseindia.com](http://www.nseindia.com) and [www.bseindia.com](http://www.bseindia.com). The Company regularly intimates quarterly and annual financial results to the Stock Exchanges immediately after the same was taken on record by the Board. The results are not separately circulated to the shareholders.

There were no specific presentations made to Institutional Investors or to the analysts during the year.

## General Shareholder Information

### Annual General Meeting

Financial Year	: 01.04.2020 - 31.03.2021
Day, Date and Time	: Thursday, 16th September, 2021 at 3.30 P.M
Venue	: The meeting is being convened through video conferencing/ other audio-visual means and hence the registered office of the Company will be deemed to be the venue of the AGM.
Date of Book closure	: 10th September, 2021 to 16th September, 2021 (both days inclusive)
Dividend Payment Date	: Not Applicable

### Listing of shares on Stock Exchanges

<b>BSE Limited</b>	<b>National Stock Exchange of India Ltd</b>
Phiroze Jeejeebhoy Towers	Exchange Plaza, 5th Floor, Plot No. C/1
Dalal Street, Fort	'G' Block, Bandra-Kurla Complex
Mumbai – 400 001	Bandra (East), Mumbai – 400 051

## STOCK MARKET DATA

### Type of Security: Equity

The Equity Shares of the company are listed on The BSE Limited and National Stock Exchange of India Limited. The Company confirms that it has paid annual listing fees to “The BSE Limited and National Stock Exchange of India Limited” for the year 2020-21.

### Stock Code

Name of the stock Exchange	Scrip code
Bombay Stock Exchange Ltd	521180
National Stock Exchange of India Ltd	SUPERSPIN
ISIN with NSDL & CDSL	INE662A01027

### Market price data for the year 2020-21

Month	BSE Limited				National Stock Exchange			
	Share Price		Sensex		Share Price		S&P Nifty	
	High (Rs.)	Low (Rs.)	High	Low	High (Rs.)	Low (Rs.)	High	Low
April'20	4.00	2.03	33,887	27,501	4.20	2.00	9,889	8,056
May'20	3.94	3.12	32,845	29,968	3.65	3.05	9,890	8,807
June'20	5.55	3.20	35,707	32,348	5.55	3.15	10,553	9,544
July'20	5.00	3.95	38,617	34,927	4.85	3.85	11,341	10,300
August'20	5.54	4.09	40,010	36,911	5.50	4.15	11,794	10,882



Month	BSE Limited				National Stock Exchange			
	Share Price		Sensex		Share Price		S&P Nifty	
	High (Rs.)	Low (Rs.)	High	Low	High (Rs.)	Low (Rs.)	High	Low
September'20	4.35	3.42	39,360	36,496	4.35	3.35	11,618	10,790
October'20	3.90	3.25	41,048	38,410	3.85	3.20	12,025	11,347
November'20	4.60	3.27	44,825	39,335	4.60	3.25	13,146	11,557
December'20	5.96	4.58	47,897	37,128	5.90	4.45	14,025	12,963
January'21	6.05	4.00	50,814	46,160	6.00	4.15	14,754	13,597
February'21	5.22	4.25	52,517	46,434	5.40	4.30	15,432	13,662
March'21	5.41	4.08	51,824	48,236	5.40	4.65	15,336	14,264

Note: The Face Value is Re.1/-

### Reconciliation of Share Capital Audit

A qualified Company Secretary in Practice carried out reconciliation of share capital audit to reconcile the total admitted capital with National Securities Depository Limited (NSDL) and Central Depository Services (India) Limited (CDSL) and the total issued and listed capital. The reconciliation of share capital audit report confirms that the total issued/ paid up capital is in agreement with the total number of shares in physical form and the total number of dematerialised shares held with NSDL & CDSL.

### Share Transfer System

The company's shares being in compulsory dematerialized (demat) list are transferable through the depository system. Shares in physical form are processed by the Registrar and Share Transfer Agents, M/s. Link Intime India Private Limited and approved by the Stakeholders Relationship Committee of the Company. The Share transfers are processed within a period of 15 days from the date of receipt of the transfer documents by the Registrar and Share Transfer Agents, if the documents are complete in all respects. All requests for dematerialization of shares are processed and confirmed to the depositories, NSDL and CDSL, within 15 days. All the applications received either for transfer or dematerialization will be processed only after getting the approval from the members of the Stakeholders Relationship Committee.

### Shareholding Pattern as on 31st March 2021

Category	No. of Share Holders	No. of shares held	% of share Holding
Promoters and promoters group	22	2,33,71,234	42.49
Mutual Funds	1	1470	-
Foreign Institutional Investors / NRI/ OCB	81	3,99,728	0.73
Bodies Corporate	92	28,48,235	5.18
Public	10265	2,83,79,333	51.60
<b>Total</b>	<b>10461</b>	<b>5,50,00,000</b>	<b>100.00</b>

**Distribution of shareholdings as on 31st March 2021**

Shares	No of Shareholders	% of holding	No of Shares	% of holding
1 - 5000	9508	90.89	8421149	15.31
5001 - 10000	447	4.27	3494279	6.35
10001 - 20000	243	2.32	3499535	6.36
20001 - 30000	94	0.90	2360772	4.29
30001 - 40000	42	0.40	1469122	2.67
40001 - 50000	43	0.41	1988487	3.62
50001 - 100000	51	0.49	3815342	6.94
100001 Above	33	0.32	29951314	54.46
<b>Total</b>	<b>10461</b>	<b>100.00</b>	<b>55000000</b>	<b>100.00</b>

**Demat and Physical Shares as on 31st March 2021**

Particulars	No. of Shares	% to Share capital
National Securities Depository Ltd	4,22,49,476	76.82
Central Depository Services (India) Limited	1,16,69,291	21.22
Physical	10,81,233	1.96
<b>Total</b>	<b>5,50,00,000</b>	<b>100.00</b>

With effect from 1st April, 2019, the applications for transfer of shares held in physical form will not be processed by the listed entity / registrar and share transfer agent, except in case of transmission or transposition, in accordance with the amended Regulation 40 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015.

The custodial fee to the depositories (NSDL & CDSL) was paid for the year 2020-21.

**Outstanding GDRs / ADRs / Warrants or any Convertible Instruments and their likely impact on equity**

There are no outstanding warrants or any convertible instruments. The Company has not issued GDR/ADR.

**Commodity price risk or foreign exchange risk and hedging activities**

Nil

**Plant Locations**

A unit	B unit
Kirikera, Hindupur, Ananthapur Dist, Andhra Pradesh.	Kotnur, Hindupur, Ananthapur Dist, Andhra Pradesh.
<b>Super Sara Unit</b> Beerapalli, Hindupur, Ananthapur Dist, Andhra Pradesh	



Address for Correspondence and Registered Office	Address for Correspondence with Registrar and Share Transfer Agent
<p>Mrs. Narmatha G K Company Secretary &amp; Compliance Officer Super Spinning Mills Limited “Elgi Towers”, PB No. 7113 737-D, Green Fields, Puliakulam Road Coimbatore - 641 045, Tamil Nadu Phone: 91-422-2311711 / 4351711 Fax Number: 91- 422 - 2311611 E Mail.: investors@ssh.saraelgi.com Web: www.superspining.com</p>	<p>M/s. Link Intime India Pvt Limited Coimbatore Branch Office “SURYA’ 35 Mayflower Avenue Behind Senthil Nagar Sowripalayam, Coimbatore – 641 028. Tamil Nadu Phone: 91 - 422 - 2314792 Fax Number: 91-422–2314792 / 2315792 E Mail : coimbatore@linkintime.co.in</p>

The shares of the company are regularly traded and in no point of time the shares were suspended for trading in the stock exchanges.

## Disclosure

### Related Party Transactions

#### a) Disclosure on materially significant related party transactions that may have potential conflict with the interest of the Company at large

All the related party transactions are entered on arm’s length basis, in the ordinary course of business and are in compliance with the applicable provisions of the Companies Act, 2013 and the Listing Regulations. There are no materially significant related party transactions made by the Company with Promoters, Directors or Key Managerial Personnel etc. which may have potential conflict with the interest of the Company at large.

The details of the transactions with Related Party are provided in the Company’s financial statements in accordance with the Accounting Standards. All Related Party Transactions are presented to the Audit Committee and the Board. Omnibus approval is obtained for the transactions which are foreseen and repetitive in nature. A statement of all related party transactions is presented before the Audit Committee on a quarterly basis, specifying the nature, value and terms and conditions of the transactions.

Kindly refer to the notes forming part of accounts for the details of Related Party Transactions.

#### b) Details of non-compliance by the Company, penalties, strictures imposed on the Company by Stock Exchanges or SEBI or any Statutory Authorities, or any matter relating to capital markets, during the last three years

The company has complied with all the requirements of the Listing Agreement of the stock exchange as well as regulations and guidelines of SEBI including SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015. No penalties have been levied or strictures have been passed by SEBI, stock exchange or any other statutory authority on matters relating to capital markets during the last three years.

#### c) Details of establishment of vigil mechanism, whistle blower policy and affirmation that no personnel has been denied access to the Audit Committee

The company has adopted a whistle blower policy to provide a formal mechanism to the Directors and employees to report their concerns about unethical behavior, actual or suspected fraud or violation of the company’s code

of Conduct or ethics policy. The policy provides for adequate safeguards against victimization of employees who avail of the mechanism and also provides for direct access to the chairman of the audit committee. It is affirmed that no personnel of the company has been denied access to the audit committee.

Your company hereby affirms that no complaints were received during the year under review.

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

The company has complied with all the mandatory requirements of corporate governance norms as enumerated in SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015.

The company has adopted the non-mandatory requirement of reporting of internal auditors to Audit Committee as recommended under Regulation 27(1) read with Part E of Schedule II of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015. The company has not adopted any other non- mandatory requirements.

**e) Web link where policy for determining “material” subsidiaries is disclosed**

The Company does not have any subsidiaries as defined under Regulation 16(1)(c) of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015.

**f) Web link where policy on dealing with related party transactions**

The Company has framed Related Party Transaction Policy and the same is placed on the Company's website and the web link for the same is [https://www.superspinning.com/wp-content/uploads/2020/06/RPTpolicy\\_20200610.pdf](https://www.superspinning.com/wp-content/uploads/2020/06/RPTpolicy_20200610.pdf)

**g) Disclosure of commodity price risks and commodity hedging activities**

During the financial year ended 31st March 2021, the Company did not engage in commodity hedging activities.

**h) Disclosure on accounting treatment**

In the preparation of the financial statements, the Company has followed the accounting standards referred to in Section 133 of the Companies Act, 2013. The significant accounting policies which are consistently applied are set out in the Notes to the Financial Statements.

**i) Disclosure on risk management**

Business risk evaluation and management is an ongoing process within the Company. The assessment is periodically examined by the Audit Committee.

There has been no instance of non-compliance of any requirement of corporate governance report as stated above.

The Company has complied with all the mandatory requirements specified in Regulation 17 to 27 and clauses (b) to (i) of Regulation 46(2) of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015.

**j) Credit Rating**

The company does not have any debt instruments or fixed deposit programme or any scheme or proposal involving mobilization of funds either in India or abroad that requires credit rating.

**k) Other disclosures**

The company has not raised any funds through preferential allotment or qualified institutional placement as specified under Regulation 32 (7A) of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015.

A certificate from a company secretary in practice that none of the directors on the board of the company have been debarred or disqualified from being appointed or continuing as directors of companies by the Security Exchange Board of India / Ministry of Corporate Affairs or any such statutory authority has been obtained and is annexed to this report.

During the year under review, the recommendations made by the different committees have been accepted and there were no instances where the board of directors had not accepted any recommendation of the committees.

The company has paid a sum of Rs. 4,00,000/- plus out of pocket expenses and applicable taxes as fees on consolidated basis to the statutory auditor and all entities in the network firm / entity of which the statutory auditor is a part for the services rendered by them.

As per the provisions of the Sexual Harassment of Women at Workplace (Prevention, Prohibition and Redressal) Act, 2013, the company has constituted an internal complaints committee. During the year 2020- 21, no complaint was received by the committee. As such, there are no complaints pending as at the end of the financial year.

#### **Certificate from CEO / CFO**

The CEO and CFO certification of the financial statements for the year has been submitted to the Board of Directors, in its meeting held on 24th June 2021 as required under SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015.

#### **Code of Conduct**

The Board of Directors has laid down a code of conduct for all Board Members and Senior Management of the Company. The same has been posted on the website of the Company. All Board members and senior management personnel have affirmed their compliance with the code of conduct for the year under review.

The Directors and senior management of the Company have made disclosures to the Board confirming that there are no material financial and/ or commercial transactions between them and the Company that could have potential conflict of interest with the Company at large.

#### **Code for Prevention of Insider Trading**

The Company has framed a code of conduct for monitoring the trading done by Insiders based on SEBI (Prohibition of Insider Trading) Regulations, 2015. This code is applicable to all directors / officers / designated employees.

The Company has also formulated "The Code of Practices and Procedures for Fair Disclosure of Unpublished Price Sensitive Information (UPSI)" in compliance with SEBI (Prohibition of Insider Trading) Regulations, 2015.

#### **Declaration for code of conduct**

I hereby affirm and state that all Board Members and Senior Management Personnel of the company have given a declaration in accordance with Regulation 26(3) of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 and I hereby affirm compliance with the said code of conduct for the financial year 2020-21.

By Order of the Board  
For Super Spinning Mills Limited  
**Sumanth Ramamurthi**  
Chairman & Managing Director  
DIN: 00002773

**CERTIFICATE OF NON-DISQUALIFICATION OF DIRECTORS**

**(pursuant to Regulation 34(3) and Schedule V Para C clause (10)(i) of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015)**

To

The Members of

**M/s. SUPER SPINNING MILLS LIMITED**

(CIN: L17111TZ1962PLC001200)

'Elgi Towers', P.B No:7113 Green Fields

Puliakulam Road

Coimbatore – 641045

I have examined the relevant registers, records, forms, returns and disclosures received from the Directors of **M/s. SUPER SPINNING MILLS LIMITED** having CIN: L17111TZ1962PLC001200 and having registered office at 'Elgi Towers', P.B No:7113 Green Fields, Puliakulam Road, Coimbatore - 641045 (hereinafter referred to as 'the Company'), produced before me by the Company for the purpose of issuing this Certificate, in accordance with Regulation 34(3) read with Schedule V Para-C Sub clause 10(i) of the Securities Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015.

In my opinion and to the best of my information and according to the verifications (including Directors Identification Number (DIN) status at the portal [www.mca.gov.in](http://www.mca.gov.in)) as considered necessary and explanations furnished to me by the Company & its officers, I hereby certify that none of the Directors on the Board of the Company as stated below for the Financial Year ending on **31st March 2021** have been debarred or disqualified from being appointed or continuing as Directors of companies by the Securities and Exchange Board of India, Ministry of Corporate Affairs or any such other Statutory Authority.

Sr. No.	Name of Director	DIN	Date of appointment in Company
1	Mr. Sumanth Ramamurthi (Chairman & Managing Director)	00002773	22/02/1992
2	Mr. Sudarsan Varadaraj	00133533	13/03/1993
3	Mr. Coimbatore Gopal Kumar	02823567	01/06/2014
4	Mrs.Suguna Ravichandran	00170190	01/06/2014
5	Mr. Lakshminarayana	00504396	01/06/2017
6	Mr. Sanjay Krishna Ramamurthi	08730627	01/07/2020

Ensuring the eligibility for the appointment / continuity of every Director on the Board is the responsibility of the management of the Company. My responsibility is to express an opinion on these based on my verification. This certificate is neither an assurance as to the future viability of the Company nor of the efficiency or effectiveness with which the management has conducted the affairs of the Company.

**M D SELVARAJ**

MDS & Associates

Company Secretaries

FCS No.: 960, C P No.: 411

UDIN: F000960C000494420

Peer Review No: 985/2020

Place : Coimbatore

Date : 24.06.2021



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**Auditors certificate on Corporate Governance****To the Members of Super Spinning Mills Limited,**

We have examined the compliance of conditions of Corporate Governance by M/s. Super Spinning Mills Limited ('the Company'), for the year ended 31st March, 2021, as stipulated in Regulations 17 to 27 and Clauses (b) to (i) of Regulation 46 (2) and paras C and D of the Schedule V of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 ('the Listing Regulations').

The compliances of conditions of Corporate Governance are the responsibility of the Management. Our examination was limited to procedures and implementation thereof, adopted by the company for ensuring the compliance of the conditions of Corporate Governance. It is neither an audit nor an expression of opinion on the financial statements of the company.

In our opinion and to the best of our information and according to the explanations given to us, we certify that the Company has complied with the conditions of the Corporate Governance as stipulated in the above-mentioned Listing Regulations, as applicable.

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

For **M/s Sethia, Prabhadd Hegde & Co**

Chartered Accountants

Firm Registration No. 013367S

**Timmayya Hegde**

Partner

Membership No. 226267

UDIN : 21226267AAAABB5253

Bengaluru

24th June 2021

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**Certification by Chief Executive Officer and Chief Financial Officer****To the Board of Directors of Super Spinning Mills Limited,**

We, Sumanth Ramamurthi, Chairman and Managing Director and B Sathyanarayana Reddy, Chief Financial Officer of Super Spinning Mills Limited, certify that:

- a. We have reviewed the financial statements and the cash flow statement for the year ended 31st March, 2021 and to the best of our knowledge and belief:
  - i) These statements do not contain any materially untrue statement or omit any material fact or contain statements that might be misleading.
  - ii) These statements together present a true and fair view of the company's affairs and are in compliance with existing accounting standards, applicable laws and regulations.
- b. There are, to the best of our knowledge and belief, no transactions entered into by the company during the year ended 31st March, 2021 that are fraudulent, illegal or in violation of the Company's Code of Conduct.
- c. We accept responsibility for establishing and maintaining internal controls for financial reporting and we have evaluated the effectiveness of the internal control systems of the Company pertaining to financial reporting and we have disclosed to the auditors and to the Audit Committee, deficiencies in the design or operation of such the internal controls, if any, of which we are aware and the steps we have taken or propose to take to rectify these deficiencies.
- d. We have indicated to the auditors and the Audit Committee
  - i. There have not been any significant changes in internal control over financial reporting during the year ended 31st March, 2021.
  - ii. There have not been any significant changes in accounting policies during the year ended 31st March, 2021.
  - iii. There have been no instances during the year ended 31st March, 2021 of significant fraud of which we have become aware and the involvement therein, of management or an employee having a significant role. in the Company's internal control system over financial reporting.

Coimbatore  
24th June, 2021

**Sumanth Ramamurthi**  
Chairman & Managing Director  
DIN: 00002773

**B Sathyanarayana Reddy**  
Chief Financial Officer

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**Independent Auditors' Report on the Indian Accounting Standards (Ind AS) Financial Statements****To the members of Super Spinning Mills Limited****Report on the financial statements****Opinion**

We have audited the accompanying financial statements of Super Spinning Mills Limited ('the Company'), which comprise the Balance Sheet as at 31st March, 2021, the Statement of Profit and Loss including the Statement of Other Comprehensive Income, the Cash Flow Statement and the Statement of Changes in Equity for the year then ended and notes to the financial statements, including a summary of the significant accounting policies and other explanatory information (hereinafter referred to as 'financial statements').

In our opinion and to the best of our information and according to the explanations given to us, the aforesaid financial statements give the information required by the Companies Act, 2013, as amended ('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 Standards) Rules, 2015, as amended, ("Ind AS") and other accounting principles generally accepted in India, of the state of affairs of the Company as at 31st March, 2021, its losses including other comprehensive income, its cash flows and the changes in equity for the year ended on that date, except for the matter highlighted in the "Emphasis of Matter" paragraph forming part of this report.

**Basis for opinion**

We conducted our audit of the financial statements in accordance with the Standards on Auditing (SAs), as specified under Section 143(10) of the Act. Our responsibilities under those Standards are further described in the 'Auditors' 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 Act and the Rules thereunder and we have fulfilled our other ethical responsibilities in accordance with these requirements and the Code of Ethics. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion on the financial statements.

**Key audit matters**

Key audit matters are those matters that, in our professional judgment, were of most significance in our audit of the financial statements for the financial year ended 31st March, 2021. These matters were addressed in the context of our audit of the financial statements as a whole and in forming our opinion thereon and we do not provide a separate opinion on these matters.

**Emphasis of Matter**

Without qualifying our report, we draw attention to:

- Note no. 52 to the financial statements, the extent of COVID 19 Pandemic's impact on company's financial performance depends on future developments, which are highly uncertain and as such, we are unable to quantify the financial impact.

Our opinion is not modified in respect of the above matter.

**Information other than the financial statements and auditors' report thereon**

The Company's Board of Directors is responsible for the other information. The other information comprises the information included in the Chairman's Letter, Management Discussion and Analysis, Corporate Governance and Directors' Report, but does not include the financial statements and our auditors' report thereon.

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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 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 accounting principles generally accepted in India, including the Indian Accounting Standards (Ind AS) prescribed under Section 133 of the Act read with the Rules specified in the Companies (Indian Accounting Standards) Rules, 2015 as amended from time to time. 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 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 the 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, Management 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 Management either intends to liquidate the Company or to cease operations, or has no realistic alternative but to do so. Those Board of Directors are also responsible for overseeing the Company's financial reporting process.

### **Auditor's Responsibility for the audit of the financial statements**

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error and to issue an auditors' 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 skepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
  - Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances. Under Section 143(3)(i) of the Act, we are also responsible for expressing our opinion on whether the Company has adequate internal financial controls system in place and the operating effectiveness of such controls.
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- 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 auditors' 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 auditors' report. However, future events or conditions may cause the Company to cease to continue as a going concern.
  - Evaluate the overall presentation, structure and content of the financial statements, including the disclosures and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

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

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

From the matters communicated with those charged with governance, we determine those matters that were of most significance in the audit of the financial statements for the financial year ended 31st March 2021 and are therefore the key audit matters. We describe these matters in our auditors' report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

### **Report on Other Legal and Regulatory Requirements**

1. As required by Section 143 (3) of the Act, we report that:
    - (a) We have sought and obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purposes of our audit.
    - (b) In our opinion, proper books of account as required by law have been kept by the Company so far as it appears from our examination of those books;
    - (c) The Balance Sheet, the Statement of Profit and Loss including Other Comprehensive Income, the Cash Flow Statement and Statement of 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 Accounting Standards specified under Section 133 of the Act, read with the Rules Specified in the Companies (Indian Accounting Standards) Rules, 2015 as amended from time to time;
    - (e) On the basis of the written representations received from the directors as on 31st March, 2021 taken on record by the Board of Directors, none of the directors is disqualified as on 31st March, 2021 from being appointed as a director in terms of Section 164 (2) of the Act.
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- (f) With respect to the adequacy of the internal financial controls over financial reporting of the Company and the operating effectiveness of such controls, refer to our separate report in “Annexure A” forming part of the Independent Auditors’ Report. Our report expresses a Disclaimer of opinion on the adequacy and operating effectiveness of the Company’s internal financial controls over financial reporting;
- (g) In our opinion, the managerial remuneration for the year ended 31st March 2021 has been paid/provided by the Company to its directors in accordance with the provisions of Section 197 read with Schedule V to the Act; and
- (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 as amended, 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 litigation on its financial position in its financial statements included in Note No. 42 of the 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.
2. As required by the Companies (Auditor’s Report) Order 2016 (“the order”), issued by the Central Government of India in terms of sub-section (11) of Section 143 of the Act, we give in the “**Annexure B**” statement on the matters specified in paragraphs 3 and 4 of the order to the extent applicable.

Bengaluru  
24th June 2021

For **M/s Sethia, Prabhad Hegde & Co**  
Chartered Accountants  
Firm Registration No. 013367S  
**Timmayya Hegde**  
Partner  
Membership No. 226267  
UDIN : 21226267AAAABA4403

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**Annexure - A to the Independent Auditors' Report**

**(Referred to in paragraph 1(f) under 'Report on Other Legal and Regulatory Requirements' section of our report of even date)**

**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 over financial reporting of **SUPER SPINNING MILLS LIMITED** ("the Company") as of 31st March 2021 in conjunction with our audit of the financial statements of the Company for the year ended on that date.

**Management's Responsibility for Internal Financial Controls**

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

**Auditors' Responsibility**

Our responsibility is to express an opinion on the Company's internal financial controls over financial reporting 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 over financial reporting 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 over financial reporting and their operating effectiveness. Our audit of internal financial controls over financial reporting included obtaining an understanding of internal financial controls over financial reporting, 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 over financial reporting.

**Meaning of Internal Financial Controls Over Financial Reporting**

A company's internal financial control over financial reporting 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 over financial reporting 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

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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 over Financial Reporting**

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

#### **Disclaimer of Opinion**

The Company was not able to provide us with sufficient appropriate audit evidence on the system of internal financial control over financial reporting based on criteria considering the essential components of internal control as stated in the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting issued by the Institute of Chartered Accountants of India. Due to the aforesaid reason, we are unable to and do not provide any opinion as to whether the Company had adequate internal financial control over financial reporting as at 31st March, 2021 and whether such internal financial controls were operating effectively.

Bengaluru  
24th June 2021

For **M/s Sethia, Prabhada Hegde & Co**  
Chartered Accountants  
Firm Registration No. 013367S

**Timmayya Hegde**  
Partner  
Membership No. 226267  
UDIN : 21226267AAAABA4403

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**ANNEXURE `B` TO THE INDEPENDENT AUDITOR'S REPORT**

(Referred to in paragraph 1 under 'Report on Other Legal and Regulatory Requirements' section of our report of even date to the members of **SUPER SPINNING MILLS LIMITED** for the year ended 31st March, 2021)

We report that:

- i) (a) The company has maintained proper records showing full particulars, including quantitative details and situation of fixed assets.
  - (b) The Company has a regular programme of physical verification of its fixed assets by which fixed assets are verified in a phased manner over a period of three years. In accordance with this programme, certain fixed assets were verified during the year and no material discrepancies were noticed on such verification. In our opinion, this periodicity of physical verification is reasonable having regard to the size of the Company and the nature of its assets.
  - (c) According to the information and explanations given to us and on the basis of our examination of the records of the company, the title deeds of the immovable properties are held in the name of the company.
  - ii) (a) In our opinion and according to the information and explanations given to us, the management has conducted the physical verification of inventories at reasonable intervals during the year under review.
  - (b) In our opinion and according to the information and explanations given to us, the procedures of physical verification of inventories followed by the management are reasonable and adequate in relation to the size of the Company and nature of its business.
  - (c) According to the information and explanations given to us, we are of the opinion that the Company is maintaining proper records of inventories and no material discrepancies were noticed on their physical verification.
  - iii) The Company had not granted any loans, secured or unsecured to any companies, firms or other parties covered in the register maintained under Section 189 of the Companies Act, 2013 during the year. Hence, comments on the provisions of clause (iii) (a) to (c) of the said Order do not arise.
  - iv) In our opinion and according to the information and explanations given to us, the company has complied with the provisions of Section 185 and 186 of the Act, with respect to the loans, guarantees and investments made.
  - v) In our opinion and according to the information and explanations given to us, during the year, the Company has not accepted any deposit within the meaning of Section 73 to 76 of the Companies Act, 2013, and rules framed there under.
  - vi) We have broadly reviewed the books of account 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 read with Companies (Cost Records and Audit) Rules, 2014 as amended and are of the opinion that prima-facie, the specified accounts and records have been made and maintained. We have not, however, made a detailed examination of the records with a view to determining whether they are accurate or complete.
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- vii) (a) According to the information and explanations given to us and on the basis of our examination of the records of the company, amounts deducted/accrued in the books of accounts in respect of undisputed statutory dues including provident fund, employees' state insurance, income-tax, goods and service tax, customs duty, cess and other material statutory dues have been regularly deposited during the year by the company with appropriate authorities. There are no undisputed statutory dues as referred to above as at 31st March 2021, outstanding for a period of more than six months from the date they become payable.
- (b) According to the information and explanations given to us, the disputed statutory dues that have not been deposited on account of matters pending before the appropriate authority are as under:

Name of Statute	Nature of Dues	Issues in the Appeal	Unpaid Amount (In lakhs)	Period to which the amount relates	Forum Where Dispute is Pending
APGST Act, 1957	Sales Tax	Disallowance of Stock Transfer to branch & Tax due on other pending declaration forms	162.96	2010-2011	STAT, Visakhapatnam
APGST Act, 1957	Sales Tax	-----do-----	432.00	2011-2012	STAT, Visakhapatnam
Central Excise Act, 1944	Excise Duty	Appealed against the rejection of refund of export rebate claim which was received earlier.	60.30	2006-2007	Commissioner of Central Excise and Customs (Appeals), Guntur

- viii) The company has not defaulted in repayment of loans and borrowing to financial institution, bank, government or dues to debenture holders.
- ix) The company has not raised any money by way of initial public offer or further public offer (including debt instrument) and term loans during the year. Accordingly, paragraph 3(ix) of the order is not applicable.
- x) According to the information and explanations given to us by the Company, no material fraud by the Company or on the Company by its officers or employees has been noticed or reported during the course of our audit.
- xi) According to the information and explanations give to us and based on our examination of the records of the Company, the Company has paid/provided for managerial remuneration in accordance with the requisite approvals mandated by the provisions of Section 197 read with Schedule V to the Act.
- xii) In our opinion and according to the information and explanations given to us, the Company is not a nidhi company. Accordingly, paragraph 3(xii) of the Order is not applicable.





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- xiii) According to the information and explanations given to us and based on our examination of the records of the Company, transactions with the related parties are in compliance with Sections 177 and 188 of the Act where applicable and details of such transactions have been disclosed in the financial statements as required by the applicable Indian accounting standards (Ind AS).
- xiv) According to the information and explanations give to us and based on our examination of the records of the Company, the Company has not made any preferential allotment or private placement of shares or fully or partly convertible debentures during the year.
- xv) According to the information and explanations given to us and based on our examination of the records of the Company, the Company has not entered into non-cash transactions with directors or persons connected with him. Accordingly, paragraph 3(xv) of the Order is not applicable.
- xvi) The Company is not required to be registered under Section 45-IA of the Reserve Bank of India Act 1934.

**For M/s Sethia, Prabhad Hegde & Co**

Chartered Accountants

Firm Registration No. 013367S

**Timmayya Hegde**

Partner

Membership No. 226267

UDIN : 21226267AAAABA4403

Bengaluru

24th June 2021

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## 5 Year Highlights

(Rs. in lakhs)

Operating Results	2017	2018	2019	2020	2021
Sales and Other Income	30678	26362	21716	15708	5963
Operating Profit	1321	(222)	746	41	(79)
Finance Cost	1700	1382	1266	881	576
Gross Profit	(379)	(1604)	(520)	(839)	(655)
Depreciation	956	555	409	390	308
Taxes	(263)	0	0	0	0
Net Profit	(1072)	(2159)	(929)	(1229)	(963)
<b>Performance Parameters</b>					
Net Fixed Assets	6999	21382	17135	15391	11255
Share Capital	550	550	550	550	550
Reserves	4236	13915	12006	10777	9814
Net Worth	4786	14465	12556	11327	10364
Return on Net Worth (%)	(22)	(15)	(7)	(11)	(9)
Bank Borrowings	8753	6871	5274	3172	2817
Debt : Equity	1.83 : 1	0.48:1	0.42:1	0.28:1	0.27:1
Earnings per Share (in Rs.)	(1.95)	(3.93)	(2.91)	(2.06)	(1.43)



# Balance Sheet as at March 31, 2021

(Rs. in Lakhs)

Particulars	Note no.	As at March 31, 2021	As at March 31, 2020
<b>ASSETS</b>			
<b>Non-current assets</b>			
Property, plant and equipment	4	11,202.36	15,337.16
Intangible assets	4	-	-
Capital work in progress	5	-	1.31
Investment property	6	52.43	52.43
Financial assets			
Investments	7	1,327.05	1,327.05
Other financial assets	8	268.08	268.83
Other non-current assets	9	2,001.14	2,416.78
<b>Total non-current assets</b>		<b>14,851.07</b>	<b>19,403.56</b>
<b>Current assets</b>			
Inventories	10	1,015.35	1,217.30
Financial assets			
Trade receivables	11	115.23	975.19
Cash and cash equivalents	12	3.36	10.21
Other financial assets	13	173.48	222.38
Non-Current Assets Held for Sale	14	2,051.90	1,102.01
Other current assets	15	8.51	169.77
<b>Total current assets</b>		<b>3,367.83</b>	<b>3,696.88</b>
<b>Total Assets</b>		<b>18,218.90</b>	<b>23,100.44</b>
<b>EQUITY AND LIABILITIES</b>			
<b>Equity</b>			
Equity share capital	16	550.00	550.00
Other equity	17	9,814.10	10,776.73
<b>Total equity</b>		<b>10,364.10</b>	<b>11,326.73</b>
<b>Liabilities</b>			
<b>Non-current liabilities</b>			
Financial liabilities			
Borrowings	18	2,262.13	-
Other financial liabilities			
Provisions	19	182.87	490.48
Deferred Tax Liabilities (net)	20	-	-
Other non-current liabilities	21	200.24	182.18
<b>Total non-current liabilities</b>		<b>2,645.24</b>	<b>672.66</b>

(Rs. in Lakhs)

Particulars	Note no.	As at March 31, 2021	As at March 31, 2020
<b>Current liabilities</b>			
Financial liabilities			
Borrowings	22	809.50	3,567.66
Trade payables	23		
i) Total outstanding dues of micro and small enterprises; and		4.03	4.10
ii) Total outstanding dues of creditors other than micro and small enterprises		1,588.40	6,282.88
Other current liabilities	24	2,748.58	1,136.25
Short Term Provisions	25	59.05	110.14
<b>Total current liabilities</b>		<b>5,209.56</b>	11,101.04
<b>Total liabilities</b>		<b>7,854.80</b>	11,773.70
<b>Total Equity and Liabilities</b>		<b>18,218.90</b>	23,100.44

Significant accounting policies and the accompanying notes form an integral part of the financial statements

For and on behalf of the board

As per our report of even date attached

**Sumanth Ramamurthi**  
Chairman and Managing Director  
DIN: 00002773

**B Lakshminarayana**  
Director  
DIN: 00504396

**For M/s Sethia, Prabhada Hegde & Co**  
Chartered Accountants  
Firm Regn No. 013367S

**G.K.Narmatha**  
Company Secretary

**B.Sathyanarayana Reddy**  
Chief Financial Officer

**Timmayya Hegde**  
Partner  
Membership No. 226267  
Bangalore  
June 24, 2021

Coimbatore  
June 24, 2021



## Statement of profit and loss for the year ended March 31, 2021

(Rs. in Lakhs)

Particulars	Note no.	As at March 31, 2021	As at March 31, 2020
<b>Continuing Operations</b>			
<b>A Income</b>			
Revenue from operations	26	4,888.42	14,945.50
Other income	27	542.34	58.53
<b>Total income</b>		<b>5,430.76</b>	<b>15,004.03</b>
<b>B Expenses</b>			
Cost of materials consumed	28	2,476.74	8,232.84
Changes in inventories of finished goods, work in progress	29	370.55	1,107.96
Excise Duty Expenses		-	-
Power and Fuel	30	517.42	2,302.02
Employee Benefits Expense	31	851.82	2,487.66
Finance costs	32	575.73	880.50
Depreciation and amortisation expense	33	307.68	389.56
Other expenses	34	585.27	1,437.74
<b>Total expenses</b>		<b>5,685.21</b>	<b>16,838.29</b>
<b>C Profit before exceptional items and tax</b>		<b>-254.46</b>	<b>-1,834.26</b>
Exceptional items	35	532.06	704.00
<b>D Profit before tax from continuing operations</b>		<b>277.60</b>	<b>-1,130.26</b>
Income tax expense	36	-	-
Current tax		-	-
Income tax provision relating to earlier years		519.91	-
Deferred tax charge/ (credit) relating to earlier years		-	-
<b>Profit for the year</b>		<b>-242.31</b>	<b>-1,130.26</b>
<b>E Profit before tax from discontinued operations</b>	46	<b>-546.85</b>	<b>-</b>
Income tax expense		-	-
Current tax		-	-
Deferred tax charge/ (credit) relating to earlier years		-	-
<b>Profit for the year</b>		<b>-546.85</b>	<b>-</b>
<b>F Other comprehensive income</b>			
Items that will not be reclassified to profit or loss		-	-
Remeasurement of goodwill arising in business combination		-	-
Fair value changes in Freehold Land		-	-
Remeasurement of post employment benefit obligations		-173.47	-98.60
Income tax relating to these items		-	-
<b>Other comprehensive income for the year, net of tax</b>		<b>-173.47</b>	<b>-98.60</b>
<b>Total comprehensive income for the year</b>		<b>-962.63</b>	<b>-1,228.86</b>
<b>Earnings per share</b>	37		
Basic earnings per share		-1.43	-2.06
Diluted earnings per share		-1.43	-2.06

Significant accounting policies and the accompanying notes form an integral part of the financial statements

For and on behalf of the board

As per our report of even date attached

**Sumanth Ramamurthi****B Lakshminarayana****For M/s Sethia, Prabhath Hegde & Co**

Chairman and Managing Director

Director

Chartered Accountants

DIN: 00002773

DIN: 00504396

Firm Regn No. 013367S

**Timmayya Hegde****G.K.Narmatha****B.Sathyanarayana Reddy**

Partner

Company Secretary

Chief Financial Officer

Membership No. 226267

Coimbatore

Bangalore

June 24, 2021

June 24, 2021


**Statement of cash flows for the year ending March 31, 2021**
**(Rs. in Lakhs)**

Particulars	Year ended March 31, 2021	Year ended March 31, 2020
<b>I. Operating Activities</b>		
Profit before income tax	-269.25	-1,130.26
Adjustments for:		
Depreciation and amortisation expense	307.68	389.56
(Profit)/ Loss on sale of assets - Net	-532.06	-704.00
Interest income	-22.35	-29.84
Finance costs	575.73	880.50
	<b>59.75</b>	<b>-594.04</b>
Change in assets and liabilities		
(Increase)/ decrease in Other financial assets	49.65	252.00
(Increase)/ decrease in inventories	201.95	1,268.13
(Increase)/ decrease in trade receivables	859.96	98.05
(Increase)/ decrease in Other assets	1,167.78	4,534.86
Increase/ (decrease) in provisions and other liabilities	1,004.13	-4,074.16
Increase/ (decrease) in trade payables	-4,694.56	-363.88
Cash generated from operations	-1,351.33	1,120.96
Less : Income taxes paid (net of refunds)	-	-
<b>Net cash flow from / (used in) operating activities (I)</b>	<b>-1,351.33</b>	<b>1,120.96</b>
<b>II. Investing Activities</b>		
Purchase of Property, plant and equipment (including changes in CWIP)	-306.75	-181.26
Increase/ (decrease) in Non current Assets held for sale	-	-
Sale proceeds of Property, plant and equipment	2,606.55	1,322.41
(Purchase)/ disposal proceeds of Investment Property	-	-
(Purchase)/ disposal proceeds of Investments		
(Investments in)/ Maturity of fixed deposits with banks		
Interest income	22.35	29.84
<b>Net cash flow from / (used in) Investing activities (II)</b>	<b>2,322.16</b>	<b>1,170.98</b>

(Rs. in Lakhs)

Particulars	Year ended March 31, 2021	Year ended March 31, 2020
<b>III. Financing Activities</b>		
Proceeds from/ (repayment of) long term borrowings	<b>2,403.27</b>	-764.64
Proceeds from/ (repayment of) short term borrowings	<b>-2,758.16</b>	-664.90
Finance costs	<b>-622.79</b>	-867.16
<b>Net cash flow from / (used in) Financing activities (III)</b>	<b>-977.67</b>	-2,296.70
<b>Net decrease in cash and cash equivalents (I+II+III)</b>	<b>-6.85</b>	-4.76
Cash and cash equivalents at the beginning of the financial year	<b>10.21</b>	14.97
<b>Cash and cash equivalents at end of the year</b>	<b>3.36</b>	10.21
Notes:		
1. The above cash flow statement has been prepared under indirect method prescribed in Ind AS 7 "Cash Flow Statements".		
2. Components of cash and cash equivalents		
- in current accounts	<b>1.77</b>	5.13
Cheque in Transit	<b>1.59</b>	5.07
Cash on hand	<b>3.36</b>	10.21

Significant accounting policies and the accompanying notes form an integral part of the financial statements

For and on behalf of the board

**Sumanth Ramamurthi**  
Chairman and Managing Director  
DIN: 00002773

**B Lakshminarayana**  
Director  
DIN: 00504396

**G.K.Narmatha**  
Company Secretary

**B.Sathyanarayana Reddy**  
Chief Financial Officer

Coimbatore  
June 24, 2021

As per our report of even date attached  
For **M/s Sethia, Prabhad Hegde & Co**  
Chartered Accountants  
Firm Regn No. 013367S

**Timmayya Hegde**  
Partner  
Membership No. 226267  
Bangalore  
June 24, 2021

**Statement of Changes in Equity for the year ended March 31, 2021** (Rs. in Lakhs)

**(A) Equity Share Capital**

Balance at the beginning of April 1, 2020	550.00
Changes in equity share capital during the year	-
Balance at the end of March 31, 2021	550.00

**(B) Other Equity**

Particulars	General Reserve	Securities Premium Reserve	Capital Reserve	Other comprehensive income	Retained Earnings	Total
<b>Balance as at April 1, 2019</b>	8,666.85	1,487.50	51.02	600.55	1,199.67	12,005.60
Additions/ (deductions) during the year	-	-	-	-	-	-
Total Comprehensive Income for the year	-	-	-	(98.60)	(1,130.26)	(1,228.86)
<b>Balance as at March 31, 2020</b>	8,666.85	1,487.50	51.02	501.95	69.41	10,776.73
<b>Balance as at April 1, 2020</b>	8,666.85	1,487.50	51.02	501.95	69.41	10,776.73
Additions/ (deductions) during the year	-	-	-	-	-	-
Total Comprehensive Income for the year	-	-	-	(173.47)	(789.16)	(962.63)
<b>Balance as at March 31, 2021</b>	<b>8,666.85</b>	<b>1,487.50</b>	<b>51.02</b>	<b>328.48</b>	<b>(719.76)</b>	<b>9,814.10</b>

Significant accounting policies and the accompanying notes form an integral part of the financial statements

For and on behalf of the board

**Sumanth Ramamurthi**  
Chairman and Managing Director  
DIN: 00002773

**B Lakshminarayana**  
Director  
DIN: 00504396

As per our report of even date attached

**For M/s Sethia, Prabhad Hegde & Co**  
Chartered Accountants  
Firm Regn No. 013367S

**G.K.Narmatha**  
Company Secretary

**B.Sathyanarayana Reddy**  
Chief Financial Officer

**Timmayya Hegde**  
Partner  
Membership No. 226267

Coimbatore  
June 24, 2021

Bangalore  
June 24, 2021





## Notes to Financial Statements for the year ended March 31, 2021

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### 1 Corporate Information

Super Spinning Mills Limited is a public limited company incorporated under the provisions of the Companies Act, 1956. The company is engaged in the manufacture and selling of cotton, cotton yarn and allied products and its shares are listed on the BSE Limited and National Stock Exchange of India Limited. The company has manufacturing unit in Andhra Pradesh.

### 2 Basis of preparation of financial statements

#### Statement of compliance

These financial statements are prepared in accordance with Indian Accounting Standards (Ind AS) under the historical cost convention on the accrual basis except for certain financial instruments which are measured at fair values, the provisions of the Companies Act, 2013 ('the Act') (to the extent notified) and guidelines issued by the Securities and Exchange Board of India (SEBI). The Ind AS are prescribed under Section 133 of the Act read with Rule 3 of the Companies (Indian Accounting Standards) Rules, 2015 and Companies (Indian Accounting Standards) Amendment Rules, 2016.

#### Basis of preparation and presentation

The financial statements have been prepared on a historical cost basis, except for the following assets and liabilities which have been measured at fair value or revalued amount:

- a) Derivative financial instruments
- b) Certain financial assets and liabilities measured at fair value (refer accounting policy regarding financial instruments)

#### Use of estimates

The preparation of financial statements in conformity with Generally Accepted Accounting Principles (GAAP) requires management to make judgments, estimates and assumptions that affect the application of accounting policies and reported amounts of assets, liabilities, income and expenses and the disclosure of contingent liabilities on the date of the financial statements. Actual results could differ from those estimates. Estimates and underlying assumptions are reviewed on an ongoing basis. Any revision to accounting estimates is recognised prospectively in current and future periods.

#### Functional and presentation currency

These financial statements are presented in Indian Rupees (INR), which is the Company's functional currency. All financial information presented in INR has been rounded to the nearest lakhs (up to two decimals).

The financial statements are approved for issue by the Company's Board of Directors on June 24, 2021

### 2A Critical accounting estimates and management judgments

In application of the accounting policies, which are described in note 2, the management of the Company is required to make judgements, estimates and assumptions about the carrying amounts of assets and liabilities that are not readily apparent from other sources. The estimates and assumptions are based on historical experience and other factors that are considered to be relevant. Actual results may differ from these estimates.

Information about significant areas of estimation, uncertainty and critical judgements used in applying accounting policies that have the most significant effect on the amounts recognised in the financial statements is included in the following notes:

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## Notes to Financial Statements for the year ended March 31, 2021

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### **Property, Plant and Equipment, Intangible Assets and Investment Properties**

The residual values and estimated useful life of PPEs, Intangible Assets and Investment Properties are assessed by the technical team at each reporting date by taking into account the nature of asset, the estimated usage of the asset, the operating condition of the asset, past history of replacement and maintenance support. Upon review, the management accepts the assigned useful life and residual value for computation of depreciation/amortisation. Also, management judgement is exercised for classifying the asset as investment properties or vice versa.

### **Current tax**

Calculations of income taxes for the current period are done based on applicable tax laws and management's judgement by evaluating positions taken in tax returns and interpretations of relevant provisions of law.

### **Deferred Tax Assets (including MAT Credit Entitlement)**

Significant management judgement is exercised by reviewing the deferred tax assets at each reporting date to determine the amount of deferred tax assets that can be retained / recognised, based upon the likely timing and the level of future taxable profits together with future tax planning strategies.

### **Fair value**

Management uses valuation techniques in measuring the fair value of financial instruments where active market quotes are not available. In applying the valuation techniques, management makes maximum use of market inputs and uses estimates and assumptions that are, as far as possible, consistent with observable data that market participants would use in pricing the instrument. Where applicable data is not observable, management uses its best estimate about the assumptions that market participants would make. These estimates may vary from the actual prices that would be achieved in an arm's length transaction at the reporting date.

### **Impairment of Trade Receivables**

The impairment for trade receivables are done based on assumptions about risk of default and expected loss rates. The assumptions, selection of inputs for calculation of impairment are based on management judgement considering the past history, market conditions and forward looking estimates at the end of each reporting date.

### **Impairment of Non-financial assets (PPE/Intangible Assets/Investment Properties)**

The impairment of non-financial assets is determined based on estimation of recoverable amount of such assets. The assumptions used in computing the recoverable amount are based on management judgement considering the timing of future cash flows, discount rates and the risks specific to the asset.

### **Defined Benefit Plans and Other long term benefits**

The cost of the defined benefit plan and other long term benefits, and the present value of such obligation are determined by the independent actuarial valuer. An actuarial valuation involves making various assumptions that may differ from actual developments in future. Management believes that the assumptions used by the actuary in determination of the discount rate, future salary increases, mortality rates and attrition rates are reasonable. Due to the complexities involved in the valuation and its long term nature, this obligation is highly sensitive to changes in these assumptions. All assumptions are reviewed at each reporting date.

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## Notes to Financial Statements for the year ended March 31, 2021

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### Fair value measurement of financial instruments

When the fair values of financial assets and financial liabilities could not be measured based on quoted prices in active markets, management uses valuation techniques including the Discounted Cash Flow (DCF) model, to determine its fair value. The inputs to these models are taken from observable markets where possible, but where this is not feasible, a degree of judgement is exercised in establishing fair values. Judgements include considerations of inputs such as liquidity risk, credit risk and volatility.

### Provisions and contingencies

The recognition and measurement of other provisions are based on the assessment of the probability of an outflow of resources, and on past experience and circumstances known at the reporting date. The actual outflow of resources at a future date may therefore vary from the figure estimated at end of each reporting period.

### 2B Recent accounting pronouncements

Standards issued but not yet effective

The following standards have been notified by Ministry of Corporate Affairs

- a. Ind AS 116 – Leases (effective from April 1, 2019)

The Company is evaluating the requirements of the above standards and the effect on the financial statements is also being evaluated.

## 3 Significant Accounting Policies

### a) Current versus non-current classification

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

An asset is treated as current when it is:

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

All other assets are classified as non-current.

A liability is current when:

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

All other liabilities are classified as non-current.

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## Notes to Financial Statements for the year ended March 31, 2021

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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 realisation in cash and cash equivalents. The Company has identified 12 months as its operating cycle.

### **b) Fair value measurement**

The Company has applied the fair value measurement wherever necessitated at each reporting period.

Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date. The fair value measurement is based on the presumption that the transaction to sell the asset or transfer the liability takes place either:

- i) In the principal market for the asset or liability;
- ii) In the absence of a principal market, in the most advantageous market for the asset or liability.

The principal or the most advantageous market must be accessible by the Company.

The fair value of an asset or liability is measured using the assumptions that market participants would use when pricing the asset or liability, assuming that market participants act in their economic best interest.

A fair value measurement of a non - financial asset takes into account a market participant's ability to generate economic benefits by using the asset in its highest and the best use or by selling it to another market participant that would use the asset in its highest and best use.

The Company uses valuation techniques that are appropriate in the circumstances and for which sufficient data are available to measure fair value, maximizing the use of relevant observable inputs and minimising the use of unobservable inputs.

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

Level 1 : Quoted (unadjusted) market prices in active market for identical assets or liabilities;

Level 2 : Valuation techniques for which the lowest level input that is significant to the fair value measurement is directly or indirectly observable; and

Level 3 : Valuation techniques for which the lowest level input that is significant to the fair value measurement is unobservable.

For assets and liabilities that are recognized in the financial statements on a recurring basis, the Company determines whether transfers have occurred between levels in the hierarchy by re-assessing categorization (based on the lowest level input that is significant to the fair value measurement as a whole) at the end of each reporting period.

The Company has designated the respective team leads to determine the policies and procedures for both recurring and non - recurring fair value measurement. External valuers are involved, wherever necessary with the approval of Company's board of directors. Selection criteria include market knowledge, reputation, independence and whether professional standards are maintained.

For the purpose of fair value disclosure, the Company has determined classes of assets and liabilities on the basis of the nature, characteristics and risk of the asset or liability and the level of the fair value hierarchy as explained above. The component wise fair value measurement is disclosed in the relevant notes.

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## Notes to Financial Statements for the year ended March 31, 2021

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### c) Revenue Recognition

#### Sale of goods

Revenue is recognised to the extent that it is probable that the economic benefits will flow to the Company and the revenue can be reliably measured, regardless of when the payment is being made. Revenue on sale of goods is recognised when the risk and rewards of ownership is transferred to the buyer, which generally coincides with the despatch of the goods or as per the inco-terms agreed with the customers.

Revenue is measured at the fair value of the consideration received or receivable, taking into account contractually defined terms of payment. It comprises of invoice value of goods including excise duty and after deducting discounts, volume rebates and applicable taxes on sale. It also excludes value of self-consumption.

#### Sale of services

Income from sale of services is recognised when the services are rendered as per the terms of the agreement and when no significant uncertainty as to its determination or realisation exists.

#### Export entitlements

Export entitlements from Government authorities are recognised in the statement of profit and loss when the right to receive credit as per the terms of the scheme is established in respect of the exports made by the Company, and where there is no significant uncertainty regarding the ultimate collection of the relevant export proceeds.

#### Interest Income

Interest income is recorded using the effective interest rate (EIR). EIR is the rate that exactly discounts the estimated future cash payments or receipts over the expected life of the financial instrument or a shorter period, where appropriate, to the gross carrying amount of the financial asset or to the amortised cost of a financial liability. When 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.

#### Rental income

Rental income from operating lease is recognised on a straight line basis over the term of the relevant lease, if the escalation is not a compensation for increase in cost inflation index.

#### Dividend income

Dividend income is recognized when the company's right to receive dividend is established by the reporting date, which is generally when shareholders approve the dividend.

### d) Property, plant and equipment and capital work in progress

#### Presentation

Property, plant and equipment and capital work in progress are stated at cost, net of accumulated depreciation and accumulated impairment losses, if any. Such cost includes the cost of replacing part of the plant and equipment and borrowing costs of a qualifying asset, if the recognition criteria are met. When significant parts of plant and equipment are required to be replaced at intervals, the Company depreciates them separately based on their specific useful lives. All other repair and maintenance costs are recognised in profit or loss as incurred.

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## Notes to Financial Statements for the year ended March 31, 2021

Advances paid towards the acquisition of tangible assets outstanding at each balance sheet date, are disclosed as capital advances under long term loans and advances and the cost of the tangible assets not ready for their intended use before such date, are disclosed as capital work in progress.

### Component Cost

All material/ significant components have been identified for our plant and have been accounted separately. The useful life of such component are analysed independently and wherever components are having different useful life other than plant they are part of, useful life of components are considered for calculation of depreciation.

The cost of replacing part of an item of property, plant and equipment is recognised in the carrying amount of the item if it is probable that the future economic benefits embodied within the part will flow to the Company and its cost can be measured reliably. The costs of repairs and maintenance are recognised in the statement of profit and loss as incurred.

Machinery spares/ insurance spares that can be issued only in connection with an item of fixed assets and their issue is expected to be irregular are capitalised. Replacement of such spares is charged to revenue. Other spares are charged as revenue expenditure as and when consumed.

### Derecognition

Gains or losses arising from derecognition of property, plant and equipment are measured as the difference between the net disposal proceeds and the carrying amount of the asset and are recognized in the statement of profit and loss when the asset is derecognized.

### e) Depreciation on property, plant and equipment

Depreciation is the systematic allocation of the depreciable amount of an asset over its useful life. The depreciable amount for assets is the cost of an asset, or other amount substituted for cost, less 5% being its residual value.

Depreciation is provided on straight line method, over the useful lives specified in Schedule II to the Companies Act, 2013 except for the following items, where useful life estimated on technical assessment, past trends and differ from those provided in Schedule II of the Companies Act, 2013.

Assets Category	Estimated useful life (in years)
Plant and Machinery Single Shift	20
Plant and Machinery Triple Shift	10
Roads, fences, walls	15

Depreciation for PPE on additions is calculated on pro-rata basis from the date of such additions. For deletion/ disposals, the depreciation is calculated on pro-rata basis up to the date on which such assets have been discarded/ sold. Additions to fixed assets, costing 5000 each or less are fully depreciated retaining its residual value.

The residual values, estimated useful lives and methods of depreciation of property, plant and equipment are reviewed at each financial year end and adjusted prospectively, if appropriate.

## Notes to Financial Statements for the year ended March 31, 2021

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### f) Intangible assets

#### **Intangible assets acquired separately**

Intangible assets acquired separately are measured on initial recognition at cost. The cost of a separately acquired intangible asset comprises (a) its purchase price, including import duties and non-refundable purchase taxes, after deducting trade discounts and rebates; and (b) any directly attributable cost of preparing the asset for its intended use.

Following initial recognition, intangible assets are carried at cost less any accumulated amortisation and accumulated impairment losses.

#### **Intangible assets acquired in a business combination**

Intangible assets acquired in a business combination and recognised separately from goodwill are initially recognised at their fair value at the acquisition date (which is regarded as their cost).

Subsequent to initial recognition, intangible assets acquired in a business combination are reported at cost less accumulated amortisation and accumulated impairment losses, on the same basis as intangible assets that are acquired separately.

#### **Intangible assets internally generated**

Expenditure on research activities is recognised as an expense in the year in which it is incurred.

An internally -generated intangible asset arising from development (or from the development phase of an internal project) is recognised if, and only if, the intangible asset first meets the recognition criteria referred in Ind AS 38 "Intangible Assets". Where no internally-generated intangible asset can be recognised, development expenditure is recognised in the statement of profit and loss in the period in which it is incurred.

Subsequent to initial recognition, internally-generated intangible assets are reported at cost less accumulated amortisation and accumulated impairment losses, on the same basis as intangible assets that are acquired separately.

#### **Useful life and amortisation of intangible assets**

The useful lives of intangible assets are assessed as either finite or indefinite. Intangible assets with finite lives are amortised over the useful economic life and assessed for impairment whenever there is an indication that the intangible asset may be impaired. The amortisation period and the amortisation method for an intangible asset with a finite useful life are reviewed at least at the end of each reporting period.

Estimated useful lives of the intangible assets are as follow:

<b>Assets Category</b>	<b>Estimated useful life (in years)</b>
ERP software and other software	5

The amortisation expense on intangible assets with finite lives is recognised in the statement of profit and loss unless such expenditure forms part of carrying value of another asset.

#### **Intangible assets with indefinite useful life**

Intangible assets with indefinite useful lives are not amortised, but are tested for impairment annually. The assessment of indefinite life is reviewed annually to determine whether the indefinite life continues to be supportable. If not, the change in useful life from indefinite to finite is made on a prospective basis.

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## Notes to Financial Statements for the year ended March 31, 2021

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### **Subsequent cost and measurement**

Subsequent costs are capitalised only when it increases the future economic benefits embodied in the specific asset to which it relates. All other expenditures, including expenditure on internally-generated intangibles, are recognised in the statement of profit and loss as incurred.

Subsequent to initial recognition, internally-generated intangible assets are reported at cost less accumulated amortisation and accumulated impairment losses, on the same basis as intangible assets that are acquired separately.

The amortisation expense on intangible assets with finite lives is recognised in the statement of profit and loss unless such expenditure forms part of carrying value of another asset.

### **g) Investment property**

Investment properties are properties held to earn rentals and/or for capital appreciation (including property under construction for such purposes).

Investment properties are measured initially at cost, including transaction costs. Subsequent to initial recognition, investment properties are measured in accordance with Ind AS 16 - Property, plant and equipment's requirements for cost model. The cost includes the cost of replacing parts and borrowing costs for long-term construction projects if the recognition criteria are met. When significant parts of the investment property are required to be replaced at intervals, the Company depreciates them separately based on their specific useful lives. All other repair and maintenance costs are recognised in the statement of profit and loss as incurred.

Company depreciates investment property as per the useful life prescribed in Schedule II of the Companies Act, 2013.

Though the Company measures investment property using the cost-based measurement, the fair value of investment property is disclosed in the notes. Fair values are determined based on an annual evaluation performed by an accredited external independent valuer applying a valuation model.

An investment property is derecognised upon disposal or when the investment property is permanently withdrawn from use and no future economic benefits are expected from the disposal. Any gain or loss arising on derecognition of the property (calculated as the difference between the net disposal proceeds and the carrying amount of the asset) is included in the statement of profit and loss in the period in which the property is derecognised.

### **h) 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 sales 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 groups) classified as held for sale are measured at the lower of their carrying amount and fair value less costs to sell.

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## Notes to Financial Statements for the year ended March 31, 2021

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### i) Inventories

Inventories are carried at the lower of cost and net realisable value. Cost includes cost of purchase and other costs incurred in bringing the inventories to their present location and condition. Costs are determined on weighted average basis as follows :

- i) Raw materials, packing materials and Store and Spare Parts : At purchase cost including other cost incurred in bringing materials/consumables to their present location and condition.
- ii) Work in progress: At material cost, conversion costs and appropriate share of production overheads
- iii) Finished goods and waste : At material cost, conversion costs, appropriate share of production overheads.

### j) Financial Instruments

#### Financial assets

Financial assets and financial liabilities are recognised when an entity becomes a party to the contractual provisions of the instruments.

#### Initial recognition and measurement

All financial assets are recognised initially at fair value plus, in the case of financial assets not recorded at fair value through profit or loss, transaction costs that are attributable to the acquisition of the financial asset. Purchases or sales of financial assets that require delivery of assets within a time frame established by regulation or convention in the market place (regular way trades) are recognised on the trade date, i.e., the date that the Company commits to purchase or sell the asset.

#### Subsequent measurement

For purposes of subsequent measurement, financial assets are classified on the basis of their contractual cash flow characteristics and the entity's business model of managing them.

Financial assets are classified into the following categories:

- Financial instruments (other than equity instruments) at amortised cost
- Financial Instruments (other than equity instruments) at Fair value through Other comprehensive income (FVTOCI)
- Other Financial Instruments, derivatives and equity instruments at fair value through profit or loss (FVTPL)
- Equity instruments measured at fair value through other comprehensive income (FVTOCI)

#### Financial instruments other than equity instruments at amortised cost

The Company classifies a financial instruments (other than equity instruments) at amortised cost, if both the following conditions are met:

- a) The asset is held within a business model whose objective is to hold assets for collecting contractual cash flows; and
  - b) Contractual terms of the asset give rise on specified dates to cash flows that are solely payments of principal and interest (SPPI) on the principal amount outstanding.
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## Notes to Financial Statements for the year ended March 31, 2021

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

### Financial instruments other than equity instruments at FVTOCI

The Company classifies a financial instrument (other than equity instrument) at FVTOCI, if both of the following criteria are met:

- The objective of the business model is achieved both by collecting contractual cash flows and selling the financial assets, and
- The asset's contractual cash flows represent SPPI.

Debt instruments included within the FVTOCI category are measured as at each reporting date at fair value. Fair value movements are recognized in the other comprehensive income (OCI). However, the group recognizes interest income, impairment losses and reversals and foreign exchange gain or loss in the profit and loss statement. On derecognition of the asset, cumulative gain or loss previously recognised in OCI is reclassified from the equity to profit and loss. Interest earned whilst holding FVTOCI debt instrument is reported as interest income using the EIR method.

### Financial instruments other than equity instruments at FVTPL

The Company classifies all other financial instruments, which do not meet the criteria for categorization as at amortized cost or as FVTOCI, as at FVTPL.

Financial instruments included within the FVTPL category are measured at fair value with all changes recognized in the profit and loss.

### Equity investments

All equity investments in scope of Ind AS 109 are measured at fair value. Equity instruments which are held for trading are classified as at FVTPL. Where the Company makes an irrevocable election of equity instruments at FVTOCI, it recognises all subsequent changes in the fair value in other comprehensive income, without any recycling of the amounts from OCI to profit and loss, even on sale of such investments.

Equity instruments included within the FVTPL category are measured at fair value with all changes recognized in the profit and loss.

Financial assets are measured at FVTPL except for those financial assets whose contractual terms give rise to cash flows on specified dates that represents solely payments of principal and interest thereon, are measured as detailed below depending on the business model:

Classification	Name of the financial asset
Amortised cost	Trade receivables, Loans to employees and related parties, deposits, interest receivable, unbilled revenue and other advances recoverable in cash
FVTOCI	Equity investments in companies other than Subsidiaries and Associates as an option exercised at the time of initial recognition.
FVTPL	Other investments in equity instruments, forward exchange contracts. (to the extent not designated as hedging instrument)

## Notes to Financial Statements for the year ended March 31, 2021

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### **Derecognition**

A financial asset is primarily derecognised when:

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

When the Company has transferred its rights to receive cash flows from an asset or has entered into a pass-through arrangement, it evaluates if and to what extent it has retained the risks and rewards of ownership. When it has neither transferred nor retained substantially all of the risks and rewards of the asset, nor transferred control of the asset, the Company continues to recognise the transferred asset to the extent of the Company's continuing involvement. In that case, the Company also recognises an associated liability. The transferred asset and the associated liability are measured on a basis that reflects the rights and obligations that the Company has retained.

Continuing involvement that takes the form of a guarantee over the transferred asset is measured at the lower of the original carrying amount of the asset and the maximum amount of consideration that the Company could be required to repay.

### **Impairment of financial assets**

In accordance with Ind AS 109, the Company applies expected credit loss (ECL) model for measurement and recognition of impairment loss on the following financial assets and credit risk exposure:

- a) Financial assets that are debt instruments, and are measured at amortised cost e.g., loans, debt securities, deposits, trade receivables and bank balance.
- b) Financial assets that are debt instruments and are measured at FVTOCI
- c) Trade receivables or any contractual right to receive cash or another financial asset that result from transactions that are within the scope of Ind AS 11 and Ind AS 18.

The Company follows 'simplified approach' for recognition of impairment loss allowance on:

- Trade receivables or contract revenue receivables; and
- All lease receivables resulting from transactions within the scope of Ind AS 116

The application of simplified approach does not require the Company to track changes in credit risk. Rather, it recognises impairment loss allowance based on lifetime Expected Credit Loss (ECL) at each reporting date, right from its initial recognition.

For recognition of impairment loss on other financial assets and risk exposure, the Company determines that whether there has been a significant increase in the credit risk since initial recognition. If credit risk has not increased significantly, 12 months ECL is used to provide for impairment loss. However, if credit risk has increased significantly, lifetime ECL is used. If, in a subsequent period, credit quality of the instrument improves such that there is no longer a significant increase in credit risk since initial recognition, then the entity reverts to recognising impairment loss allowance based on 12-month ECL.

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## Notes to Financial Statements for the year ended March 31, 2021

Lifetime ECL are the expected credit losses resulting from all possible default events over the expected life of a financial instrument. The 12 months ECL is a portion of the lifetime ECL which results from default events that are possible within 12 months after the reporting date.

ECL is the difference between all contractual cash flows that are due to the Company in accordance with the contract and all the cash flows that the entity expects to receive (i.e., all cash shortfalls), discounted at the original EIR. When estimating the cash flows, the Company considers all contractual terms of the financial instrument (including prepayment, extension, call and similar options) over the expected life of the financial instrument and Cash flows from the sale of collateral held or other credit enhancements that are integral to the contractual terms.

ECL allowance (or reversal) recognized during the period is recognized as income/ expense in the statement of profit and loss, net of lien available on securities held against the receivables. This amount is reflected under the head 'other expenses' in the profit and loss. The balance sheet presentation for various financial instruments is described below:

- **Financial assets measured as at amortised cost, contractual revenue receivables and lease receivables:** ECL is presented as an allowance, which reduces the net carrying amount. Until the asset meets write-off criteria, the Company does not reduce impairment allowance from the gross carrying amount.
- **Debt instruments measured at FVTOCI:** Since financial assets are already reflected at fair value, impairment allowance is not further reduced from its value. Rather, ECL amount is presented as 'accumulated impairment amount' in the OCI.

For assessing increase in credit risk and impairment loss, the company combines financial instruments on the basis of shared credit risk characteristics with the objective of facilitating an analysis that is designed to enable significant increases in credit risk to be identified on a timely basis.

For impairment purposes, significant financial assets are tested on individual basis at each reporting date. Other financial assets are assessed collectively in groups that share similar credit risk characteristics. Accordingly, the impairment testing is done retrospectively on the following basis:

Name of the financial asset	Impairment Testing Methodology
Trade Receivables	Expected Credit Loss model (ECL) is applied. The ECL over lifetime of the assets are estimated by using a provision matrix which is based on historical loss rates reflecting current conditions and forecasts of future economic conditions which are grouped on the basis of similar credit characteristics such as nature of industry, customer segment, past due status and other factors that are relevant to estimate the expected cash loss from these assets.
Other financial assets	When the credit risk has not increased significantly, 12 month ECL is used to provide for impairment loss. When there is significant change in credit risk since initial recognition, the impairment is measured based on probability of default over the life time. If, in a subsequent period, credit quality of the instrument improves such that there is no longer a significant increase in credit risk since initial recognition, then the entity reverts to recognising impairment loss allowance based on 12 month ECL.



## Notes to Financial Statements for the year ended March 31, 2021

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### Financial liabilities

#### Initial recognition and measurement

Financial liabilities are classified, at initial recognition, as financial liabilities at FVTPL and as at amortised cost.

Amortised cost is calculated by taking into account any discount or premium on acquisition and fees or costs that are an integral part of the EIR. The EIR amortisation is included as finance costs in the statement of profit and loss.

All financial liabilities are recognised initially at fair value and, in the case of loans and borrowings and payables, net of directly attributable transaction costs.

The Company's financial liabilities include trade and other payables, loans and borrowings including bank overdrafts, financial guarantee contracts and derivative financial instruments.

The measurement of financial liabilities depends on their classification, as described below:

#### Financial liabilities at FVTPL

Financial liabilities at FVTPL include financial liabilities held for trading and financial liabilities designated upon initial recognition as at fair value through profit or loss. Financial liabilities are classified as held for trading if they are incurred for the purpose of repurchasing in the near term. This category also includes derivative financial instruments entered into by the Company that are not designated as hedging instruments in hedge relationships as defined by Ind AS 109. Separated embedded derivatives are also classified as held for trading unless they are designated as effective hedging instruments.

#### Gains or losses on liabilities held for trading are recognised in the profit or loss.

For liabilities designated as FVTPL, fair value gains/ losses attributable to changes in own credit risk are recognized in OCI. These gains/ loss are not subsequently transferred to profit and loss. However, the company may transfer the cumulative gain or loss within equity. All other changes in fair value of such liability are recognised in the statement of profit or loss. The company has not designated any financial liability as at fair value through profit and loss.

#### Loans and borrowings

After initial recognition, interest-bearing loans and borrowings are subsequently measured at amortised cost using the EIR method. Gains and losses are recognised in profit or loss when the liabilities are derecognised as well as through the EIR amortisation process.

#### Derivative financial instruments

The Company holds derivative financial instruments such as foreign exchange forward and options contracts to mitigate the risk of changes in exchange rates on foreign currency exposures. The counterparty for these contracts is generally a bank.

#### (a) Derivatives fair valued through profit or loss

This category has derivative financial assets or liabilities which are not designated as hedges.

Although the Company believes that these derivatives constitute hedges from an economic perspective, they may not qualify for hedge accounting under Ind AS 109, Financial Instruments. Any derivative that is either not designated a hedge, or is so designated but is ineffective as per Ind AS 109, is categorized as a financial asset or financial liability, at fair value through profit or loss.

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## Notes to Financial Statements for the year ended March 31, 2021

Derivatives not designated as hedges are recognized initially at fair value and attributable transaction costs are recognized in net profit in the Statement of Profit and Loss when incurred. Subsequent to initial recognition, these derivatives are measured at fair value through profit or loss and the resulting exchange gains or losses are included in other income. Assets / liabilities in this category are presented as current assets / current liabilities if they are either held for trading or are expected to be realized within 12 months after the Balance Sheet date.

### Derecognition of financial liabilities

A financial liability is derecognised when the obligation under the liability is discharged or cancelled or expires. When an existing financial liability is replaced by another from the same lender on substantially different terms, or the terms of an existing liability are substantially modified, such an exchange or modification is treated as the derecognition of the original liability and the recognition of a new liability. The difference in the respective carrying amounts is recognised in the statement of profit or loss.

### Reclassification of financial assets

The Company determines classification of financial assets and liabilities on initial recognition. After initial recognition, no reclassification is made for financial assets which are equity instruments and financial liabilities. For financial assets which are debt instruments, a reclassification is made only if there is a change in the business model for managing those assets. Changes to the business model are expected to be infrequent. The Company's senior management determines change in the business model as a result of external or internal changes which are significant to the Company's operations. Such changes are evident to external parties. A change in the business model occurs when the Company either begins or ceases to perform an activity that is significant to its operations. If the Company reclassifies financial assets, it applies the reclassification prospectively from the reclassification date which is the first day of the immediately next reporting period following the change in business model. The Company does not restate any previously recognised gains, losses (including impairment gains or losses) or interest.

The following table shows various reclassification and how they are accounted for:

S. No	Original classification	Revised classification	Accounting treatment
1	Amortised cost	FVTPL	Fair value is measured at reclassification date. Difference between previous amortized cost and fair value is recognised in P&L.
2	FVTPL	Amortised Cost	Fair value at reclassification date becomes its new gross carrying amount. EIR is calculated based on the new gross carrying amount.
3	Amortised cost	FVTOCI	Fair value is measured at reclassification date. Difference between previous amortised cost and fair value is recognised in OCI. No change in EIR due to reclassification.
4	FVTOCI	Amortised cost	Fair value at reclassification date becomes its new amortised cost carrying amount. However, cumulative gain or loss in OCI is adjusted against fair value. Consequently, the asset is measured as if it had always been measured at amortised cost.
5	FVTPL	FVTOCI	Fair value at reclassification date becomes its new carrying amount. No other adjustment is required.



## Notes to Financial Statements for the year ended March 31, 2021

6	FVTOCI	FVTPL	Assets continue to be measured at fair value. Cumulative gain or loss previously recognized in OCI is reclassified to P&L at the reclassification date.
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Financial assets and financial liabilities are offset and the net amount is reported in the balance sheet, if there is a currently enforceable legal right to offset the recognised amounts and there is an intention to settle on a net basis, to realise the assets and settle the liabilities simultaneously.

### k) Foreign currency transactions and translations

#### Transactions and balances

Transactions in currencies other than the entity's functional currency (foreign currencies) are recognised at the rates of exchange prevailing at the dates of the transactions. However, for practical reasons, the Company uses an average rate, if the average approximates the actual rate at the date of the transaction.

Monetary assets and liabilities denominated in foreign currencies are translated at the functional currency spot rates of exchange at the reporting date. Exchange differences arising on settlement or translation of monetary items are recognised in profit or loss.

Non-monetary items that are measured in terms of historical cost in a foreign currency are translated using the exchange rates at the dates of the initial transactions. Non-monetary items measured at fair value in a foreign currency are translated using the exchange rates at the date when the fair value is determined. The gain or loss arising on translation of non-monetary items measured at fair value is treated in line with the recognition of the gain or loss on the change in fair value of the item (i.e., translation differences on items whose fair value gain or loss is recognised in OCI or profit or loss are also recognised in OCI or profit or loss, respectively).

The Company enters into forward exchange contract to hedge its risk associated with Foreign currency fluctuations. The premium or discount arising at the inception of a forward exchange contract is amortized as expense or income over the life of the contract. In case of monetary items which are covered by forward exchange contract, the difference between the yearend rate and rate on the date of the contract is recognized as exchange difference. Any profit or loss arising on cancellation of a forward exchange contract is recognized as income or expense for that year.

### l) Borrowing Costs

Borrowing cost include interest computed using Effective Interest Rate method, amortisation of ancillary costs incurred and exchange differences arising from foreign currency borrowings to the extent they are regarded as an adjustment to the interest cost.

Borrowing costs that are directly attributable to the acquisition, construction, production of a qualifying asset are capitalised as part of the cost of that asset which takes substantial period of time to get ready for its intended use. The Company determines the amount of borrowing cost eligible for capitalisation by applying capitalisation rate to the expenditure incurred on such cost. The capitalisation rate is determined based on the weighted average rate of borrowing cost applicable to the borrowings of the Company which are outstanding during the period, other than borrowings made specifically towards purchase of the qualifying asset. The amount of borrowing cost that the Company capitalises during the period does not exceed the amount of borrowing cost incurred during that period. All other borrowings costs are expensed in the period in which they occur.

## Notes to Financial Statements for the year ended March 31, 2021

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Interest income earned on the temporary investment of specific borrowings pending their expenditure on qualifying assets is deducted from the borrowing costs eligible for capitalisation. All other borrowing costs are recognised in the statement of profit and loss in the period in which they are incurred.

### **m) Government grants**

Government grants are recognised at fair value where there is a reasonable assurance that the grant will be received and all the attached conditions are complied with.

In case of revenue related grant, the income is recognised on a systematic basis over the period for which it is intended to compensate an expense and is disclosed under "Other operating revenue" or netted off against corresponding expenses wherever appropriate. Receivables of such grants are shown under "Other Financial Assets". Export benefits are accounted for in the year of exports based on eligibility and when there is no uncertainty in receiving the same. Receivables of such benefits are shown under "Other Financial Assets".

Government grants related to assets, including non-monetary grants at fair value, shall be presented in the balance sheet by setting up the grant as deferred income. The grant set up as deferred income is recognised in profit or loss on a systematic basis over the useful life of the asset.

### **n) Taxes**

#### **Current income tax**

Current income tax assets and liabilities are measured at the amount expected to be recovered from or paid to the taxation authorities. The tax rates and tax laws used to compute the amount are those that are enacted or substantively enacted, at the reporting date in the countries where the Company operates and generates taxable income.

Current income tax relating to items recognised outside profit or loss is recognised outside profit or loss (either in other comprehensive income or in equity). Current tax items are recognised in correlation to the underlying transaction either in OCI or directly in equity. Management periodically evaluates positions taken in the tax returns with respect to situations in which applicable tax regulations are subject to interpretation and establishes provisions where appropriate.

Minimum Alternate Tax (MAT) paid in accordance with the tax laws, which gives future economic benefits in the form of adjustment to future tax liability, is recognised as an asset viz. MAT Credit Entitlement, to the extent there is convincing evidence that the Company will pay normal Income tax and it is highly probable that future economic benefits associated with it will flow to the Company during the specified period. The Company reviews the "MAT Credit Entitlement" at each Balance Sheet date and writes down the carrying amount of the same to the extent there is no longer convincing evidence to the effect that the Company will pay normal Income tax during the specified period.

#### **Deferred tax**

Deferred tax is provided using the liability method on temporary differences between the tax bases of assets and liabilities and their carrying amounts for financial reporting purposes at the reporting date.

Deferred tax liabilities are recognised for all taxable temporary differences.

Deferred tax assets are recognised to the extent that it is probable that taxable profit will be available against which the deductible temporary differences, and the carry forward of unused tax credits and unused tax losses can be utilised. Where there is deferred tax assets arising from carry forward of unused tax losses and unused tax created, they are recognised to the extent of deferred tax liability.

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## Notes to Financial Statements for the year ended March 31, 2021

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The carrying amount of deferred tax assets is reviewed at each reporting date and reduced to the extent that it is no longer probable that sufficient taxable profit will be available to allow all or part of the deferred tax asset to be utilised. Unrecognised deferred tax assets are re-assessed at each reporting date and are recognised to the extent that it has become probable that future taxable profits will allow the deferred tax asset to be recovered.

Deferred tax assets and liabilities are measured at the tax rates that are expected to apply in the year when the asset is realised or the liability is settled, based on tax rates (and tax laws) that have been enacted or substantively enacted at the reporting date.

Deferred tax relating to items recognised outside profit or loss is recognised outside profit or loss (either in other comprehensive income or in equity). Deferred tax items are recognised in correlation to the underlying transaction either in OCI or directly in equity.

Deferred tax assets and deferred tax liabilities are offset if a legally enforceable right exists to set off current tax assets against current tax liabilities and the deferred taxes relate to the same taxable entity and the same taxation authority.

### **o) Retirement and other employee benefits**

#### **Short-term employee benefits**

A liability is recognised for short-term employee benefit in the period the related service is rendered at the undiscounted amount of the benefits expected to be paid in exchange for that service.

#### **Defined contribution plans**

Retirement benefit in the form of provident fund is a defined contribution scheme. The Company has no obligation, other than the contribution payable to the provident fund and super annuation fund. The Company recognizes contribution payable to the provident fund scheme as an expense, when an employee renders the related service. If the contribution payable to the scheme for service received before the balance sheet date exceeds the contribution already paid, the deficit payable to the scheme is recognized as a liability after deducting the contribution already paid. If the contribution already paid exceeds the contribution due for services received before the balance sheet date, then excess is recognized as an asset to the extent that the pre-payment will lead to, for example, a reduction in future payment or a cash refund.

#### **Defined benefit plans**

The Company operates a defined benefit gratuity plan in India, which requires contributions to be made to a separately administered fund. The cost of providing benefits under the defined benefit plan is determined using the projected unit credit method.

Remeasurements, comprising of actuarial gains and losses, the effect of the asset ceiling, excluding amounts included in net interest on the net defined benefit liability and the return on plan assets (excluding amounts included in net interest on the net defined benefit liability), are recognised immediately in the balance sheet with a corresponding debit or credit to retained earnings through OCI in the period in which they occur. Remeasurements are not reclassified to profit or loss in subsequent periods.

#### **Compensated absences**

The Company has a policy on compensated absences which are both accumulating and non-accumulating in nature. The expected cost of accumulating compensated absences is determined by actuarial valuation performed by an independent actuary at each balance sheet date using projected unit credit method on the

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## Notes to Financial Statements for the year ended March 31, 2021

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additional amount expected to be paid / availed as a result of the unused entitlement that has accumulated at the balance sheet date. Expense on non-accumulating compensated absences is recognized in the period in which the absences occur.

### **Other long term employee benefits**

Liabilities recognised in respect of other long-term employee benefits are measured at the present value of the estimated future cash outflows expected to be made by the Company in respect of services provided by the employees up to the reporting date.

### **p) Business Combinations**

Acquisitions of business are accounted for using the acquisition method. The consideration transferred in a business combination is measured at fair value, which is calculated as the sum of the acquisition-date fair values of the assets transferred by the Company, liabilities incurred by the Company to the former owners of the acquiree and the equity interests issued by the Company in exchange of control of the acquiree. Acquisition-related costs are generally recognised in statement of profit and loss as incurred.

At the acquisition date, the identifiable assets acquired and the liabilities assumed are recognised at their fair value, except that

- deferred tax assets or liabilities, and assets or liabilities related to employee benefit arrangements are recognised and measured in accordance with Ind AS 12 Income Taxes and Ind AS 19 Employee Benefits respectively;
- liabilities or equity instruments related to share based payment arrangements of the acquiree or share-based payment arrangements of the Company entered into to replace share-based payment arrangements of the acquiree are measured in accordance with Ind AS 102 Share based Payment at the acquisition date; and
- assets (or disposal groups) that are classified as held for sale in accordance with Ind AS 105 Noncurrent Assets Held for Sale and Discontinued Operations are measured in accordance with that Standard.

Goodwill is measured as the excess of the sum of the consideration transferred and the fair value of the acquirer's previously held equity interest in the acquiree (if any) over the net of the acquisition-date amounts of the identifiable assets acquired and the liabilities assumed.

When the consideration transferred by the Company in a business combination includes assets or liabilities resulting from a contingent consideration arrangement, the contingent consideration is measured at its acquisition-date fair value and included as part of the consideration transferred in a business combination. Changes in the fair value of the contingent consideration that qualify as measurement period adjustments are adjusted retrospectively, with corresponding adjustments against goodwill or capital reserve, as the case maybe. Measurement period adjustments are adjustments that arise from additional information obtained during the 'measurement period' (which cannot exceed one year from the acquisition date) about facts and circumstances that existed at the acquisition date.

The subsequent accounting for changes in the fair value of the contingent consideration that do not qualify as measurement period adjustments depends on how the contingent consideration is classified. Contingent consideration that is classified as equity is not remeasured at subsequent reporting dates and its subsequent settlement is accounted for within equity. Contingent consideration that is classified as an asset or a liability is remeasured at fair value at subsequent reporting dates with the corresponding gain or loss being recognised in statement of profit and loss.

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## Notes to Financial Statements for the year ended March 31, 2021

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When a business combination is achieved in stages, the Company's previously held equity interest in the acquiree is remeasured to its acquisition-date fair value and the resulting gain or loss, if any, is recognised in statement of profit and loss. Amounts arising from interests in the acquiree prior to the acquisition date that have previously been recognised in other comprehensive income are reclassified to statement of profit and loss where such treatment would be appropriate if that interest were disposed of.

If the initial accounting for a business combination is incomplete by the end of the reporting period in which the combination occurs, the Company reports provisional amounts for the items for which the accounting is incomplete. Those provisional amounts are adjusted during the measurement period (see above), or additional assets or liabilities are recognised, to reflect new information obtained about facts and circumstances that existed at the acquisition date that, if known, would have affected the amounts recognised at that date.

### q) Impairment of non financial assets

The Company assesses, at each reporting date, whether there is an indication that an asset may be impaired. If any indication exists, or when annual impairment testing for an asset is required, the Company estimates the asset's recoverable amount. An asset's recoverable amount is the higher of an asset's or cash-generating unit's (CGU) fair value less costs of disposal and its value in use. Recoverable amount is determined for an individual asset, unless the asset does not generate cash inflows that are largely independent of those from other assets or groups of assets. When the carrying amount of an asset or CGU exceeds its recoverable amount, the asset is considered impaired and is written down to its recoverable amount.

### r) Provisions, contingent liabilities and contingent asset

#### Provisions

Provisions are recognised when the Company has a present obligation (legal or constructive) as a result of a past event and it is probable that an outflow of resources embodying economic benefits will be required to settle the obligation and a reliable estimate can be made of the amount of the obligation.

Provisions are discounted, if the effect of the time value of money is material, using pre-tax rates that reflects the risks specific to the liability. When discounting is used, an increase in the provisions due to the passage of time is recognised as finance cost. These provisions are reviewed at each Balance Sheet date and adjusted to reflect the current best estimates.

Necessary provision for doubtful debts, claims, etc., are made if realisation of money is doubtful in the judgement of the management.

#### Contingent liability

A contingent liability is a possible obligation that arises from past events whose existence will be confirmed by the occurrence or non-occurrence of one or more uncertain future events beyond the control of the company or a present obligation that is not recognized because it is not probable that an outflow of resources will be required to settle the obligation. A contingent liability also arises in extremely rare cases where there is a liability that cannot be recognized because it cannot be measured reliably. Contingent liabilities are disclosed separately.

Show cause notices issued by various Government authorities are considered for evaluation of contingent liabilities only when converted into demand.

#### Contingent assets

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## Notes to Financial Statements for the year ended March 31, 2021

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Where an inflow of economic benefits is probable, the Company discloses a brief description of the nature of the contingent assets at the end of the reporting period, and, where practicable, an estimate of their financial effect. Contingent assets are disclosed but not recognised in the financial statements.

### s) **Cash and cash equivalents**

Cash comprises cash on hand and demand deposits with banks. Cash equivalents are short-term balances with original maturity of less than 3 months, highly liquid investments that are readily convertible into cash, which are subject to insignificant risk of changes in value.

### t) **Cash Flow Statement**

Cash flows are presented using indirect method, whereby profit / (loss) before tax is adjusted for the effects of transactions of non-cash nature and any deferrals or accruals of past or future cash receipts or payments.

Bank borrowings are generally considered to be financing activities. However, where bank overdrafts which are repayable on demand form an integral part of an entity's cash management, bank overdrafts are included as a component of cash and cash equivalents for the purpose of Cash flow statement.

### u) **Earnings per share**

The basic earnings per share are computed by dividing the net profit for the period attributable to equity shareholders by the weighted average number of equity shares outstanding during the period.

Diluted EPS is computed by dividing the net profit after tax by the weighted average number of equity shares considered for deriving basic EPS and also weighted average number of equity shares that could have been issued upon conversion of all dilutive potential equity shares. Dilutive potential equity shares are deemed converted as of the beginning of the period, unless issued at a later date. Dilutive potential equity shares are determined independently for each period presented. The number of equity shares and potentially dilutive equity shares are adjusted for bonus shares, as appropriate

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## Notes to Financial Statements for the year ended March 31, 2021 (Rs. in Lakhs)

### 4 Property, plant and equipment

Particulars	Tangible Assets							Intangible Assets		
	Freehold Land	Buildings	Plant and Equipment	Furniture and Fixtures	Data Processing Equipment	Vehicles	Total	Intangible Assets - Software	Goodwill on merger	Total
<b>Cost as at April 1, 2019</b>	11,934.22	4,552.22	23,382.32	231.71	515.10	184.13	40,799.69	313.77	-	313.77
Additions		12.84	172.89	0.29	4.20	9.98	200.21			-
Addition due to Remeasurement							-			-
Reclassified under Non current assets held for sale under Note no. 14	(1,088.72)		(251.88)				(1,340.60)			-
Disposals	(91.33)	(159.87)	(3,357.44)	(16.91)	(9.85)	(20.19)	(3,655.59)			-
<b>Cost as at March 31, 2020</b>	10,754.17	4,405.19	19,945.89	215.09	509.44	173.92	36,003.71	313.77	-	313.77
Additions during the year		284.83	19.92	1.23	2.08	-	308.06			-
Addition due to Remeasurement							-			-
Reclassified under Non current assets held for sale under Note no. 14	(2,051.90)						(2,051.90)			-
Disposals	(819.84)	(536.90)	(10,584.90)	(3.74)	(20.51)	4.55	(11,961.34)			-
<b>Cost as at March 31, 2021</b>	7,882.43	4,153.12	9,380.91	212.58	491.02	178.47	22,298.53	313.77	-	313.77
<b>Depreciation/Amortisation</b>										
<b>As at March 31, 2019</b>	-	2,039.74	20,839.95	194.01	484.27	171.95	23,729.91	313.77	-	313.77
Charge for the year		116.10	264.24	5.40	3.06	0.75	389.56	-	-	-
Impairment during the year (Discontinued Operations)*			(238.59)				(238.59)		-	-
On disposals		(69.58)	(3,100.23)	(15.98)	(14.63)	(13.92)	(3,214.33)	-	-	-
<b>As at March 31, 2020</b>	-	2,086.26	17,765.36	183.44	472.71	158.78	20,666.55	313.77	-	313.77
Charge for the year		114.17	181.91	5.12	5.54	0.93	307.68	-	-	-
Reclassified under Non current assets held for sale under Note no. 14		-	-	-	-	-	-	-	-	-
On disposals		(298.62)	(9,559.79)	(3.74)	(20.46)	4.55	(9,878.06)	-	-	-
<b>As at March 31, 2021</b>	-	1,901.81	8,387.49	184.82	457.78	164.26	11,096.17	313.77	-	313.77
<b>Net Block</b>										
As at March 31, 2019	11,934.22	2,512.48	2,542.37	37.70	30.83	12.18	17,069.78	0.00	-	0.00
As at March 31, 2020	10,754.17	2,318.94	2,180.52	31.66	36.73	15.14	15,337.16	0.00	-	0.00
As at March 31, 2021	7,882.43	2,251.31	993.42	27.77	33.23	14.21	11,202.36	0.00	-	0.00

\* disclosed under Other Comprehensive Income in the Statement of Profit and loss



## Notes to Financial Statements for the year ended March 31, 2021 (Rs. in Lakhs)

	As at March 31, 2021	As at March 31, 2020
<b>5 Capital Work-in-progress</b>		
Furniture and Fixtures		
Buildings		
Plant & Equipment	-	1.31
	-	1.31
<b>6 Investment Property</b>		
Land	52.43	52.43
	52.43	52.43
<b>7 Non-current investments</b>		
<b>Investment in Equity Shares in others FVTPL</b>		
<b>Trade Unquoted</b>		
9,38,000 (Previous year 9,38,000) Equity Shares of ₹ 10/- each fully paid in Andhra Pradesh Gas Power Corporation Limited *	1,326.05	1,326.05
10,000 (Previous year 10,000) Equity Shares of ₹ 10/- each fully paid in Cotton Sourcing Company Ltd	1.00	1.00
	1,327.05	1,327.05
<b>Total non-current investments</b>		
Aggregate amount of quoted investments	-	-
Aggregate market value of quoted investments	-	-
Aggregate cost of unquoted investments	1,327.05	1,327.05
Aggregate amount of impairment in value of investments	-	-
* In respect investments made pursuant to power purchase agreements, the exit price is equivalent to the initial investment. Accordingly, the fair value of those investments have been considered at the original investment value as per Ind AS 113		
<b>8 Other non- current financial assets</b>		
(Unsecured, considered good)		
Security deposits and other receivables	346.16	345.85
Less: Provision for expected credit loss	-78.08	-78.08
Security deposits and other receivables (Net)	268.08	267.76
Unamortised interest expense	-	1.06
	268.08	268.83



## Notes to Financial Statements for the year ended March 31, 2021 (Rs. in Lakhs)

	As at March 31, 2021	As at March 31, 2020
<b>9 Other non-current assets</b>		
(Unsecured, considered good)		
Advance to suppliers towards goods/services	152.26	213.69
Less: Provision for expected credit loss	-56.34	-106.65
Advance to suppliers towards goods/services (Net)	95.91	107.05
Tax deducted at source and Income taxes paid under protest	1,571.84	2,014.01
Income and claims receivable	333.39	295.72
Advance for investments	-	-
	<b>2,001.14</b>	<b>2,416.78</b>
<b>10 Inventories</b>		
Raw Materials	535.30	353.44
Work-in-progress	162.25	202.18
Finished products (Other than acquired for trading)	208.94	520.90
Stores and spares	96.70	109.97
Waste	12.16	30.82
	<b>1,015.35</b>	<b>1,217.30</b>
<b>Inventory comprise of</b>		
<b>Raw Materials</b>		
Raw cotton	535.30	253.17
Viscose fibre	-	63.74
Polyster	-	54.53
	<b>535.30</b>	<b>353.44</b>
<b>Work in progress</b>	<b>162.25</b>	<b>202.18</b>
<b>Finished Goods</b>		
Cotton yarn	208.94	520.90
Building products	-	-
	<b>208.94</b>	<b>520.90</b>



## Notes to Financial Statements for the year ended March 31, 2021 (Rs. in Lakhs)

	As at March 31, 2021	As at March 31, 2020
<b>11 Trade receivables</b>		
(Unsecured, considered good)		
Outstanding for a period exceeding 6 months from due date of payment	414.72	639.71
Others	93.86	817.83
	<b>508.58</b>	1,457.54
Less: Allowance for expected credit losses	393.35	482.35
	<b>115.23</b>	975.19
<b>12 Cash and cash equivalents</b>		
Cash on hand	1.59	5.07
Balances with banks		
In current accounts	1.77	5.13
	<b>3.36</b>	10.21
<b>13 Other current financial assets</b>		
(Unsecured, considered good)		
Margin money balance against Letter of Credit facility	165.76	206.67
Balance with govt authorities (Indirect taxes)	-	-
Loans and advances to employees	7.72	15.71
	<b>173.48</b>	222.38
<b>14 Non-current assets held for sale</b>		
Non-current assets held for sale	2,051.90	1,102.01
(Refer Note no. 46 for details)		
	<b>2,051.90</b>	1,102.01
<b>15 Other current assets</b>		
(Unsecured, considered good)		
Prepaid expenses	8.51	32.37
Advance to suppliers	-	111.16
Other advances	-	26.25
	<b>8.51</b>	169.77



**Notes to Financial Statements for the year ended March 31, 2021 (Rs. in Lakhs)**

	As at March 31, 2021	As at March 31, 2020
<b>16 Capital</b>		
<b>Authorised Share Capital</b>		
27,50,00,000 (27,50,00,000) Equity shares of Rs. 1 each	2,750.00	2,750.00
	<b>2,750.00</b>	<b>2,750.00</b>
<b>Issued Share Capital</b>		
5,50,00,000 (5,50,00,000) Equity shares of Rs. 1 each	550.00	550.00
	<b>550.00</b>	<b>550.00</b>
<b>Subscribed and fully paid up share capital</b>		
5,50,00,000 (5,50,00,000) Equity shares of Rs. 1 each	550.00	550.00
	<b>550.00</b>	<b>550.00</b>

**Notes:**

**(a) Reconciliation of number of equity shares subscribed**

Balance as at the beginning of the year	5,50,00,000	5,50,00,000
Add: Issued during the year	-	-
<b>Balance at the end of the year</b>	<b>5,50,00,000</b>	<b>5,50,00,000</b>

(b) There are no bonus shares, shares issued for consideration other than cash and shares bought back during the period of five years immediately preceding the reporting date.

(c) The Company has no Holding or Subsidiary Companies.

**(d) Shareholders holding more than 5% of the total share capital**

Name of the share holder	March 31, 2021		March 31, 2020	
	No of shares	% of Holding	No of shares	% of Holding
Sumanth Ramamurthi	94,40,530	17.16%	87,90,530	15.98%
Nikhil Govind Ramamurthi	40,00,000	7.27%	40,00,000	7.27%
Sanjay Krishna Ramamurthi	40,00,000	7.27%	40,00,000	7.27%
Super Farm Products (P) Limited	29,25,914	5.32%	28,45,914	5.17%

**(e) Rights, preferences and restrictions in respect of equity shares issued by the Company**

The company has only one class of equity shares having a par value of Rs.1 each. The equity shares of the company having par value of Rs.1/- rank pari-passu in all respects including voting rights and entitlement to dividend.

**Notes to Financial Statements for the year ended March 31, 2021 (Rs. in Lakhs)**

	As at March 31, 2021	As at March 31, 2020
<b>17 Other Equity</b>		
General reserve	8,666.85	8,666.85
Securities Premium Reserve	1,487.50	1,487.50
Capital Reserve	51.02	51.02
Other comprehensive income	328.48	501.95
Retained earnings	-719.76	69.41
	<b>9,814.10</b>	<b>10,776.73</b>
<b>a) General reserve</b>		
Balance at the beginning of the year	8,666.85	8,666.85
Additions during the year	-	-
Transfer of General Reserve on account of merger		
Balance at the end of the year	<b>8,666.85</b>	<b>8,666.85</b>
<b>b) Securities Premium Reserve</b>		
Balance at the beginning and end of the year	1,487.50	1,487.50
<b>c) Capital Reserve</b>		
Balance at the beginning of the year	51.02	51.02
Add: Transfer of capital reserve on account of merger	-	-
Balance at the end of the year	<b>51.02</b>	<b>51.02</b>
<b>d) Other comprehensive income</b>		
Balance at the beginning of the year	501.95	600.55
Additions during the year	-173.47	-98.6
Balance at the end of the year	<b>328.48</b>	<b>501.95</b>
<b>e) Retained earnings</b>		
Balance at the beginning of the year	69.41	1,199.67
Net profit/(loss) for the period	-789.16	-1,130.26
Transfers to General Reserve	-	-
Balance at the end of the year	<b>-719.76</b>	<b>69.41</b>
<b>18 Long Term Borrowings</b>		
From Banks *	2,490.83	87.56
Less : Current maturities due within 1 year (refer note 24 below)	228.7	87.56
	<b>2,262.13</b>	<b>-</b>

\*Also refer note 48 for terms and conditions and security details

**Notes to Financial Statements for the year ended March 31, 2021 (Rs. in Lakhs)**

	As at March 31, 2021	As at March 31, 2020
<b>19 Provisions (Non -current)</b>		
Provision for Employee Benefits		
Gratuity	182.87	490.48
	<b>182.87</b>	490.48
<b>20 Deferred Tax Liability - Net *</b>		
*Since the Company has unabsorbed depreciation and carry forward losses as per taxation losses, it has scaled down the recognition of deferred tax asset to the extent that it matches with the aggregate deferred tax liabilities.		
<b>21 Other non-current Liabilities</b>		
Rental deposits collected from tenants	200.24	182.18
	<b>200.24</b>	182.18
<b>22 Current liabilities - Financial Liabilities: Borrowings *</b>		
<b>Secured</b>		
Loans repayable on demand		
From Banks	326.50	3,084.66
<b>Unsecured</b>		
Loan from Directors	483.00	483.00
	<b>809.50</b>	3,567.66
* Also refer note 49 for terms and conditions and security details		
<b>23 Trade payables</b>		
Trade payables *		
i) Total outstanding dues of micro and small enterprises; and	4.03	4.11
ii) Total outstanding dues of creditors other than micro and small enterprises	1,588.40	6,282.88
* Refer Note no. 51 for related party balances		
	<b>1,592.43</b>	6,286.99

\* Dues to Micro and Small Enterprises have been determined to the extent such parties have been identified on the basis of information collected by the management represents the principal amount payable to these enterprises. There are no interest due and outstanding as at the reporting date. Please refer note no. 43 forming part of the financial statements



## Notes to Financial Statements for the year ended March 31, 2021 (Rs. in Lakhs)

	As at March 31, 2021	As at March 31, 2020
<b>24 Other current liabilities</b>		
Current maturities of long term debt		
From Banks	228.7	87.56
Advance from customers	126.73	217.84
Employee payables	140.47	253.33
Statutory dues payable	16.55	79.9
Interest accrued but not due on borrowings	13.87	60.92
Advances received towards Non-current assets held for sale*	1,800.00	176.61
Other payables	422.25	260.09
	<b>2,748.58</b>	<b>1,136.25</b>
* refer Note No. 46 for details		
<b>25 Provisions (Current)</b>		
Provision for gratuity	59.05	110.14
	<b>59.05</b>	<b>110.14</b>

**Notes to Financial Statements for the year ended March 31, 2021 (Rs. in Lakhs)**

	Year ended March 31, 2021	Year ended March 31, 2020
<b>26 Revenue from operations</b>		
Sale of Products		
Domestic	4,119.48	13,202.06
Export	-	755.30
Sale of services - Design job work	342.93	547.10
Other Operating Revenue [refer note 26 (a) below]	426.01	441.03
	<b>4,888.42</b>	<b>14,945.50</b>
<b>26 (a) Other Operating Revenue</b>		
Export Incentives	-	-
Rent Receipts	407.28	384.87
Others	18.73	56.16
	<b>426.01</b>	<b>441.03</b>
<b>27 Other income</b>		
Interest Income [refer note 27 (a) below]	22.35	29.84
Other non-operating Income [refer note 27 (b) below]	519.98	28.69
	<b>542.34</b>	<b>58.53</b>
<b>27 (a) Interest Income</b>		
Interest on Electricity Deposits	11.93	14.79
Other interest receipts	10.43	15.05
	<b>22.35</b>	<b>29.84</b>
<b>27 (b) Other non-operating Income</b>		
Exchange Gain (Net)	-	15.54
Other income/write backs	519.98	13.15
	<b>519.98</b>	<b>28.69</b>
<b>28 Cost of Materials consumed</b>		
Opening inventory of raw materials	353.44	493.22
Add : Purchases	2,658.61	8,093.06
Less : Closing inventory of raw materials	535.30	353.44
	<b>2,476.74</b>	<b>8,232.84</b>
<b>Cost of material consumed comprises of</b>		
Cotton	2,476.74	8,232.84
	<b>2,476.74</b>	<b>8,232.84</b>

**Notes to Financial Statements for the year ended March 31, 2021 (Rs. in Lakhs)**

	Year ended March 31, 2021	Year ended March 31, 2020
<b>29 Changes in inventories of work-in-progress, stock in trade and finished goods</b>		
<b>Opening Balance</b>		
Work-in-progress	202.18	483.91
Finished goods	520.90	1,335.06
Stock in trade	-	-
Waste	30.82	42.89
	<b>753.90</b>	<b>1,861.87</b>
<b>Closing Balance</b>		
Work-in-progress	162.25	202.18
Finished goods	208.94	520.90
Stock in trade	-	-
Waste	12.16	30.82
	<b>383.35</b>	<b>753.90</b>
<b>Changes in inventories</b>	<b>-370.55</b>	<b>-1,107.96</b>
<b>30 Power and Fuel</b>		
Power and Fuel	517.42	2,302.02
	<b>517.42</b>	<b>2,302.02</b>
<b>31 Employee benefits expense</b>		
Salaries, wages and bonus	592.43	2,069.96
Contribution towards:		
Provident Fund	44.11	105.45
Super Annuation Fund	0.90	1.08
Gratuity Fund	118.33	84.26
Staff welfare expenses	96.05	226.91
	<b>851.82</b>	<b>2,487.66</b>
<b>32 Finance Cost</b>		
Interest on borrowings	554.09	837.02
Interest to others	21.65	43.48
	<b>575.73</b>	<b>880.50</b>

**Notes to Financial Statements for the year ended March 31, 2021 (Rs. in Lakhs)**

	Year ended March 31, 2021	Year ended March 31, 2020
<b>33 Depreciation and amortisation expense</b>		
Depreciation of property, plant and equipment	307.68	389.56
Amortization of Intangible assets	-	-
	<b>307.68</b>	<b>389.56</b>
<b>34 Other expenses</b>		
Stores and spares consumed	164.16	555.30
Repairs and Maintenance		
Building	10.52	43.66
Machinery	26.51	162.29
Others	19.61	22.46
Processing charges	0.37	2.10
Selling Expenses	35.71	131.50
Insurance	19.54	17.68
Postage, telegram and printing charges	11.46	16.79
Travelling expenses	21.02	57.57
Bank Charges	65.34	104.14
Bad Debts	59.35	-
Rates and Taxes	42.22	128.28
Professional and Consultancy Charges	57.27	53.01
Auditors' Remuneration	5.59	8.24
Director's Sitting Fees	5.04	3.72
Others	41.56	130.98
	<b>585.27</b>	<b>1,437.74</b>
<b>Auditors' Remuneration</b>		
Statutory Audit Fee	4.00	4.00
Tax Audit Fee	1.00	1.00
Other matters	0.59	3.24
	<b>5.59</b>	<b>8.24</b>
<b>35 Exceptional items</b>		
Provision for expected credit losses	-	-184.73
Profit/(loss) on sale of assets - Net	532.06	888.73
	<b>532.06</b>	<b>704.00</b>



## Notes to Financial Statements for the year ended March 31, 2021 (Rs. in Lakhs)

	Year ended March 31, 2021	Year ended March 31, 2020
<b>36 Income tax expense</b>		
<b>(a) Income tax expense</b>		
<b>Current tax</b>		
Current tax on profits for the year	-	-
Income tax on profits pertaining to earlier years	519.91	-
<b>Total current tax expense</b>	<b>519.91</b>	-
<b>Deferred tax</b>		
Reversal of deferred tax assets of earlier years	-	-
<b>Total deferred tax expense/(benefit)</b>	<b>-</b>	-
<b>Income tax expense</b>	<b>519.91</b>	-
<b>b) The income tax expense for the year can be reconciled to the accounting profit as follows:</b>		
Profit before tax from continuing operations	277.60	-1,130.26
Income tax expense calculated at 26.0% (2019-20: 26.0%)	-	-
Effect of carried forward losses not recognised expenses that are not deductible in determining taxable profit	-	-
Income tax expense	-	-
<b>c) Income tax recognised in other comprehensive income</b>		
<b>Deferred tax</b>		
Remeasurement of defined benefit obligation	-	-
<b>Total income tax recognised in other comprehensive income</b>	<b>-</b>	-



**Notes to Financial Statements for the year ended March 31, 2021 (Rs. in Lakhs)**

**d) Movement of deferred tax expense during the year ended March 31, 2021**

Deferred tax (liabilities)/assets in relation to	Opening balance	Recognised in profit or loss	Recognised in Other comprehensive income	Closing balance
Property, plant, and equipment and Intangible Assets	-	-	-	-
Expenses allowable on payment basis under the Income Tax Act	-	-	-	-
Other temporary differences	-	-	-	-
	-	-	-	-
MAT Credit entitlement	-	-	-	-
	-	-	-	-

**d) Movement of deferred tax expense during the year ended March 31, 2020**

Deferred tax (liabilities)/assets in relation to	Opening balance	Recognised in profit or loss	Recognised in Other comprehensive income	Closing balance
Property, plant, and equipment and Intangible Assets	-	-	-	-
Expenses allowable on payment basis under the Income Tax Act	-	-	-	-
Other temporary differences	-	-	-	-
	-	-	-	-
MAT Credit entitlement	-	-	-	-
	-	-	-	-

**f) Unused tax credits**

The Company has unabsorbed depreciation and carry forward losses under the Income Tax Act, 1961. The Company has scaled down the recognition of deferred tax asset to the extent that it matches with the aggregate deferred tax liabilities. At the end of each reporting period, the Company reassesses unrecognised deferred tax assets. The Company recognises a previously unrecognised deferred tax asset to the extent that it has become probable that future taxable profit will allow the deferred tax asset to be recovered.

**Notes to Financial Statements for the year ended March 31, 2021 (Rs. in Lakhs)**

	Year ended March 31, 2021	Year ended March 31, 2020
<b>37 Earnings per share</b>		
Profit/(Loss) for the year (Rs. in lakhs)	(789.16)	(1,130.26)
Weighted average number of ordinary shares outstanding	5,50,00,000	5,50,00,000
Basic earnings per share (Rs)	(1.43)	(2.06)
Diluted earnings per share (Rs)	(1.43)	(2.06)
<b>38 Earnings in foreign currency</b>		
FOB value of exports	-	755.10
	-	755.10
<b>39 Expenditure in foreign currency</b>		
Foreign Travel	-	0.56
Commission	-	13.32
Others	-	1.73
	-	15.61
<b>40 Value of Imports (on C.I.F basis)</b>		
Raw Materials	-	163.13
Components and spares	-	0.53
	-	163.66
<b>41 Value of imported and indigenous Raw materials, Packing materials consumed and Consumable Spares during the financial year and the percentage of each to the total consumption</b>		

Particulars	Year ended March 31, 2021		Year ended March 31, 2020	
	Value	Percentage (%)	Value	Percentage (%)
<b>Value of raw materials consumed</b>				
Imported	-	-	1,315.01	15.97
Indigenous	2,476.74	100.00	6,917.84	84.03
	<b>2,476.74</b>	<b>100.00</b>	<b>8,232.84</b>	<b>100.00</b>
<b>Value of Stores and Spares Consumed</b>				
Imported	-	-	-	-
Indigenous	164.16	100.00	555.30	100.00
	<b>164.16</b>	<b>100.00</b>	<b>555.30</b>	<b>100.00</b>

**Notes to Financial Statements for the year ended March 31, 2021 (Rs. in Lakhs)**

**42 Commitments and contingent liability**

Particulars	Year ended March 31, 2021	Year ended March 31, 2020
<b>Contingent Liability *</b>		
Bank Guarantees	-	30.00
Disputed demands from Income tax authorities	-	523.74
Disputed excise duty liability	<b>60.30</b>	65.18
Disputed sales tax liability	<b>594.96</b>	594.96
<b>Capital Commitments</b>		
Estimated amount of investments remaining to be executed on capital account and not provided for Tangible assets	-	180.30

\* The management believes, based on internal assessment and / or legal advice, that the probability of an ultimate adverse decision and outflow of resources of the company is not probable and accordingly, no provision for the same is considered necessary.

**43 Disclosures required by the Micro, Small and Medium Enterprises Development (MSMED) Act, 2006 as amended are as under:**

Particulars	Year ended March 31, 2021	Year ended March 31, 2020
(a) The principal amount remaining unpaid at the end of the year	<b>4.03</b>	4.10
(b) The delayed payments of principal amount paid beyond the appointed date during the year	-	-
(c) Interest actually paid under Section 16 of MSMED Act	-	-
(d) Normal Interest due and payable during the year, for all the delayed payments, as per the agreed terms	-	-
(e) Total interest accrued during the year and remaining unpaid	-	-

\*This information has been determined to the extent such parties have been identified on the basis of information available with the Company.

## Notes to Financial Statements for the year ended March 31, 2021 (Rs. in Lakhs)

### 44 Operating Segments

The Company's main business segments namely "Textile" and "Rental services" meet the reportable segment thresholds given in Ind AS 108 "Operating Segments" and hence disclosed respectively. This reporting complies with the IndAS segment reporting principle.

Particulars	Year ended March 31, 2021	Year ended March 31, 2020
<b>Segment Revenue</b>		
a) Textiles	4,481.14	13,805.32
b) Rental services	407.28	384.87
c) Unallocated	-	-
<b>Net Sales/Income from Operations</b>	<b>4,888.42</b>	<b>14,190.19</b>
<b>Segment Results</b>		
Profit (+) / Loss (-) before tax and finance cost		
a) Textiles	2.52	(1,295.02)
b) Rental services	318.75	341.26
c) Unallocated	-	-
<b>Total</b>	<b>321.28</b>	<b>(953.76)</b>
Add/ Less : Finance Costs	575.73	880.50
Profit /(Loss) from continuing operations	(254.46)	(1,834.26)
Profit/(Loss) from discontinued operations	(546.85)	-
Add/ Less : Exceptional Items	532.06	704.00
<b>Profit/(Loss) Before Tax</b>	<b>(269.25)</b>	<b>(1,130.26)</b>
<b>Segment Assets</b>		
a) Textiles	16,644.69	21,753.28
b) Rental services	1,574.21	1,347.16
c) Other unallocable corporate assets	-	-
<b>Total assets</b>	<b>18,218.90</b>	<b>23,100.44</b>
<b>Segment Liabilities</b>		
a) Textiles	7,654.56	11,591.52
b) Rental services	200.24	182.18
c) Other unallocable corporate liabilities	-	-
<b>Total liabilities</b>	<b>7,854.80</b>	<b>11,773.70</b>
<b>Capital Employed (Segment assets-Segment liabilities)</b>		
a) Textiles	8,990.13	10,161.75
b) Rental services	1,373.97	1,164.98
c) Other unallocable capital employed	-	-
Total capital employed in segments	10,364.10	11,326.73
Unallocable corporate assets less corporate liabilities	-	-
<b>Total Capital Employed</b>	<b>10,364.10</b>	<b>11,326.73</b>

## Notes to Financial Statements for the year ended March 31, 2021 (Rs. in Lakhs)

### Information relating to geographical areas

Particulars	Year ended March 31, 2021	Year ended March 31, 2020
<b>(a) Revenue from external customers</b>		
India	4,462.41	13,749.17
Rest of the world	-	755.30
Total	4,462.41	14,504.47

### (b) Non current assets

The manufacturing facilities of the Company are situated in India and no non-current assets are held outside India.

### (c) Information about major customers

Number of external customers each contributing more than 10% of total revenue	1	3
Total revenue from the above customers (Rs. in lakhs)	3,613.96	7,802.37

### 45 Operating lease arrangements (as lessor)

The Company has given certain properties on operating lease arrangements. The leases are cancellable at the option of either party to lease and may be renewed based on mutual agreement of the parties. The total lease income recognised on such contracts for the year is Rs. 483.97 Lakhs (Previous year Rs. 384.87 Lakhs).

### 46 Note on discontinuing/discontinued operations

During the year, the company has permanently suspended the operations of Super "A" unit at Hindupur, Andhrapradesh and accordingly has reported the losses arised out of these units aggregating to Rs.(546.85) lakhs in its Statement of Profit and Loss under Profit/loss from Discontinued Operations above as required under Ind AS 105 (Non current Assets held for sale and discontinued operations) of Companies (Indian Accounting Standards) Rules, 2015 specified as per the provisions of the Companies Act, 2013 as amended from time to time.

Accordingly, the Company has reclassified the above mentioned portion of land, which is included in Note no. 4 of the financial statements pertaining to the said Unit, under the heading "Non-current assets held for sale" in Note no. 14 of the financial statements to the extent of Rs. 2,051.90 lakhs as required under Ind AS 105 (Non current Assets held for sale and discontinued operations) of Companies (Indian Accounting Standards) Rules, 2015 specified as per the provisions of the Companies Act, 2013 as amended from time to time.

In addition to above, the Company has done the Impairment testing of all its assets pertaining to Discontinued Operations and wherever it deems fit has impaired such assets that are no longer cash generating in nature which are forming part of losses from discontinued operations as classified in Statement of Profit and loss above.

## Notes to Financial Statements for the year ended March 31, 2021 (Rs. in Lakhs)

### 47 Financial Instruments

#### Capital management

The Company manages its capital to ensure that entities in the Company will be able to continue as going concern, while maximising the return to stakeholders through the optimisation of the debt and equity balance.

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

For the purposes of the Company's capital management, capital includes issued capital, share premium and all other equity reserves attributable to the equity holders.

	Year ended March 31, 2021	Year ended March 31, 2020
<b>Gearing Ratio:</b>		
Debt	3,300.34	3,655.22
Less: Cash and bank balances	3.36	10.21
Net debt	3,296.97	3,645.01
Total equity	10,364.10	11,326.73
Net debt to equity ratio (%)	31.81%	32.18%

#### Categories of Financial Instruments

##### Financial assets

##### a. Measured at amortised cost

Other non-current financial assets	268.08	268.83
Trade receivables	115.23	975.19
Cash and cash equivalents	3.36	10.21
Other financial assets	173.48	222.38

##### b. Mandatorily measured at fair value through profit or loss (FVTPL)

Investments	1,327.05	1,327.05
Derivative instruments	-	-

##### Financial liabilities

##### a. Measured at amortised cost

Borrowings (short term)	809.50	3,567.66
Trade payables	1,592.43	6,286.99

##### b. Mandatorily measured at fair value through profit or loss (FVTPL)

Derivative instruments	-	-
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## Notes to Financial Statements for the year ended March 31, 2021 (Rs. in Lakhs)

### Financial risk management objectives

The treasury function provides services to the business, co-ordinates access to domestic and international financial markets, monitors and manages the financial risks relating to the operations through internal risk reports which analyse exposures by degree and magnitude of risks. These risks include market risk (including currency risk, interest rate risk and other price risk), credit risk and liquidity risk.

The Company seeks to minimise the effects of these risks by using natural hedging financial instruments and forward contracts to hedge risk exposures. The use of financial derivatives is governed by the Company's policies approved by the board of directors, which provide written principles on foreign exchange risk, the use of financial derivatives, and the investment of excess liquidity. The Company does not enter into or trade financial instruments, including derivative financial instruments, for speculative purposes.

### Market risk

Market risk is the risk of any loss in future earnings, in realizable fair values or in future cash flows that may result from a change in the price of a financial instrument. The Company's activities expose it primarily to the financial risks of changes in foreign currency exchange rates and interest rates. The Company actively manages its currency and interest rate exposures through its finance division and uses derivative instruments such as forward contracts and currency swaps, wherever required, to mitigate the risks from such exposures. The use of derivative instruments is subject to limits and regular monitoring by appropriate levels of management.

### Foreign currency risk management

The Company undertakes transactions denominated in foreign currencies; consequently, exposures to exchange rate fluctuations arise. The Company actively manages its currency rate exposures through a centralised treasury division and uses natural hedging principles to mitigate the risks from such exposures. The use of derivative instruments, if any, is subject to limits and regular monitoring by appropriate levels of management.

### Forward foreign exchange contracts

It is the policy of the company to enter into forward foreign exchange contracts to cover (a) repayments of specific foreign currency borrowings; (b) the risk associated with anticipated sales and purchase transactions out to 6 months within 50% to 70% of the exposure generated.

### Disclosure of hedged and unhedged foreign currency exposure

The carrying amounts of the Company's foreign currency denominated monetary assets and monetary liabilities at the end of the reporting period are as follows:

Currency	Liabilities			Assets			Net overall exposure on the currency - net assets / (net liabilities)
	Gross exposure	Exposure hedged using derivatives	Net liability exposure on the currency	Gross exposure	Exposure hedged using derivatives	Net asset exposure on the currency	
<b>As on March 31, 2021</b>							
USD	-	-	-	-	-	-	-
In INR (₹ In lacs)	-	-	-	-	-	-	-
<b>As on March 31, 2020</b>							
USD	6,519	-	6,519.00	-	-	-	(6,519.00)
In INR (₹ In lacs)	4.68	-	4.68	-	-	-	(4.68)



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**Notes to Financial Statements for the year ended March 31, 2021 (Rs. in Lakhs)**

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**Foreign currency sensitivity analysis**

Movement in the functional currencies of the various operations of the Company against major foreign currencies may impact the Company's revenues from its operations. Any weakening of the functional currency may impact the Company's cost of imports and cost of borrowings and consequently may increase the cost of financing the Company's capital expenditures. The foreign exchange rate sensitivity is calculated for each currency by aggregation of the net foreign exchange rate exposure of a currency and a simultaneous parallel foreign exchange rates shift in the foreign exchange rates of each currency by 2%, which represents management's assessment of the reasonably possible change in foreign exchange rates. The sensitivity analysis includes only outstanding foreign currency denominated monetary items and adjusts their translation at the period end for a 2% change in foreign currency rates.

In management's opinion, the sensitivity analysis is unrepresentative of the inherent foreign exchange risk because the exposure at the end of the reporting period does not reflect the exposure during the year.

**Interest rate risk management**

The Company is exposed to interest rate risk because it borrow funds at both fixed and floating interest rates. The risk is managed by the Company by maintaining an appropriate mix between fixed and floating rate borrowings and by the use of interest rate swap contracts. Hedging activities are evaluated regularly to align with interest rate views and defined risk appetite, ensuring the most cost-effective hedging strategies are applied. Further, in appropriate cases, the Company also effects changes in the borrowing arrangements to convert floating interest rates to fixed interest rates.

**Interest rate sensitivity analysis**

The sensitivity analyses below have been determined based on the exposure to interest rates for both derivatives and non-derivative instruments at the end of the reporting period. For floating rate liabilities, the analysis is prepared assuming the amount of the liability outstanding at the end of the reporting period was outstanding for the whole year. A 25 basis point increase or decrease is used when reporting interest rate risk internally to key management personnel and represents management's assessment of the reasonably possible change in interest rates.

The 25 basis point interest rate changes will impact the profitability by INR 16 Lakhs for the year (Previous INR 18 Lakhs)

**Credit risk management**

Credit risk arises when a customer or counterparty does not meet its obligations under a customer contract or financial instrument, leading to a financial loss. The Company is exposed to credit risk from its operating activities primarily trade receivables and from its financing/ investing activities, including deposits with banks, mutual fund investments, investments in debt securities and foreign exchange transactions. The Company has no significant concentration of credit risk with any counterparty.

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## Notes to Financial Statements for the year ended March 31, 2021 (Rs. in Lakhs)

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### Exposure to credit risk

The carrying amount of financial assets represents the maximum credit exposure. The maximum exposure is the total of the carrying amount of balances with banks, short term deposits with banks, trade receivables, margin money and other financial assets excluding equity investments.

#### (a) Trade Receivables

Trade receivables are consisting of a large number of customers. The Company has credit evaluation policy for each customer and, based on the evaluation, credit limit of each customer is defined. Wherever the Company assesses the credit risk as high, the exposure is backed by either bank, guarantee/letter of credit or security deposits.

The Company does not have higher concentration of credit risks to a single customer. As per simplified approach, the Company makes provision of expected credit losses on trade receivables using a provision matrix to mitigate the risk of default in payments and makes appropriate provision at each reporting date wherever outstanding is for longer period and involves higher risk.

#### (b) Investments, Derivative Instruments, Cash and Cash Equivalents and Bank deposits

Credit Risk on cash and cash equivalents, deposits with the banks/financial institutions is generally low as the said deposits have been made with the banks/financial institutions, who have been assigned high credit rating by international and domestic rating agencies.

Credit Risk on Derivative Instruments is generally low as the Company enters into the Derivative Contracts with the reputed Banks.

Investments of surplus funds are made only with approved Financial Institutions/ Counterparty. The Company has standard operating procedures and investment policy for deployment of surplus liquidity, which allows investment in debt securities and mutual fund schemes of debt and arbitrage categories and restricts the exposure in equity markets.

### Offsetting related disclosures

Offsetting of cash and cash equivalents to borrowings as per the consortium agreement is available only to the bank in the event of a default. Company does not have the right to offset in case of the counter party's bankruptcy, therefore, these disclosures are not required.

### Liquidity risk management

Liquidity risk refers to the risk that the Company cannot meet its financial obligations. The objective of liquidity risk management is to maintain sufficient liquidity and ensure that funds are available for use as per requirements. The Company invests its surplus funds in bank fixed deposit and mutual funds, which carry minimal mark to market risks. The Company also constantly monitors funding options available in the debt and capital markets with a view to maintaining financial flexibility.

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## Notes to Financial Statements for the year ended March 31, 2021 (Rs. in Lakhs)

### Liquidity tables

The following tables detail the Company's remaining contractual maturity for its non-derivative financial liabilities with agreed repayment periods. The tables have been drawn up based on the undiscounted cash flows of financial liabilities based on the earliest date on which the Company can be required to pay.

	Due in 1st year	Due in 2nd to 5th year	Due after 5th year	Carrying amount
<b>March 31, 2021</b>				
Trade payables	1,592.43	-	-	1,592.43
Borrowings (including interest accrued thereon up to the reporting date)	242.57	1,911.64	1,160.00	3,314.21
	<b>1,835.00</b>	<b>1,911.64</b>	<b>1,160.00</b>	<b>4,906.64</b>
<b>March 31, 2020</b>				
Trade payables	6,286.99	-	-	6,286.99
Borrowings (including interest accrued thereon up to the reporting date)	148.48	-	-	148.48
	<b>6,435.47</b>	<b>-</b>	<b>-</b>	<b>6,435.47</b>

Year ended  
**March 31, 2021**

Year ended  
March 31, 2020

Fair value of financial assets and financial liabilities that are not measured at fair value (but fair value disclosures are required):

Nil Nil

### 48 Terms and conditions of long term loans taken from banks

#### Details of Security of Long term Borrowings

The Term loan from SBI is secured by:

Facility	
Term Loan Corporate Loan I & II	(a) First Charge over Fixed Assets purchased out of Bank finance. (b) Collateral First Paripassu charge over the entire of the company ( excluding fixed assets charged term loan of SBI). (c) Personal Guarantee from promoter director"
Term Loan	(a) Paripassu first charge over the Fixed Assets purchased out of Bank Finance; and (b) Personal Guarantee from promoter director"

The term loans from Andhra bank is secured by:

- (a) First charge on the entire fixed assets of the company on pari-passu basis; and
- (b) Second charge on current assets of the company"

The term loans are repayable in balance 4 installments upto July 2020 on monthly basis which carry an interest rate of 10.75 % as on the date of balance sheet

## Notes to Financial Statements for the year ended March 31, 2021 (Rs. in Lakhs)

### 49 Terms and conditions of short term loans taken from banks

Working capital loan from banks are secured by:

- (a) Pari-passu first charge on entire current assets of the Company including hypothecation of Stocks of RM, SIP, FG, receivables and other current assets of the company. (b) Second pari-passu charge on entire fixed assets of the company

Working capital loans are payable on demand and carries interest rate for cash credit and packing credit ranging from 10.75% to 13.60%

### 50 Retirement benefit plans

#### Defined contribution plans

In accordance with Indian law, eligible employees of the Company are entitled to receive benefits in respect of provident fund and super annuation fund, a defined contribution plan, in which both employees and the Company make monthly contributions at a specified percentage of the covered employees' salary. The contributions, as specified under the law, are made to the Provident Fund.

The total expense recognised in profit or loss of Rs.45.01 Lakhs (for the year ended March 31, 2020: Rs. 106.53 Lakhs) represents contribution paid to these plans by the Company at rates specified in the rules of the plan.

#### Defined benefit plans

##### (a) Gratuity

Gratuity is payable as per Payment of Gratuity Act, 1972. In terms of the same, gratuity is computed by multiplying last drawn salary (basic salary including dearness Allowance if any) by completed years of continuous service with part thereof in excess of six months and again by 15/26. The Act provides for a vesting period of 5 years for withdrawal and retirement and a monetary ceiling on gratuity payable to an employee on separation, as may be prescribed under the Payment of Gratuity Act, 1972, from time to time. However, in cases where an enterprise has more favourable terms in this regard the same has been adopted.

These plans typically expose the Company to actuarial risks such as: investment risk, interest rate risk and salary risk.

Investment risk	The present value of the defined benefit plan liability is calculated using a discount rate determined by reference to the market yields on government bonds denominated in Indian Rupees. If the actual return on plan asset is below this rate, it will create a plan deficit.
Interest risk	A decrease in the bond interest rate will increase the plan liability. However, this will be partially offset by an increase in the return on the plan's debt investments.
Longevity risk	The present value of the defined benefit plan liability is calculated by reference to the best estimate of the mortality of plan participants both during and after their employment. An increase in the life expectancy of the plan participants will increase the plan's liability.
Salary risk	The present value of the defined benefit plan liability is calculated by reference to the future salaries of plan participants. As such, an increase in the salary of the plan participants will increase the plan's liability.

**Notes to Financial Statements for the year ended March 31, 2021 (Rs. in Lakhs)**

**The principal assumptions used for the purposes of the actuarial valuations were as follows:**

	<b>Year ended March 31, 2021</b>	Year ended March 31, 2020
Discount Rate	6.57% p.a	6.35% p.a
Rate of increase in compensation level	2.50% p.a	2.50% p.a
Rate of Return on Plan Assets	6.57% p.a	6.35% p.a
Attrition rate	10.00% p.a	1.00% p.a

The estimates of future salary increases, considered in actuarial valuation, take account of inflation, seniority, promotion and other relevant factors, such as supply and demand in the employment market.

**Amounts recognised in total comprehensive income in respect of these defined benefit plans are as follows:**

	<b>Year ended March 31, 2021</b>	Year ended March 31, 2020
Current service cost	13.39	43.03
Net interest expense	19.93	40.11
Return on plan assets (excluding amounts included in net interest expense)	2.13	1.12
Components of defined benefit costs recognised in profit or loss	<b>35.45</b>	<b>84.26</b>
Remeasurement on the net defined benefit liability comprising:		
Actuarial (gains)/losses recognised during the period	173.47	98.60
Components of defined benefit costs recognised in other comprehensive income	<b>173.47</b>	<b>98.60</b>
	<b>208.92</b>	<b>182.86</b>

- i) The current service cost and the net interest expense for the year are included in the 'employee benefits expense' in profit or loss.
- ii) The remeasurement of the net defined benefit liability is included in other comprehensive income.

## Notes to Financial Statements for the year ended March 31, 2021 (Rs. in Lakhs)

**Amounts recognised in total comprehensive income in respect of these defined benefit plans are as follows:**

	<b>Year ended March 31, 2021</b>	<b>Year ended March 31, 2020</b>
Present value of defined benefit obligation	356.61	610.52
Fair value of plan assets	(114.69)	(9.90)
Net liability/ (asset) arising from defined benefit obligation	<b>241.92</b>	<b>600.62</b>
Funded	114.69	9.90
Unfunded	127.23	590.72
	<b>241.92</b>	<b>600.62</b>

**The above provisions are reflected under 'Provision for employee benefits- gratuity' as per details below**

Long term provisions (refer note 19)	182.87	490.48
Short term provisions (refer note 25)	59.05	110.14
	<b>241.92</b>	<b>600.62</b>

**Movements in the present value of the defined benefit obligation in the current year were as follows:**

Opening defined benefit obligation	610.52	834.41
Current service cost	13.39	43.03
Interest cost	19.93	40.11
Actuarial (gains) /losses	171.34	98.60
Benefits paid	(463.53)	(405.63)
Others	4.95	-
Closing defined benefit obligation	<b>356.61</b>	<b>610.52</b>

**Movements in the fair value of the plan assets in the current year were as follows:**

Opening fair value of plan assets	9.90	21.70
Return on plan assets	2.13	(1.12)
Contributions	567.62	394.95
Benefits paid	(463.53)	(405.63)
Actuarial gains/(loss)	(2.13)	-
Others	0.70	-
Closing fair value of plan assets	<b>114.69</b>	<b>9.90</b>

## Notes to Financial Statements for the year ended March 31, 2021 (Rs. in Lakhs)

### Sensitivity analysis

In view of the fact that the Company for preparing the sensitivity analysis considers the present value of the defined benefit obligation which has been calculated using the projected unit credit method at the end of the reporting period, which is the same as that applied in calculating the defined benefit obligation liability recognised in the balance sheet.

### (b) Compensated absences

The leave scheme is a final salary defined benefit plan, that provides for a lumpsum payment at the time of separation; based on scheme rules the benefits are calculated on the basis of last drawn salary and the leave count at the time of separation and paid as lumpsum.

The expected cost of accumulating compensated absences is determined by actuarial valuation performed by an independent actuary at each balance sheet date using projected unit credit method on the additional amount expected to be paid / availed as a result of the unused entitlement that has accumulated at the balance sheet date. Expense recognised during the year is Rs.3.57 Lakhs (previous year Rs. 5.46 Lakhs)

### The design entitles the following risk

Interest rate risk	The defined benefit obligation calculated uses a discount rate based on government bonds. If bond yields fall, the defined benefit obligation will tend to increase.
Salary inflation risk	Higher than expected increases in salary will increase the defined benefit obligation.
Demographic risk	This is the risk of volatility of results due to unexpected nature of decrements that include mortality attrition, disability and retirement. The effects of these decrement on the DBO depends upon the combination salary increase, discount rate, and vesting criteria and therefore not very straight forward. It is important not to overstate withdrawal rate because the cost of retirement benefit of a short caring employees will be less compared to long service employees.

## 51 Related party disclosures

### (a) Name of related party and nature of relationship

#### Key management personnel

Sumanth Ramamurthi	Chairman & Managing Director
A R Balasundharam	Non-Executive & Non-Independent Director (resigned on 31st March 2020)
B.Sathyannarayana Reddy	Chief Financial Officer
G.K.Narmatha	Company Secretary

#### Other Enterprises with which promoter has significant influence

Elgi Electric and Industries Limited  
Super Sara Textiles Limited  
Sara Elgi Industries Limited  
Super Farm Products (P) Limited  
Sara Elgi Envirotech LLP


**Notes to Financial Statements for the year ended March 31, 2021 (Rs. in Lakhs)**
**b) Transactions during the year**

<b>S. No</b>	<b>Nature of transactions</b>	<b>Year ended March 31, 2021</b>	<b>Year ended March 31, 2020</b>
1	Others		
	Purchase of goods	0.92	977.06
	Sale of Goods	-	149.57
	Sale of Fixed Assets	1,000.00	-
	Service Charges Paid	-	0.32
	Rent Received	16.60	18.63
	Other Receipts	10.09	10.09
2	Sumanth Ramamurthi		
	Managerial Remuneration	25.38	48.00
	Contribution to provident and other funds	2.82	2.88
	Loan received	450.00	-
	Loan repaid	(450.00)	-
	Interest Expended	70.61	58.12
3	A R Balasundharam (resigned on 31st March 2020)		
	Professional Fees	-	18.00
4	B Sathyanarayana Reddy (Appointed on 09th February 2019)		
	Remuneration	15.44	15.44
	Contribution to provident and other funds	0.22	0.22
5	G K Narmatha		
	Remuneration	4.67	4.67
	Contribution to provident and other funds	0.20	0.20

**Notes to Financial Statements for the year ended March 31, 2021 (Rs. in Lakhs)**

**c) Balance outstanding at the year end**

<b>Nature of transactions</b>	<b>Year ended March 31, 2021</b>	<b>Year ended March 31, 2020</b>
<b>Others</b>		
<b>Elgi Electric and Industries Ltd</b>		
Amount outstanding at year end - Cr	<b>151.85</b>	1,287.29
<b>Super Farm Products Pvt Ltd</b>		
Amount outstanding at year end - Dr	<b>5.04</b>	-
Amount outstanding at year end - Cr	-	5.85
<b>Sumanth Ramamurthi</b>		
Amount outstanding at year end - Cr	<b>483.00</b>	483.00

**52 SUBSEQUENT EVENT - IMPACT OF COVID-19**

The SARS-CoV-2 virus responsible for COVID-19 continues to spread across the globe and India, which has contributed to a significant decline and volatility in global and Indian financial markets and a significant decrease in global and local economic activities. During March 2020, the COVID-19 outbreak was declared a global pandemic by the World Health Organization. The extent to which the COVID-19 pandemic will impact on the Company operation will depend on future developments, which are highly uncertain, including, among other things, any new information concerning the severity of the COVID-19 pandemic.

**Impact on the Company Operations**

1. The company has noticed significant drop in revenues, both domestic and export which has in turn led to reduction in production caused mainly due to grimming market conditions and marginal reduction in Industrial demand during Covid 19 pandemic situation peaking at the current situation.
2. The company has also faced severe shortage in manpower owing to migrant workers not returning back from their respective hometowns/places which has in turn caused difficulty for the management to deliver the orders in hand in the current scenario.

Significant accounting policies and the accompanying notes form an integral part of the financial statements

For and on behalf of the board

**Sumanth Ramamurthi**  
Chairman and Managing Director  
DIN: 00002773

**B Lakshminarayana**  
Director  
DIN: 00504396

As per our report of even date attached  
For **M/s Sethia, Prabhath Hegde & Co**  
Chartered Accountants  
Firm Regn No. 013367S

**G.K.Narmatha**  
Company Secretary

**B.Sathyanarayana Reddy**  
Chief Financial Officer

**Timmayya Hegde**  
Partner  
Membership No. 226267

Coimbatore  
June 24, 2021

Bangalore  
June 24, 2021





**SUPER**



# **Super Spinning Mills Limited**

**CIN: L17111TZ1962PLC001200**

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