

**SARA ELGI**

**SUPER**



# **Super Spinning Mills Limited**

**60th Annual Report  
2021 - 22**





# Super Spinning Mills Limited

CIN: L17111TZ1962PLC001200

## Corporate Information

**Chairman and Managing Director**

Mr. Sumanth Ramamurthi

**Board of Directors**

Mr. Sudarsan Varadaraj

Mr. C G Kumar

Mrs. Suguna Ravichandran

Mr. B Lakshmi Narayana

Mr. Sanjay Krishna Ramamurthi

Mr. Nidheesh A (resigned w.e.f. 31.05.2022)

**Chief Financial Officer**

Mrs. Narmatha G K

**Company Secretary**

M/s. Sethia, Prabhad Hegde & Co., Bangalore

**Auditors**

Mr. M D Selvaraj, MDS & Associates, Coimbatore

**Secretarial Auditor**

IDBI Bank

**Bankers**

State Bank of India

Union Bank of India

**Registrar and Share Transfer Agent**

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

**Registered Office**

"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.superspinning.com

### Mills

B Unit : Kotnur, Andhra Pradesh

Super Sara : Beerapalli, Andhra Pradesh

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## Notice to the Members

Notice is hereby given that the **60th Annual General Meeting** of the Company will be held on Monday, the 29th day of August, 2022 at 3:00 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 2022, 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. Sumanth Ramamurthi (DIN 00002773), Managing Director, who retires by rotation and being eligible, offers himself for re-appointment.
3. To appoint the Statutory Auditors and to fix their remuneration

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

**RESOLVED THAT** pursuant to Sections 139, 142 and other applicable provisions, if any, of the Companies Act, 2013 read with Companies (Audit and Auditors) Rules, 2014 and the applicable provisions of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, (including any statutory modification(s) or re-enactment(s) thereof for the time being in force) and on the recommendation of the Audit Committee and the Board of Directors of the Company, M/s. CSK Prabhu & Co, (Firm Registration No. 002485S), Chartered Accountants, Coimbatore, be and are hereby appointed as Statutory Auditors of the Company in place of the retiring auditors, M/s. Sethia, Prabhakar Hegde & Co., (Firm Registration No. 013367S) Chartered Accountants, Bengaluru, for a term of 5 years, to hold office from the conclusion of this Annual General Meeting till the conclusion of the Annual General Meeting of the Company to be held in financial year 2027 at such remuneration, as may be mutually agreed between the Board of Directors of the Company and the Statutory Auditors.

### Special Business

4. Re-appointment of Mr. Sumanth Ramamurthi (DIN: 00002773), Chairman and Managing Director of the Company

To consider and if thought fit, to pass the following resolution as a **Special Resolution**

**RESOLVED THAT** pursuant to the provisions of Sections 196, 197, 198, 203 read with Schedule V and other applicable provisions of the Companies Act, 2013 and the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014 and the applicable provisions of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, (including any statutory modification(s) or reenactment(s) thereof, for the time being in force), the consent of the members be and is hereby accorded for the re-appointment of Mr. Sumanth Ramamurthi (DIN: 00002773) who is also the Managing Director of M/s. Elgi Electric and Industries Limited, as Chairman and Managing Director of the Company, for a further period of five years with effect from 01st April 2023, as recommended by the Nomination and Remuneration Committee and approved by the Audit Committee and the Board of Directors at their respective meetings held on 04th August 2022 on the terms and conditions as mentioned below.

I.	Salary/ Commission/ Allowance/ Perquisites	A total remuneration comprising of salary, commission, allowances, perquisites etc. payable by the company not exceeding INR 125 lakhs per annum.  Provided that the aggregate annual remuneration payable to Mr. Sumanth Ramamurthi (DIN: 00002773) by M/s. Elgi Electric and Industries Limited (CIN: U31200TZ1963PLC000487) together with the aggregate annual remuneration mentioned herein shall not exceed, in any financial year, an overall ceiling limit of INR 250 lakhs per annum in accordance with Schedule V of the Companies Act 2013.
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II.	Other benefits	<ol style="list-style-type: none"> <li>1. Free use of Company car with driver and reimbursement of conveyance expenses and telephones.</li> <li>2. Mr. Sumanth Ramamurthi shall also be eligible for the following benefits, which shall not be included in the computation of the ceiling on the remuneration.  PF: Contribution to Provident Fund to the extent it is not taxable under the Income Tax Act, 1961. Gratuity: Gratuity payable at the rate not exceeding 15 days salary of each year of completed service or as may be notified by the Government from time to time.</li> </ol>
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**RESOLVED FURTHER THAT** in the event of loss or inadequacy of profits in any financial year, the remuneration payable to Mr. Sumanth Ramamurthi, Chairman and Managing Director, of the Company shall not exceed the limits specified in Part II of Section II of Schedule V of the Companies Act, 2013 or such limits as may be notified by the Government from time to time.

**FURTHER RESOLVED THAT** Mr. Sumanth Ramamurthi, (DIN: 00002773), during his tenure as Chairman and Managing Director, shall be liable to retire by rotation and the same shall not be treated as break in his service as Chairman and Managing Director.

**RESOLVED FURTHER THAT** the Board of Directors (including committees thereof) be and are hereby authorised to alter and vary the terms of re-appointment and / or remuneration payable to the Managing Director, as it may deem fit, subject to the same not exceeding the limits as approved by the shareholders.

**RESOLVED FURTHER THAT** the Board of Directors or Key Managerial Personnel of the Company be and are hereby authorised to do all such acts, deeds, things and execute all such documents, instruments and forms as may be required and to give effect to this resolution.

5. Re-appointment of Mr. B Lakshmi Narayana (DIN: 00504396), as an Independent Director of the Company

To consider and if thought fit, pass the following resolution as a **Special Resolution**.

**RESOLVED THAT** pursuant to the provisions of Sections 149, 150, 152 and 160 read with Schedule IV and other applicable provisions, if any, of the Companies Act, 2013 as amended, the Companies (Appointment and Qualification of Directors) Rules, 2014 (including any statutory modifications or reenactment(s) thereof for the time being in force), the relevant provisions of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 as amended and as per the recommendations of the Nomination and Remuneration Committee and Board of Directors, Mr. B Lakshmi Narayana (DIN: 00504396), Independent Non-Executive Director of the Company who had submitted a declaration that he meets the criteria for independence under Section 149(6) of the Act and Regulation 16(1)(b) of the Listing Regulations and whose name is included in the databank as required under Rule 6 of the Companies (Appointment and Qualification of Directors) Rules, 2014 and who is eligible for re-appointment and in respect of whom the Company has received a notice in writing under Section 160 of the Act from a Member proposing his candidature for the office of Director, be and is hereby re-appointed as an Independent Non-Executive Director of the Company to hold office for a second term of five (5) consecutive years with effect from 01st Jun 2022 to 31st May 2027 and is not liable to retire by rotation.

**RESOLVED FURTHER THAT** the Board of Directors (including committees thereof) be and are hereby authorized to take all such steps as may be necessary and/or give such directions as may be necessary, proper or expedient, to give effect to the above Resolution without being required to seek any further consent or approval of the Members and the Members shall be deemed to have given their approval thereto expressly by the authority of this Resolution.

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**Explanatory Statement in terms of Regulation 36(5) of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015****Item No. 3**

In compliance with the provisions of the Companies Act, 2013 read with the Companies (Audit and Auditors) Rules, 2014, M/s. Sethia, Prabhakar Hegde & Co., (Firm Registration No. 013367S) Chartered Accountants, Bengaluru had been appointed as the Statutory Auditors of the Company for a term of five years commencing from the financial year 2017-18 to 2021-22 and to hold office from the conclusion of the Annual General Meeting held on 2017 and until the conclusion of the Annual General Meeting to be held in the year 2022. Since their tenure has come to an end, it has been proposed to appoint M/s. CSK Prabhu & Co, (Firm Registration No. 002485S), Chartered Accountants, Coimbatore as Statutory Auditors for a term of 5 years from the financial year 2022-23 onwards in the place of the retiring auditors.

The Company has also received a certificate from the Statutory Auditors to the effect that their appointment, if made, would be within the limits prescribed under Section 139 of the Companies Act, 2013 and that they are eligible to be appointed as the Statutory Auditors of the Company.

Accordingly, based on the recommendation of the Audit Committee, the Board of Directors of the Company have recommended the appointment of M/s. CSK Prabhu & Co, (Firm Registration No. 002485S), Chartered Accountants, Coimbatore as Statutory Auditors of the Company for a period of 5 consecutive years from the conclusion of the ensuing Annual General Meeting till the conclusion of Annual General Meeting which ought to be held in the year 2027.

The Board of Directors propose to pay a fee of Rs. 4,00,000/- (Rupees Four Lakhs only), exclusive of taxes and other out of pocket expenses incurred in connection with the audit for the financial year ended March 31, 2023 to the Statutory Auditors. The fees for the subsequent years will be decided by the Board of Directors from time to time based on the recommendations of the Audit Committee. The terms of appointment of the Statutory Auditors will be as specified by the Audit Committee and the Board of Directors of the Company in line with the Companies Act, 2013 and SEBI Listing Regulations. There is no material change in the proposed fee payable to new Auditors as compared to the fee paid to the outgoing Auditors. The proposed statutory auditors will be paid separate remuneration as may be approved by the Audit Committee of the Company for attending to taxation and other works connected with the Company that may be entrusted to them from time to time.

The Audit Committee and the Board of Directors of the Company have considered the following credentials of M/s. CSK Prabhu & Co, (Firm Registration No. 002485S), Chartered Accountants, Coimbatore while considering their appointment:

- Client base of the firm and availability of well trained and experienced professionals in the industry.
- Availability of expertise in Accounting procedures/ processes, Audit, Direct/Indirect Taxation and Corporate Laws.
- Professional integrity, ethics and independence.
- Satisfying the pre-requisite of obtaining the peer review certificate from the institute of Chartered Accountants of India.

By considering the above facts, the Board recommends the Ordinary Resolution set out in Item No. 3 of the Notice for the approval of the Shareholders.

None of the Directors and/or Key Managerial Personnel of the Company and/or their respective relatives are concerned or interested, financially or otherwise, in the Ordinary Resolution set out as Item No. 3 of the Notice.

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**Statement pursuant to Section 102 of the Companies Act, 2013:****Item No. 4**

Mr. Sumanth Ramamurthi, Chairman and Managing Director of the Company was appointed for a period of 3 years from 01.04.2020 and his appointment is due for renewal on 01.04.2023.

Mr. Sumanth Ramamurthi aged 62 years, with a qualification of Electrical Engineering, has more than three decades of experience in the fields of textile and engineering industry. He joined the company during 1992. He is one of the promoter and main contributory to the growth and development of the Company. Considering his contributions, the Nomination and Remuneration Committee at its meeting held on 02nd August 2022, has proposed his reappointment as the Chairman and Managing Director of the Company for a further period of five years from 01st April 2023 to 31st March 2028, on such remuneration as set out in the resolution, in accordance with Section 197 read with Schedule V of the Companies Act, 2013 and recommended the same to the Board for their approval thereon.

Pursuant to the provisions of the Regulation 23(2) of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, the Audit Committee of the Board of Directors of the Company at the meeting held on 04th August 2022 had also approved the remuneration payable to Mr. Sumanth Ramamurthi as Managing Director of the Company for the period of 5 years with effect from 1st April 2023 to 31st March 2028 and recommended the same to the Board for their approval.

Based on the recommendations of the Nomination and Remuneration Committee and the Audit Committee, the Board of Directors of the Company at their meeting held on 04th August 2022 had approved the re-appointment and remuneration payable to Mr. Sumanth Ramamurthi for the period of 5 years with effect from 1st April 2023 to 31st March 2028 subject to the approval of the shareholders.

Further, pursuant to the provisions of Section 196, 197, 203, Schedule V and other applicable provisions, if any, of the Companies Act, 2013, the re-appointment shall be subject to the approval of the shareholders of the Company in the General Meeting. Hence, the Board recommends the resolution set out in Item No.4 of the Notice for the approval of the members. The disclosures as required under Section II(A) of Part II of Schedule V of the Companies Act, 2013 forms part of this report.

Members are informed that Mr. Sumanth Ramamurthi is also proposed to be re-appointed as the Managing Director of M/s. Elgi Electric and Industries Limited (CIN: U31200TZ1963PLC000487) with remuneration with effect from 1st April 2023. Pursuant to Schedule V of the Companies Act, 2013, a managerial person shall draw remuneration from one or both companies, provided that the total remuneration drawn from the companies does not exceed the higher maximum limit admissible from any one of the companies of which he is a managerial person. Further, pursuant to the first proviso under Section II of Part II of Schedule V of the Companies Act, 2013, the payment of remuneration in excess of the limits prescribed under Section II, as applicable, to managerial personnel shall require the approval of the members by passing a special resolution.

The details as required under Schedule V of the Companies Act, 2013, Regulation 36 of the SEBI (Listing Obligations and Disclosure Requirements) Regulation, 2015 and brief bio-data of Mr. Sumanth Ramamurthi and other disclosures as per Secretarial Standards 2 are furnished and forms a part of this Notice.

Except Mr. Sumanth Ramamurthi, being the recipient of remuneration/appointee, none of the Directors and Key Managerial Personnel of the Company and/or their respective relatives is concerned or interested, financially or otherwise, in the Special Resolution as set out in Item No.4 of the Notice.

**Item No. 5**

Mr. B Lakshmi Narayana (DIN: 00504396), was appointed as Independent Director of the Company as per the provisions of Section 149, 150, 152, 160 and Schedule IV of the Companies Act, 2013 read with the relevant Rules

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thereunder as amended, at the Annual General Meeting held on 01st December 2017 to hold office upto 31st May 2022, for a term of five consecutive years.

As the above named Independent Director shall be completing his first term of appointment upon completion of five years from the respective date of his appointment during the current year, as per Section 149(10) of the Companies Act, 2013, he is eligible for re-appointment for another term of five consecutive years subject to approval of the Members by way of passing a Special Resolution.

Based on the performance evaluation of the Independent Director, the Nomination and Remuneration Committee has recommended the re-appointment of the above said director to the Board as an Independent Director for a second term of five (5) consecutive years. The experience and contributions made by him during his tenure were taken note of by the Board at their meeting held on 18th May 2022. The Board further decided that the continued association of Mr. B Lakshmi Narayana would be beneficial to the Company and it is desirable to continue to avail his services as Independent Director. Accordingly, the Board re-appointed Mr. B Lakshmi Narayana as Independent Director of the Company, not liable to retire by rotation and to hold office for a second term of five (5) consecutive years on the Board of the Company.

Mr. B Lakshmi Narayana has consented to his re-appointment and is not disqualified from being appointed as Director in terms of Section 164 of the Act and is not debarred from holding the office of Director by virtue of any Securities Exchange Board of India ("SEBI") order or any other such authority. The Company has received declarations from him confirming that he meets the criteria of independence as prescribed under Section 149(6) of the Companies Act, 2013 ("the Act") and as per Regulation 16(1)(b) of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 ("Listing Regulations") and that his name is included in the databank of Independent Directors as required under Rule 6(3) of the Companies (Appointment and Qualification of Directors) Rules, 2014. In the opinion of the Board, he fulfills the conditions as specified under the Act read with the Rules made thereunder and the Listing Regulations for re-appointment as Independent Director and is independent of the Management.

Details of Director whose re-appointment as Independent Director is proposed at Item No. 5 is provided in the "Annexure" to the Notice pursuant to the provisions of (i) the Listing Regulations and (ii) Secretarial Standard on General Meetings ("SS-2"), issued by the Institute of Company Secretaries of India.

The Company has also received notices from a Member under Section 160 of the Companies Act, 2013 (the Act) proposing his re-appointment as Independent Director for the second term of 5 consecutive years.

A copy of the draft letter for re-appointment of the Independent Director setting out the terms and conditions of his re-appointment is available for inspection by the Members at the Registered Office of the Company during the office hours on all working days other than on Saturdays and Sundays till the date of the Annual General Meeting.

The Board recommends the resolution set out in item no 5 in relation to appointment of Mr. B Lakshmi Narayana, as Independent Director for another term of five (5) consecutive years, for the approval by the shareholders of the Company. He is not related to any of the Directors of the Company

Except Mr. B Lakshmi Narayana who is deemed to be interested, none of the Directors and Key Managerial Personnel of the Company and/or their respective relatives is concerned or interested, financially or otherwise, in the special resolution set out at Item No. 5 of the Notice.



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**Notes:**

1. In view of the continuing Covid-19 pandemic, the Ministry of Corporate Affairs ("MCA") vide its Circular No. 14 dated April 8, 2020 read with Circular No. 17 dated April 13, 2020, Circular No. 20 dated May 5, 2020, Circular No. 02/2021 dated January 13, 2021 and Circular No. 2 dated May 5, 2022 (hereinafter collectively referred to as "MCA Circulars") and SEBI vide its Circular dated 15th January, 2021 reference no. SEBI/HO/CFD/CMD2/CIR/P/2021/11 and Circular dated May 13, 2022 (hereinafter collectively referred to as "SEBI Circulars") extended relaxations granted under circular dated 12th May, 2020, which permitted the holding of Annual General Meeting through VC or OAVM without the physical presence of Members at a common venue. The deemed venue for the AGM shall be the Registered office of the Company. In compliance with these MCA Circulars and the relevant provisions of the Companies Act, 2013 ("the Act") and the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, ("Listing Regulations") the Annual General Meeting of the Members of the Company is being held through VC/OAVM. Hence, members can attend and participate in the AGM through VC/ OAVM only.
  2. **Pursuant to the provisions of the Act, a Member entitled to attend and vote at the AGM is entitled to appoint a proxy to attend and vote on his/her behalf and the proxy need not be a Member of the Company.** 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.
  3. 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.
  4. Members attending the AGM through VC / OAVM shall be counted for the purpose of reckoning the quorum under Section 103 of the Act.
  5. In compliance with the aforesaid MCA Circulars and SEBI Circulars, Notice of the AGM along with the Annual Report 2021-22 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 2021-22 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 [www.instavote.linkintime.co.in](http://www.instavote.linkintime.co.in). Members can attend and participate in the Annual General Meeting through VC/OAVM facility only.
  6. The Register of Members and share transfer books of the Company will remain closed from Tuesday, 23rd August, 2022 to Monday, 29th August, 2022 (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. 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.
  8. Since the AGM will be held through VC / OAVM, the Route Map is not annexed in this Notice.
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9. 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.
  10. Soft copies of 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. Members seeking to inspect such registers can send their request to [investors@ssh.saraelgi.com](mailto:investors@ssh.saraelgi.com)
  11. A member who needs any clarification on accounts or operations of the Company shall write to the Company Secretary, so as to reach her at least 7 days before the meeting. The same will be replied by the Company suitably.
  12. 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.
  13.
    - 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.
  14. 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.
  15. 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.
  16. As per the provisions of Section 72 of the Act, facility for making nominations is now available to Individual(s) holding shares in the Company. Members holding shares in physical form may coordinate with the Registrars and Share Transfer Agents of the Company. Members holding shares in electronic form have to approach their depository participants for completing the nomination formalities.
  17. 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 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
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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.

18. 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.

Further, SEBI had mandated the listed entities to issue shares only in dematerialized mode, with effect from 25th January 2022 to shareholder(s)/claimant(s) holding shares in physical mode, as against their service requests including for transmission or transposition of shares.

As per the said circular, the Company has opened a separate Escrow Demat Account for the purpose of crediting the shares of the Shareholders who fail to submit the letter of confirmation with the respective Depository Participant within the prescribed timeline.

19. Members are requested to convert their holdings in dematerialised form to eliminate risks associated with physical shares and better management of the securities. Members are further 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.
20. Further, SEBI vide its circular dated 3rd November 2021 has also mandated that the shareholders holding shares in physical form are required to update their PAN, KYC details, bank details and nomination details with the RTA on or before 1st April 2023, failing which the securities held by such shareholder will be frozen by the RTA. The securities once frozen will revert to normal status only upon receipt of requisite KYC documents or upon dematerialization of the said securities. Shareholders holding shares in physical form may also note that once the securities are frozen, the payment of dividend will be processed only upon receipt of requisite KYC details to the bank account of the shareholder electronically.
21. Further, SEBI vide its circular dated 3rd November 2021 has also mandated that the shareholders holding shares in physical form are required to compulsorily link their PAN and Aadhaar. Accordingly, the physical folios in which PAN and Aadhaar are not linked will be frozen by the RTA. The securities which will be frozen will revert to normal status only upon receipt of requisite KYC documents or upon dematerialization of the said securities.

Necessary prior intimation(s) in this regard was provided to the Shareholders. Therefore, Members holding share(s) in physical form are requested to immediately update their KYC details / dematerialize their shareholding in the Company. A copy of the said circulars is available on the Company's website [www.superspinning.com](http://www.superspinning.com).

22. 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.
23. 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.
24. 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 followed and advised by the DP.

### **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) (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 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, as given below, explains the process and manner for casting of vote(s) in a secure manner.





- 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. Monday, 22nd August 2022, 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. 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. Once the vote on a Resolution is cast by the Member, the Member shall not be allowed to change it subsequently.
- III. The voting period begins on Friday, 26th August 2022 (9.00 A.M. IST) and ends on Sunday, 28th August 2022 (5.00 P.M. IST). During this period Shareholders of the Company, holding shares either in physical form or in dematerialized form, as on the cut-off date of Monday, 22nd August 2022 may cast their votes electronically. The e-voting module shall be disabled by LI IPL for voting thereafter.

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

Remote e-Voting Instructions for shareholders post change in the Login mechanism for Individual shareholders holding securities in demat mode, pursuant to SEBI circular dated December 9, 2020:

As per the SEBI circular dated December 9, 2020, individual shareholders holding securities in demat mode can register directly with the depository or will have the option of accessing various ESP portals directly from their demat accounts

Login method for Individual shareholders holding securities in demat 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>Existing IDeAS user can visit the e-Services website of NSDL viz.. <a href="https://eservices.nsdl.com">https://eservices.nsdl.com</a> either on a personal computer or on a mobile. On the e-Services home page click on the “Beneficial Owner” icon under “Login” which is available under ‘IDeAS’ section, this will prompt you to enter your existing User ID and Password. After successful authentication, you will be able to see e-Voting services under Value added 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 i.e. LINKINTIME and you will be re-directed to “InstaVote” website for casting your vote during the remote e-Voting period.</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://eservices.nsdl.com">https://eservices.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 i.e. LINKINTIME and you will be redirected to “InstaVote” website for casting your vote during the remote e-Voting period.</li> <li>Shareholders/Members can also download NSDL Mobile App “NSDL Speede” facility by scanning the QR code mentioned below for seamless voting experience</li> </ul> <div data-bbox="445 1240 776 1437"> <p><b>NSDL Mobile App is available on</b></p> <div>  App Store            Google Play         </div> <div>   </div> </div>



Type of shareholders	Login Method
<b>Individual Shareholders holding securities in demat mode with CDSL</b>	<ul style="list-style-type: none"> <li>Existing users who have opted for Easi / Easiest, can login through their user id and password. 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. LINKINTIME. Click on LINKINTIME and you will be redirected to “InstaVote” website for casting your vote during the remote e-Voting period.</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 i.e. LINKINTIME. Click on LINKINTIME and you will be redirected to “InstaVote” website for casting your vote during the remote e-Voting period.</li> </ul>
<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>Upon logging in, 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 i.e. LINKINTIME and you will be redirected to “InstaVote” website for casting your vote during the remote e-Voting period.</li> </ul>

Type of shareholders	Login Method
<p><b>Individual Shareholders holding securities in Physical mode &amp; evoting service Provider is LINKINTIME.</b></p>	<p>Individual Shareholders of the company, holding shares in physical form as on the cut-off date for e-voting may register for e-Voting facility of Link Intime as under:</p> <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></li> <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 CDSL demat account shall provide either ‘C’ or ‘D’, above</li> <li>Shareholders/ members holding shares in NSDL demat account shall provide ‘D’, above</li> <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> <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> </ol> </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> </ol> <p><b>Cast your vote electronically:</b></p> <ol style="list-style-type: none"> <li>After successful login, you will be able to see the notification for e-voting. Select ‘View’ icon.</li> <li>E-voting page will appear.</li> <li>Refer the Resolution description and cast your vote by selecting your desired option ‘Favour / Against’ (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 ‘Submit’. A confirmation box will be displayed. If you wish to confirm your vote, click on ‘Yes’, else to change your vote, click on ‘No’ and accordingly modify your vote.</li> </ol>

### **Guidelines for 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.

### **Helpdesk for Individual Shareholders holding securities in physical mode/ Institutional shareholders:**

Shareholders facing any technical issue in login may contact Link Intime INSTAVOTE helpdesk by sending a request at [enotices@linkintime.co.in](mailto:enotices@linkintime.co.in) or contact on: - Tel: 022 – 4918 6000.

### **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.

### **Individual Shareholders holding securities in Physical mode has forgotten the password:**

If an Individual Shareholders holding securities in Physical mode has forgotten the USER ID [Login ID] or Password or both then the shareholder can use the "Forgot Password" option available on the e-Voting website of Link Intime: <https://instavote.linkintime.co.in>

- o Click on 'Login' under 'SHARE HOLDER' tab and further Click 'forgot password?'
- o 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.

User ID for Shareholders holding shares in Physical Form (i.e. Share Certificate): Your User ID is Event No + Folio Number registered with the Company

### **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.



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

**Instructions for members for e-voting on the day of the AGM are as under:**

1. The procedure for e-Voting on the day of the AGM is same as the instructions mentioned above for remote e-voting.
2. Only those Members/ shareholders, who will be present in the AGM through VC/OAVM facility and have not cast their vote on the Resolutions through remote e-Voting and are otherwise not barred from doing so, shall be eligible to vote through e-Voting system in the AGM.
3. Members who have voted through Remote e-Voting will be eligible to attend the AGM. However, they will not be eligible to vote at the AGM.
4. The details of the person who may be contacted for any grievances connected with the facility for e-Voting on the day of the AGM shall be the same person mentioned for Remote e-voting.

**Instructions for members for attending the AGM through VC/OAVM are as under:**

1. Member will be provided with a facility to attend the AGM through VC/OAVM through the CDSL e-Voting system. Members may access the same at <https://instameet.linkintime.co.in>.
2. Members are encouraged to join the Meeting through Desktops/ Laptops than through Mobile Devices for better experience.
3. Please note that Participants Connecting from Mobile Devices or Tablets or through Laptop connecting via Mobile Hotspot may experience Audio/Video loss due to fluctuation in their respective network. It is therefore recommended to use Stable Wi-Fi or LAN Connection to mitigate any kind of aforesaid glitches.
4. Shareholders 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) on or before 05.00 PM IST on Tuesday, 23rd August, 2022.

**Note:**

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.

5. Further Members will be required to allow Camera and use Internet with a good speed to avoid any disturbance during the meeting.
  6. Speakers on first come basis will only be allowed to express their views/ask questions during the meeting.
  7. Those shareholders who have registered themselves as a speaker will only be allowed to express their views/ask questions during the meeting for a short duration of 5 minutes only.
  8. Members can join the AGM in the VC/OAVM mode 15 (Fifteen) minutes before and after the scheduled time of the commencement of the Meeting by following the procedure mentioned in the Notice. The facility of participation at the AGM through VC/OAVM will be made available for 1,000 members on first come first served basis. This will not include large Shareholders (Shareholders holding 2% or more shareholding), Promoters, Institutional Investors, Directors, Key Managerial Personnel, the Chairpersons of the Audit Committee, Nomination and Remuneration Committee and Stakeholders Relationship Committee, Auditors etc. who are allowed to attend the AGM without restriction on account of first come first served basis.
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**Process and manner for attending the Annual General Meeting through InstaMeet:**

1. Open the internet browser and launch the URL: <https://instameet.linkintime.co.in>

☐ Select the “Company” and ‘Event Date’ and register with your following details: -

A. Demat Account No. or Folio No: Enter your 16 digit Demat Account No. or Folio No

- Shareholders/ members holding shares in CDSL demat account shall provide 16 Digit Beneficiary ID
- Shareholders/ members holding shares in NSDL demat account shall provide 8 Character DP ID followed by 8 Digit Client ID
- Shareholders/ members holding shares in physical form shall provide 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 (DP)/Company shall use the sequence number provided to you, if applicable.

C. Mobile No.: Enter your mobile number.

D. Email ID: Enter your email id, as recorded with your DP/Company.

☐ Click “Go to Meeting” (You are now registered for InstaMeet and your attendance is marked for the 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 shareholders/ members have any queries regarding login/ e-voting, they may send an email to [instameet@linkintime.co.in](mailto:instameet@linkintime.co.in) or contact on: - Tel: 022-49186175.

**Instructions for Shareholders/ Members to Speak during the Annual General Meeting through InstaMeet:**

1. Shareholders who would like to speak during the meeting must register their request 5 days in advance with the company on the email id: [investors@ssh.saraelgi.com](mailto:investors@ssh.saraelgi.com).
2. Shareholders will get confirmation on first cum first basis depending upon the provision made by the client.
3. Shareholders will receive “speaking serial number” once they mark attendance for the meeting.
4. Other shareholder may ask questions to the panellist, via active chat-board during the meeting.
5. Please remember speaking serial number and start your conversation with panellist by switching on video mode and audio of your device.

Shareholders are requested to speak only when moderator of the meeting/ management will announce the name and serial number for speaking.

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

Once the electronic voting is activated by the scrutinizer/ moderator 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 your 16 digit 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 casted 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 shareholders/ members have any queries regarding login/ e-voting, they may send an email to [instameet@linkintime.co.in](mailto:instameet@linkintime.co.in) or contact on: - Tel: 022-49186175.

### **Guidelines to attend the AGM proceedings of Link Intime India Pvt. Ltd.: InstaMEET**

For a smooth experience of viewing the AGM proceedings of Link Intime India Pvt. Ltd. InstaMEET, shareholders/ members who are registered as speakers for the event are requested to download and install the Webex application in advance by following the instructions as under:

- a) Please download and install the Webex application by clicking on the link <https://www.webex.com/downloads.html/> <https://meetingsapac30.webex.com/webappng/sites/meetingsapac30/dashboard?siteurl=meetingsapac30> or
- b) If you do not want to download and install the Webex application, you may join the meeting by following the process mentioned as under:

Step 1	Enter your First Name, Last Name and Email ID and click on Join Now.
1 (A)	If you have already installed the Webex application on your device, join the meeting by clicking on Join Now
1 (B)	If Webex application is not installed, a new page will appear giving you an option to either Add Webex to chrome or Run a temporary application  Click on Run a temporary application, an exe file will be downloaded. Click on this exe file to run the application and join the meeting by clicking on Join Now

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- IV. 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.
  - V. 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.
  - VI. 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.
  - VII. 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.
  - VIII. The Resolution shall be deemed to be passed on the date of AGM i.e. 29th August, 2022 subject to receipt of sufficient votes.

Statement of Information to be provided under, Section II(A) of Part II of Schedule V of the Companies Act, 2013

I. General Information

1. Nature of Industry: Textiles
2. Date or expected date of commencement of commercial production: The Company was incorporated on 06.06.1962 and commenced the commercial production subsequently.
3. In case of new companies, expected date of commencement of activities as per project approved by financial institutions appearing in the prospectus: Not applicable
4. Financial performance based on given indicators (Rs. Lakhs)

Particulars	2021-22	2020-21
Sales and other income	9429.42	5430.76
Profit / (Loss) before tax and depreciation	600.30	53.22
Profit / (Loss) after tax	36.62	(962.63)
Paid up Equity Capital	550.00	550.00
Reserves and Surplus	10001.11	9434.60
Basic Earnings per share	0.15	(1.43)

5. Foreign investments and collaborations, if any : Not applicable
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II. Information about the Appointees:

Name	Mr. Sumanth Ramamurthi
Back ground details	Mr. Sumanth Ramamurthi aged 62 years is an industrialist, having more than three decades of experience in the fields of textile and engineering industries and is a Director on the Board of six other companies. He has a B.S Degree in Electrical Engineering from the University of Missouri, USA.
Past remuneration	Rs. 49.16 Lakhs
Recognition or awards	--
Job profile and his suitability	More than three decades of experience in the field of Engineering and Textile industry.
Remuneration Proposed	As per Item No. 4 of the resolution annexed to the Notice
Comparative remuneration profile with respect to industry, size of the company, profile of the position and person	Salary to be given is at par with the industry standards
Pecuniary relationship directly or indirectly with the company or relationship with the managerial personnel or other Director, if any	Mr. Sumanth Ramamurthi is the father of Mr. Sanjay Krishna Ramamurthi, Director of the Company.

III. Other Information

- Reasons of loss or inadequate profits: The high cost of raw material, skilled labour shortage and non-utilisation of plant to the maximum capacity have affected the Company's operating performance resulting in losses
- Steps taken or proposed to be taken for improvement: The Company has made efforts to increase productivity and have been trying to take effective cost control measures. Also the management has taken up alternative ways to utilize the plant capacity fully.
- Expected increase in productivity and profits in measurable terms: The Company expects to see a growth in turnover and proportionate increase in productivity resulting in reasonable profits as a result of these measures.

IV. Disclosures

- The following disclosures have been mentioned in the Board of Directors report under the heading Corporate Governance attached to the annual report :
  - All elements of remuneration package such as salary, benefits, bonuses, stock options, pension, etc., of all the Directors
  - Details of fixed component and performance linked incentives along with the performance criteria
  - Service contracts, notice period, severance fees and
  - Stock option details, if any, and whether the same has been issued at a discount as well as the period over which accrued and over which exercisable: Company has not issued any Stock option



## 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:-

Name	Mr. Sumanth Ramamurthi	Mr. B Lakshmi Narayana
Director Identification Number (DIN)	00002773	00504396
Age	62 Years	55 Years
Nationality	Indian	Indian
Qualification	B.S - Electrical Engineering	MBA
Expertise in functional area	Mr. Sumanth Ramamurthi has been involved with Super Spinning Mills Ltd since 1992 and has more than three decades of experience in the fields of textile and engineering industry.	Mr. B Lakshmi Naryana has more than two decades of experience in the field of textile and engineering industries.
Shareholding in the Company	94,40,530 Equity Shares	Nil
Board Position Held	Chairman and Managing Director	Non-Executive Non-Independent Director
Date of first appointment on the Board	22.02.1992	01.06.2017
Terms and Conditions of re-appointment	As specified in Item No. 4 of the resolution annexed to the AGM Notice	As specified in Item No. 5 of the resolution annexed to the AGM Notice
Number of meetings of the Board attended during the year	6 (six)	6 (six)
Directorships of other Boards	Precot Ltd Elgi Electric and Industries Ltd Elgi Ultra Industries Ltd Super Sara Textiles Ltd Sara Elgi Industries Ltd Super Farm Products Private Ltd LRG Academy Private Ltd	Super Sales India Ltd Elgi Electric and Industries Ltd Vantex Private Ltd Primo Aqua Green Private Ltd
Membership/ Chairmanship of Committees of other Boards	Precot Ltd – Member Audit Committee Corporate Social Responsibility Committee  Chairman Stakeholders Relationship Committee	Super Sales India Ltd – Member Audit Committee Nomination and Remuneration Committee Stakeholders Relationship Committee Corporate Social Responsibility Committee



Remuneration last drawn	Remuneration drawn as on 31.03.2022: Rs. 49.16 Lakhs	Not applicable
Sought to be paid	As per Item No. 4 of the resolution annexed to the Notice	Sitting Fees only
Inter-se relationship with other directors	Mr. Sumanth Ramamurthi is the father of Mr. Sanjay Krishna Ramamurthi, Director of the Company.	He is not related to any of the Director's of the Company.

Coimbatore  
4th August 2022

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



## DIRECTOR'S REPORT

### To the Members,

Your Board of Directors hereby present the 60th 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, 2022 ("the year under review").

### Financial Highlights:

The summary of the financial performance of the Company for the year ended 31st March 2022 is as follows.

(Rs. In Lakhs)

Particulars	31.03.2022	31.03.2021
Revenue from operation	9344.53	4888.42
Other Income	84.49	542.34
<b>Total Revenue</b>	<b>9429.42</b>	<b>5430.76</b>
<b>Earnings before Finance Cost, Depreciation &amp; Tax</b>	<b>987.75</b>	<b>628.95</b>
Less: Finance Cost	387.45	575.73
Earnings before Depreciation & Tax	600.30	53.22
Less: Depreciation and amortization	287.44	307.68
<b>Profit/ (Loss) before Exceptional Items &amp; Tax</b>	<b>312.86</b>	<b>(254.46)</b>
Add: Exceptional Items	487.16	532.06
Add: Profit from Discontinued operations	-	(546.85)
<b>Profit / (Loss) before Tax</b>	<b>800.02</b>	<b>(269.25)</b>
Less: Current and deferred Tax	400.04	-
Less: Income tax pertaining to earlier years	403.40	519.91
Less: MAT Credit Entitlement	(86.98)	-
Add : Other Comprehensive Income	(46.94)	(173.47)
<b>Profit / (Loss) after Tax</b>	<b>36.62</b>	<b>(962.63)</b>

### Review of business operations

During the year under review, the textile industry as such picked up pace even when different waves of COVID-19 resulted into economic uncertainty, especially in the manufacturing segment. Effective utilization of the production capacity by your Company along with the market boom; resulted in the total turnover to increase from Rs. 4888.42 Lakhs to Rs. 9344.53 Lakhs, because of which Company registered operation profit before tax of Rs 312.86 Lakhs as against a loss of Rs 254.46 Lakhs in the previous year.

However due to Income tax of current and previous years pertaining to the sale of land, the overall profit of the Company stood at Rs 36.62 Lakhs for the financial year as against a loss of Rs 962.63 Lakhs in the previous year. With reasonable progress as compared to the preceding years, your Company is hoping for an enhanced performance in 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 2022.

### Transfer to Reserves

During the year under review, an amount of Rs 529.89 Lakhs has been transferred to general reserves. Further profit for the year of Rs 36.62 Lakhs has been adjusted against the retained earnings under the head "other equity".

### Dividend

Your Directors have not recommended any dividend for the year under review.

### Share Capital

There was no change in the capital structure of your Company during the year under review. The issued, subscribed and paid-up share capital of the Company as on 31st March 2022 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 2021-22, in the Prescribed Form MGT-7 as required under Section 92(3) of the Act, is available on the website of the Company and can be accessed on the Company's website at the link <https://www.superspinning.com>

### **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 Act, 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 profit 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 Act.

### **Declaration of Independent Directors**

Your Company has received necessary confirmations/ declarations from each of the Independent Director of the Company confirming that they meet the criteria of independence as stipulated in Section 149(6) of the Act and Regulation 16(1)(b) of the Listing Regulations. 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.

Further, your Company has received declaration from all Independent Directors confirming that they have ensured inclusion of their names in the Independent Directors' data bank created and maintained by Indian Institute of Corporate Affairs within stipulated timeframe, as mandated by the Companies (Appointment and Qualification of Directors) Rules, 2014, as amended.




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**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 Act and in terms of Regulation 19(4) of the 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 <https://www.superspinning.com>

**Comments on Auditors' Report**

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

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

Pursuant to the provisions of Section 186(4) of the Act, the Company has not granted any loans or given any security or made any investments during the year under review. 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 Act and Regulation 23 Listing Regulations, during the financial year 2021-22 were in the ordinary course of business and on arms' length basis. Prior approval / Omnibus approval is obtained from the Audit Committee for all related party transactions and the transactions are periodically placed before the Audit Committee for its approval.

The particulars of contract and arrangement entered into by the Company with related parties referred to Section 188(1) of the Act 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>

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

There have been no changes affecting the financial position of the Company between the end of the financial year and till the date of this report.

**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 Act, 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**

Pursuant to Section 134(3)(n) of the Act, the Company has developed and implemented a Risk Management Policy. The Policy envisages identification of risk and procedures for assessment and minimization of risk thereof.

**Audit Committee**

The Company has constituted Audit Committee in accordance with Section 177 of the Act. 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 Act, with respect to rejection of any recommendations of Audit Committee by the Board.

**Whistle Blower Policy (Vigil Mechanism)**

Your Company has established a Vigil Mechanism/

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Whistle Blower policy in line with the Regulations 18 and 22 of the Listing Regulations and Section 177 of the Act. The Policy is formulated 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 <https://www.superspinning.com>

### **Corporate Social Responsibility initiatives**

In view of losses made during the last three financial years, the Company is not required to spend on CSR activities for the Financial Year 2021-22. Further at the Board of Directors meeting held on 09.11.2021, the Company has dissolved the CSR committee since the Company does not have any CSR activities for the past three financial years and that there are no pending CSR Expenditures that are remaining unspent for any previous years. The Annual Report on CSR activities as prescribed under Companies (Corporate Social Responsibility Policy) Rules, 2014 is attached as Annexure 4 of this report.

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

In compliance with the relevant provisions of the Act read with the Rules made thereunder and the Listing Regulations, the performance evaluation of the Board as a whole, its specified Statutory Committees, the Chairman of the Board and the Individual Directors was carried out for the year under review.

The evaluation process consisted of structured questionnaires covering various aspects of the functioning of the Board and its committees, such as composition, experience and competencies, performance of specific duties and obligations, governance issues etc. The Board also carried out the evaluation of the performance of Individual Directors based on criteria such as contribution of the director at the meetings, strategic perspective or inputs regarding the growth and performance of the Company etc.

In a separate meeting of independent directors, performance of non-independent directors was evaluated. Independent Directors had evaluated the quality, quantity and timeliness of the flow of information

between the Management and the Board, Performance of the Board as a whole and its Members and other required matters.

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

In accordance with the provision of the Companies Act, 2013 and in terms of the Memorandum and Articles of Association of the Company, Mr. Sumanth Ramamurthi (DIN: 00002773), Chairman and Managing Director of the Company retires by rotation at the ensuing Annual General Meeting and is eligible for re-appointment. A resolution seeking shareholders' approval for his re-appointment forms part of the Notice.

The Board of Directors based on the recommendation of the Nomination and Remuneration Committee and Audit Committee, at their meeting held on 04th August 2022, has approved the re-appointment of Mr. Sumanth Ramamurthi (DIN: 00002773) as the Chairman and Managing Director of the Company for a further period of five years with effect from 01st April 2023 subject to approval of the Members of the Company. The terms and conditions of his appointment, including his remuneration, are subject to the approval of the Shareholders and the same forms part of the Notice.

Also, Mr. B Lakshmi Narayana was appointed as independent directors of the company pursuant to Section 149 of the Companies Act, 2013 for the first term of 5 years and will hold office upto 31st May 2022. Considering his knowledge, expertise and experience in the field of textile and his substantial contribution during his tenure as an independent director, the nomination & remuneration committee and the board has recommended the re-appointment of Mr. B Lakshmi Narayana as independent director on the board of the company, to hold office for the second term of five consecutive years commencing from 1st June, 2022 and not liable to retire by rotation. The company has received declaration from the director that he continues to fulfill the criteria of independence as prescribed under Section 149(6) of the Act, as well as the Listing Regulations (including statutory re-enactment thereof for the time being in force). A resolution seeking shareholders approval for his re-appointment forms part of the Notice.

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. Nidheesh A, Chief Financial Officer and Mrs. Narmatha G K, Company Secretary.

Mr. B Sathyanarayana who was the Chief Financial Officer, had resigned from the services of the Company from 15.07.2021 and Mr. Nidheesh was appointed as the Chief Financial Officer of the Company on 30.12.2021.

### **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 Act, there are no deposits remaining unclaimed or unpaid as on 31st March, 2022 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**

In accordance with Section 134(5)(e) of the Act, the Company has Internal Financial Controls Policy by means of Policies and Procedures commensurate with the size & nature of its operations and pertaining to financial reporting. The Management uses the management information reports and other reports to have better internal control system and to take decisions in time.

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 Act. The audit Committee of the Board constantly reviews 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 Act, certifying the adequacy of Internal Financial Controls is annexed with the Auditors Report.

### **Auditors**

#### **a) Statutory Auditors**

M/s. Sethia, Prabhadd 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 01st December, 2017, to hold office until the conclusion of the 60th Annual General Meeting (AGM). Pursuant to the amendment of Section 139 of the Act, the company is no longer required to seek the ratification of the appointment of the auditor at every annual general meeting.

The Audit Committee and the Board at their meeting held on 04th August, 2022 has approved the appointment of M/s. CSK Prabhu & Co, (Firm Registration No. 002485S), Chartered Accountants, Coimbatore, as the statutory auditors for a term of five (5) years i.e. from conclusion of the 60th AGM till the conclusion of 65th AGM. The necessary resolution(s) seeking your approval for their appointment as statutory auditors is included in the notice of this AGM along with other necessary disclosures required under the Act and the Regulations.

The Auditors Report given by M/s.Sethia, Prabhadd Hegde & Co, Statutory Auditors, on the financial statements of the Company for the year ended March 31, 2022 forms part of the Annual Report. The Auditor's Report does not contain any qualification, reservation or adverse remark.

#### **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 M/s. 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 2021-22 is annexed as Annexure 5 to this report. The said report does not contain any qualification, reservation, adverse remark or disclaimer. During the year under review, the above Auditors have not reported any fraud and therefore no details are required to be disclosed under Section 134(3) (ca) of the Act.

Further, the Secretarial Compliance Report for the year ended 31st March, 2022 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**

As per Section 148(1) of the Act, read with Rule 3 of Companies (Cost Records and Audit) Rules 2014, the Company is required to maintain the cost records and accordingly such records and accounts are made and maintained.

The Board of Directors had approved the appointment of Mr. R Krishnan, Cost Accountant to audit the Company's Cost Records relating to manufacture of textile products for the year 2021-22 at a remuneration of Rs.50,000 (Rupees Fifty Thousand), exclusive of GST and out-of-pocket expenses. 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 Act, 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 Act, 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 Listing Regulations), 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 Listing Regulations. A report of the Statutory Auditors of the Company confirming the compliance of conditions of Corporate Governance as required by Listing Regulations 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 2021-22 and hence no complaint is outstanding as on 31st March ,2022 for redressal.



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**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.

Coimbatore  
4th August 2022

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

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## **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. This policy shall be effective from 01st April 2014.

### **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.

### **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.

### **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.
  - For the appointment of an independent director, the Committee shall evaluate the balance of skills, knowledge and experience on the Board and on the basis of such evaluation, prepare a description of the role and capabilities required of an independent director. The person recommended to the Board for appointment as an independent director shall have the capabilities identified in such description. For the purpose of identifying suitable candidates, the Committee may
    - a. use the services of an external agencies, if required;
    - b. consider candidates from a wide range of backgrounds, having due regard to diversity; and
    - c. consider the time commitments of the candidates
- b) to recommend to the Board the appointment and removal of Senior Management.
- c) recommend to the board, all remuneration, in whatever form, payable to senior management.
- d) to carry out evaluation of Director's performance and recommend to the Board appointment / removal based on his / her performance.
- e) 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.
- f) 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;
- g) ensure that level and composition of remuneration is reasonable and sufficient, relationship of remuneration to performance is clear and meets appropriate performance benchmarks,
- h) to devise a policy on Board diversity;
- i) 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, and at least two-third 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.



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**Secretary**

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

**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 18th May 2022 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  
4th August 2022

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

**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) Stopping of Blowroom Line 2 by shifting of cards and modifying the pipe line saved 92000 Unis/Annum.
  - 2) Stopping the Carding WRS Line 1 by shifting of cards and pipe line modification saved 155000 Units/Annum.
  - 3) 2 No.s 3.7 kw motors of contamination machines waste collection motors removed by pipe line modification saved 10300 units/annum.
  - 4) T5 Tube lights replaced with LED tube lights in all departments
  - 5) 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;  
APGPCL Gas Energy is being utilized.
- iii) the capital investment on energy conservation equipment's;  
The Company has invested Rs. 2.2 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	2021-22	2020-21
Total Foreign Exchange earnings	-	-
Total Foreign Exchange outflow	-	-

**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)	2	2
2	Mr. Sumanth Ramamurthi	Managing Director (Member)	2	2
3	Mrs. Suguna Ravichandran	Non-Executive Independent Director (Member)	2	2

Your board after considering the provisions of Rule 3(9) of the Companies (Corporate Social Responsibility Policy) Rules, 2014 (as amended), and also after taking into consideration, the threshold limits to constitute the Committee as mentioned in section 135(5) of the Companies Act, 2013, noted that the Company was no longer required to constitute a Corporate Social Responsibility Committee. Hence, the Board at their meeting held on 09.11.2021 had dissolved the Corporate Social Responsibility Committee.

**3. The web-link where the CSR policy is disclosed on the website of the Company is <http://www.superspinning.com>**

**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)]	

**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  
4th August 2022

**FORM NO. MR-3**  
**SECRETARIAL AUDIT REPORT**  
**FOR THE FINANCIAL YEAR ENDED 31ST MARCH, 2022**

[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, 2022** 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, 2022 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 and Sweat Equity) Regulations 2021;
- 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, 2021;
- f. The Securities and Exchange Board of India (Buy back of Securities) Regulations, 2018; and
- g. The Securities and Exchange Board of India (Issue and Listing of Non-convertible Securities) Regulations, 2021

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. There were no changes in the composition of the Board of Directors during the period under review.

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.

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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.

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.

I further report that during the period there were no instances of:

- Public / Rights / Preferential issue of Shares / Debentures / Sweat Equity.
- Redemption / buy-back of securities
- Major decision taken by the members in pursuant to Section 180 of the Companies Act, 2013.
- Merger / Amalgamation / Reconstruction etc.
- Foreign technical collaborations.

**M D SELVARAJ**

MDS & Associates

Company Secretaries

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

UDIN: F000960D000331246

Peer Review No: 985/2020

Place : Coimbatore

Date : 18.05.2022

*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: F000960D000331246

Peer Review No: 985/2020

Place : Coimbatore

Date : 18.05.2022

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**Annexure 6**  
**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 Ramanurthi	04.01.1992	Chairman and Managing Director	B.S. (Electrical) USA. 30 Years	62	17.16	49.16	NA
Balaji ASC	01.01.1990	DGM - Cotton	B.Com - 34 Years	58	0.00%	11.88	M/s. RP & GT Processing Limited
Jeganathan M	01.12.2003	Manager - IT	MCA - 32 Years	54	0.00%	10.44	M/s. Mahindra Logicsoft Business solution Ltd
Nidheesh A	15.03.2021	Manager - Fin & Accounts / CFO	ACA -1 Yr	24	0.00%	9.22	NA
Balasundaram V	04.09.1964	GM - Unit Head	B.Tech - 34 Years	57	0.00%	7.80	M/s.Premier Mills P Ltd
Raghu Ram Rao M	06.03.2017	Manager - Accounts & Admin	B.Com, MBA - 33 Years	56	0.00%	9.25	M/s. RSWM Ltd
Angamuthu	12.08.1978	Factory Manager	23 Years	43	0.00%	5.62	M/s. Precot Ltd
Ramanachary KPV	20.01.1971	Manager	DECE - 24 Years	51	0.00%	7.07	NA
Suguna A	07.05.2008	Sec. to CMD	BA - 35 Years	57	0.00%	7.21	M/s. Pricol Ltd
Narmatha G K	30.08.2018	Company Secretary	M.Com, ACS - 13 Years	37	0.00%	5.52	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:**

<b>Name</b>	<b>Ratio</b>
Mr.Sumanth Ramamurthi, Chairman and Managing Director	43.89:1
Mr. Sudarsan Varadaraj	0.76:1
Mr. C G Kumar	2.19:1
Mrs. Suguna Ravichandran	1.84:1
Mr. B.Lakshmi Narayana	2.23:1
Mr. Sanjay Krishna Ramamurthi	1.06:1

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.**

<b>Name of the Director/ CFO/CEO/ CS/Manager</b>	<b>Designation</b>	<b>Percentage increase in Remuneration</b>
Mr. Sumanth Ramamurthi	Chairman and Managing Director	74.32
Mr. B Sathyanarayana Reddy *	Chief Financial Officer	-
Mr. Nidheesh A *	Chief Financial Officer	-
Mrs. Narmatha G K	Company Secretary	10

\* Mr. B Sathyanarayan Reddy resigned on 15th July 2021 and Mr. Nidheesh A was appointed as the Chief Financial Officer on 30.12.2021.Hence their remuneration are not comparable as the remuneration was paid only for part of the year

c) **The percentage decrease in the median remuneration of employees in the financial year: 10%**

d) **The number of permanent employees on the rolls of company: 304**

e) **Average percentile increase already made in the salaries of employees other than the managerial personnel in the last financial year: 10%**

**Average increase in remuneration for Key Managerial Personnel is: 64.86% (due to waiver of increase in remuneration in 2020-21)**

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

By Order of the Board  
For Super Spinning Mills Limited

Coimbatore  
04.08.2022

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



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## **Management Discussion and Analysis**

### **Industry Conditions**

The global economic outlook is clouded by uncertainty for the past two years, owing primarily to the pandemic's course. There has been signs of gradual recovery in both supply and demand for cotton, yarn thereafter. Despite reduced mobility, economies continue to adapt to new ways of working, leading to a stronger-than anticipated rebound across regions.

Raw material costs have been increasing globally, coupled with a shortage of skilled workers. While a shift is taking place of textiles industries from China and Bangladesh to India, the industrial climate in India has also become adverse due to regular increases in input costs. Despite the increase in the raw material cost, demand for the textile products remained on high throughout the year giving better margins for the spinning mills.

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

The Indian textile industry has picked up pace and recovered significantly after witnessing a few sluggish years. This recovery was also reflected in our company's performance. With a good market for textiles coupled with our Production efficiency, the Company's turnover for the year ended 31st March 2022, improved from Rs. 49 Crores to Rs. 93 Crores, because of which your company registered a profit before tax of Rs. 312.86 Lakhs as compared to a loss of Rs. 254.46 Lakhs in the previous financial year.

High increase in raw material cost along with the increasing cost of logistics effecting the margins of the company has been a cause of concern for us. Your Company is planning to reduce value additions and to make phased investment in spinning division so as to increase its production capacity. There is also increase in Repo Rate due to inflation by the RBI which has pushed up the interest rates across the country leading to high borrowing costs. Taking into account these challenges and opportunities, we hope for an improved performance during the current year.

### **Opportunities & Threats**

There is good scope for growth for the textile industry as India's share in the global trade in textiles is weak compared to other countries. The free trade environment is a great opportunity for the Indian textile industry to increase its share in the global market. Your company expects key raw material prices to come down, contributing to a modest recovery in margins, stable working capital requirements and steady cash flows.

Changes in the international market for raw cotton, policies preferences of Government affecting Textiles, Market shift from India to other South Asian Countries pose threat to the Industry as a whole. Lack of modernization of machineries, non availability of adequate skilled man power are some of the threats faced by us. Currently the biggest threat is the enormous increase in cotton prices leading to high cost of raw material which is not proportionated to the finished product price. The company is making all out efforts to cope with all these challenges by continuous efforts at cost reduction, process improvements, diversification of products and improving productivity by improving efficiencies.

### **Risks and concerns**

Cotton prices are increasing regularly as are other input costs including power and logistics. Inconsistency in the price and the demand for cotton and highly volatile cotton market are the risks associated with spinning mills. Your company plans to face these risks, through suitable product mix, prudent purchase of cotton, improving raw material realization, implementing cost reduction measures and improving productivity.

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### **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**

Industrial relations remained cordial during the period under review. 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 304 employees on roll as on 31st March 2022.

### **Internal control systems and their adequacy**

The internal financial control policies and procedures followed and adopted by the Company for ensuring orderly and efficient conduct of the business are adequate and operating effectively. The adequacy and effectiveness of the internal control systems is also being periodically reviewed by the Audit Committee of the company.

The Company has internal control policies and procedures commensurate with its size and the nature of its business. 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.

### **Discussion on financial performance with respect to operational performance**

Directors Report contains details pertaining to the financial and operational performance of the company for the financial year 2021-22. Further, the audited financial statements, which has been prepared in accordance with the requirement of the Companies Act, 2013 read with the Companies (Indian Accounting Standards) Rules, 2015, discloses a true and fair view of the performance of the company during the said period.

### **Segment-wise or product-wise performance**

The company has reported two business segments, which are Textiles and Rental Services. Segment wise details of the same are mentioned in "Note 43 – Operating Segments" which forms part of the Annual Report.

### **Details of Key Financial ratios**

<b>S. No</b>	<b>Description</b>	<b>31.03.2022</b>	<b>31.03.2021</b>
1.	Debtors Turnover	61.07	8.97
2.	Inventory Turnover	4.64	2.22
3.	Interest Coverage Ratio	1.96	1.11
4.	Current ratio	0.57	0.65
5.	Debt Equity ratio	0.19	0.22
6.	Operating Profit Margin %	7.43%	5.92%
7.	Net Profit Margin (%)	0.9%	-5.0%
8.	Return on Network	0.34%	-9.29%



## Report on Corporate Governance

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### Report on Corporate Governance

The Board of Directors ("the Board") of M/s. Super Spinning Mills Limited ("the Company" or "Your Company") present herewith the report on Corporate Governance for the year ended March 31, 2022 ("the year under review") 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") as shown below:

### Company's philosophy on Code of Governance

Your Company remains committed to continuously adopt and adhere to the good corporate practices. Fair and transparent Corporate Governance are the core management beliefs of your company. The Company's policy further reiterates 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 has an appropriate blend of Directors to maintain its diversity and independence and has a strong Board with optimum combination of Non- Executive Directors, Non-Executive Independent Directors including a Woman Director and an Executive Director. The composition of the Board, during the year under review, was in conformity as per requirements of the Companies Act, 2013 ("the Act") and SEBI (Listing Obligations and Disclosure Requirements), Regulations, 2015 ("Listing Regulations"). During the year under review, there has been no change in the composition of Board of Directors of the Company.

The key decisions are taken after detailed deliberations and discussions by the Board and it is ensured that the relevant information prescribed to be provided, under the Listing Regulations, is presented to the Board. The Board of Directors of the Company on a quarterly basis, review the compliance reports pertaining to the laws applicable to the Company.

In terms of the provisions of Section 184 of the Act and Regulation 26 of the Listing Regulations, the Directors present necessary disclosures regarding the positions held by them on the Board and/or Committees of other public and/or private companies, from time to time. On basis of such disclosures, it is confirmed that as on the date of this Report, none of the Directors of your Company:

A) hold directorship in more than 20 (twenty) companies, including 10 (ten) public companies (of which not more than 7 (seven) are listed companies); and

B) hold membership of more than 10 (ten) and act as chairman/ chairperson of more than 5 (five) Committees (considering only Audit Committee and / or Stakeholders Relationship Committee) across all public companies (listed or unlisted) in which they are Directors.

Further, none of the Directors including Independent Directors hold directorships in more than the maximum number of Directorships prescribed under Regulation 17A of the Listing Regulations.

All Independent Directors of the Company have confirmed that they fulfill the criteria of Independence as specified under Section 149 (6) of the Act and Regulation 16(1) (b) of the Listing Regulations and have furnished declaration of independence to that effect pursuant to Section 149 (7) of the Act and Regulation 25(8) of the Listing Regulations. The said declarations of independence were reviewed and taken on record by the Board and in the opinion of the Board, all Independent Directors of the Company fulfill the criteria of independence and all conditions specified in the Listing Regulations and are independent of the management. As per the requirements of the Companies Act, 2013, all the Independent Directors of the Company have registered themselves in the Independent Directors Data Bank and are exempted from undertaking online self-assessment test.

Mr. Sanjay Krishna Ramamurthi is the son of Mr. Sumanth Ramamurthi. None of the other Directors on the Board are related to each other. There is no inter-se relationship among any of the Directors of the Company.

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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 16.09.2021
			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	3	5	No
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	5	Yes
Mr. B Lakshmi Narayana (DIN : 00504396)	Independent and Non-Executive	2	Nil	2	6	Yes
Mr. Sanjay Krishna Ramamurthi (DIN : 08730627)	Non-Independent and Non-Executive	1	Nil	Nil	6	Yes

## Number of Directorships held in other public companies excludes Directorship of Super Spinning Mills Limited, Directorships in private companies, deemed public companies, foreign companies and companies under Section 8 of the Companies Act, 2013 (earlier Section 25 of the Companies Act, 1956) and alternate Directorships.

\* Only Membership / Chairmanship of Audit Committee and Stakeholders' Relationship Committee of listed and unlisted public limited companies excluding Super Spinning Mills Limited are considered. Further, number of Memberships does not include number of Chairmanships.

#### 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 : 00133533)	Kovilpatti Lakshmi Roller Flour Mills limited	Non-Executive - Independent Director
	Elgi Equipments Limited	Non-Executive - Promoter 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



### Matrix setting out Key Board skills, expertise and competencies

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

The following matrix summarizes list of core skills/ expertise/competencies identified by the Board as required in the context of its business and the sector in which the Company operates.

Industry	Industry experience	Experience and knowledge of the industry in which the organisation operates in. Understanding of government policies and legislative processes.
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.
Technical	Technical forsee	Skills and specialist knowledge to assist the ongoing aspects of the board's role.
Risk	Risk and compliance oversight	Ability to identify key risks to the organization in a wide range of areas including legal and regulatory compliance, monitor risk and compliance management frameworks and systems.

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	Industry experience	Financial performance & Legal expertise	Technical forsee	Risk and compliance oversight
Mr. Sumanth Ramamurthi	✓	✓	✓	✓
Mr. B Lakshminarayana	✓	✓	✓	✓
Mr. C G Kumar		✓		✓
Mrs. Suguna Ravichandran		✓		✓
Mr. Sudarsan Varadaraj	✓	✓	✓	✓
Mr. Sanjay Krishna Ramamurthi			✓	✓

### 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 2022. 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.

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The company has not issued any type of convertible instruments to Non-Executive Directors. None of the Directors were issued ESOPs.

### **Independent Directors Meeting**

Pursuant to the requirements of the Companies Act, 2013 and SEBI (LODR) Regulations, 2015, the Independent Directors meeting was held on 24th February 2022, without the attendance of Non-Independent Directors and members of Management to inter alia, to 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.

### **Familiarization program for Independent Directors**

Your Company has in place Familiarisation Programme for the Independent Directors to familiarize them about the Company and their role, rights and responsibilities in the Company. 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 Familiarisation Programme and details of Familiarization Programme imparted during 2021-22 are placed on the Company's website <https://www.superspinning.com>

### **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.

### **Board Meetings**

During the year under review your Company in compliance with the applicable provisions of the Act, and the Listing Regulations read with MCA Circulars and SEBI Circulars, has conducted majority of its Board and Committee meetings through Video Conferencing/ Audio Video Conferencing mode (VC/OAVM) along with physical meetings.

The Board meets atleast once in every calendar quarter and 4 times in a year with a maximum time gap of not more than 120 (one hundred and twenty) days between two consecutive meetings. Dates for the Board meetings are decided well in advance and communicated to the Directors. Additional Board meetings are held as and when deemed necessary. In case of exigencies or urgency of matters, resolutions may be passed by circulation, for such matters as permitted by law. Such circular resolution(s) are noted at the subsequent Board meeting. The Managing Director and CFO apprise the Board, at its meeting about the overall performance of the Company on a regular basis. The members of Senior Management are invited at the Board meetings to provide necessary insights into the performance of the Company.

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:

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Sl.No	Date of Board Meeting	No. Of Directors Attended
1	07th May 2021	6
2	24th June 2021	6
3	9th August 2021	5
4	9th November 2021	6
5	30th December 2021	6
6	05th February 2022	5

### **Committee of Board (“the Committees”)**

The Committees plays a crucial role in the overall management of day to day affairs and the governance structure of your Company. They have been constituted to deal with specific areas and activities which concern the Company and require a closer review. The Committees comprise of a combination of Executive, Non-Executive and Independent Directors, as requisite, to discharge various functions, duties and responsibilities cast upon them under the various laws, statutes, rules and regulations applicable to the Company, from time to time. The Board is responsible for constituting, assigning and fixing the terms of reference of the Committees in line with the regulatory requirements. The Committees meets at regular intervals and takes necessary steps to perform the duties entrusted to it by the Board. There is seamless flow of information between the Board and its committees, as the Committees report their recommendations and opinions to the Board, which in turn supervises the execution of respective responsibilities of the Committees.

#### **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 Listing Regulations.

During the year under review, there has been no change in the composition of Audit Committee. Three members of the Committee are Independent Directors including its Chairman. They possess sound knowledge on accounts, audit, finance, taxation, internal controls etc.

##### **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 six times during the year on 07th May 2021, 24th June 2021, 9th August 2021, 9th November 2021, 30th December 2021 and 05th February 2022. The composition of the Audit Committee and particulars of meetings attended by the members of the Audit Committee are given below:

Name & Designation	No. of Meetings Held	No. of Meetings Attended
Mrs. Suguna Ravichandran, Chairman	6	5
Mr. C G Kumar, Member	6	6
Mr. B Lakshmi Narayana, Member	6	6

The Chairman of the Audit Committee had attended the Annual General Meeting for the FY 2020-21 held on 16th September 2021.

The Chairman and Managing Director & Chief Financial Officer are the permanent invitees to Audit Committee Meetings. The Company Secretary acts as Secretary to the Committee. Audit Committee invites such other official(s) / executive(s), as it may considers appropriate to be present at the meeting(s). The representatives of the Internal Auditors and Statutory Auditors are also present at Audit Committee Meetings. The minutes of the Audit Committee Meetings were duly placed at the Board Meetings. The Audit Committee considered and reviewed the accounts for the year 2021-22, before it was placed in the Board.

#### **b) Stakeholders Relationship Committee**

##### **Composition:**

In line with the Regulation 20 read with Part D of Schedule II of the Listing Regulations and Section 178 of the Act, your Company has constituted the Stakeholders Relationship Committee.

During the year under review, there has been no change in the composition of Stakeholder's Relationship Committee. The Committee comprises of three members, with its Chairman being Non- Executive Independent Director.

##### **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.

##### **Meetings:**

During the year, three meetings of the Stakeholders Relationship Committee were held on 07th May 2021, 8th November 2021 and 24th February 2022. The composition of the Stakeholders Relationship Committee and particulars of meetings attended by the members is as follows:

Name of the Member	No. of Meetings Held	No. of Meetings Attended
Mrs. Suguna Ravichandran, Chairman	3	3
Mr. B Lakshmi Narayana, Member	3	2
Mr. Sumanth Ramamurthi, Member	3	3

The Chairman of the Committee had attended the Annual General Meeting held for the FY 2020-21 held on 16th September 2021. The minutes of the same are placed at the Board Meetings from time to time. The Company Secretary acts as the Secretary to the Committee.

## **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 2022.

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.

## **c) 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 Listing Regulations.

During the year under review, there has been no change in the composition of Nomination and Remuneration Committee. The Committee comprises of three members, with its Chairman being Non-Executive Independent Director.

### **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 thrice on 23rd June 2021, 11th November 2021 and 30th December, 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	3	3
Mr. Sudarsan Varadaraj, Member	3	3
Mr. C G Kumar, Member	3	3

The Chairman of the Nomination and Remuneration Committee had attended the Annual General Meeting for FY 2020-21 held on 16th September 2021. The Company Secretary acts as the Secretary of the Committee.

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

### **Composition:**

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. The Committee comprised of three directors with its Chairman being Non- Executive Independent Director.

### 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 policy is also available at corporate website <https://www.superspinning.com>

### Meetings:

The Committee met on 07th May 2021 & 24th June 2021. The composition of the Corporate Social Responsibility Committee and particulars of meeting attended by the members is as follows:

Name of the Member	No. of Meetings Held	No. of Meetings Attended
Mr. B Lakshmi Narayanan, Chairman	2	2
Mr. Sumanth Ramamurthi, Member	2	2
Mrs. Suguna Ravichandran, Member	2	2

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. Further, the Corporate Social Responsibility Committee of the Company was dissolved on 9th November 2021, since the Company does not have any CSR activities for the past three financial years. Function of the CSR committee will be done by the Board of Directors of the company henceforth.

### e) 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, 2022 is as follows.

Name of the Director	Salary, Allowance and Perquisites (Rs in Lakhs)	Service Contract
Mr. Sumanth Ramamurthi, Chairman and Managing Director	49.16	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**

Save and except for the shareholding of the Non- Executive Independent Directors (detailed herein above), there is no pecuniary or business relationship between the Non-Executive Independent Directors and the Company, except for the sitting fees for attending meetings of the Board / Committees thereof and commission payable to them. The details of the same are as follows:

<b>Name of the Non-Executive Director</b>	<b>Sitting Fees (In Rs.)</b>
Mr. Lakshminarayana	2,50,000
Mr. Sudarsan Varadaraj	86,000
Mrs. Suguna Ravichandran	2,06,000
Mr. C G Kumar	2,46,000
Mr. Sanjay Krishna Ramamurthi	1,20,000

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 appointment and remuneration of Directors, Key Managerial Personnel (KMP) and Senior Management Personnel (SMP) of the Company. 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>

### **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 Listing Regulations, 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. The Board of Directors expressed their satisfaction towards the process followed by the Company for performance evaluation of the Directors, Board as a whole, its Committees and the Chairman of the Board.

### 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	479	9,66,700
Number of shareholders who approached the Company for transfer of shares from suspense account during of the year	2	3820
Number of shareholders to whom shares were transferred from suspense account during of the year	2	3820
Aggregate number of shareholders and the outstanding shares in the suspense account lying as on 31st March, 2022	477	9,62,880

The voting rights on the outstanding unclaimed shares as on 31st March, 2022 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.

### 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
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



Year	Location	Date	Time	Special Resolutions passed in the AGM's
2020	Through Video Conferencing (VC) / Other Audio Visual Means (OAVM)	23.09.2020	2:30 PM	Nil
2021	Through Video Conferencing (VC) / Other Audio Visual Means (OAVM)	16.09.2021	3:30 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 under review no resolution was put through Postal Ballot / EGM. As on date of this report, no special resolution requiring postal ballot is being proposed on or before the ensuing Annual General Meeting.

#### **Means of Communication**

The quarterly, half yearly and annual financial results are published in the newspapers viz., Business Standard (all editions) and Maalai Murasu/Makkal Kural (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 quarterly and annual financial results, shareholding pattern and all other corporate communication to the Stock Exchanges are filed through NSE Electronic Application Processing System (NEAPS) and NSE Digital Exchange and BSE Listing Centre, for dissemination on their respective websites. The same is also published on the Company's website. The results are not separately circulated to the shareholders.

In line with the "Green Initiative" undertaken by the Ministry of Corporate Affairs, the Company will be sending this year's Annual Report (including subsequent notices and communications, as permissible) to the shareholders who have registered their email address with the Company/ Depository. The Annual Reports of the Company are also available in the Investor Relations section of the Company's website.

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

#### **General Shareholder Information**

##### **Annual General Meeting**

Financial Year	: 01.04.2021 - 31.03.2022
Day, Date and Time	: Monday, 29th August, 2022 at 3.00 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	: 23rd August 2022 to 29th August 2022 (both days inclusive)
Dividend Payment Date	: Not Applicable

## Listing of shares on Stock Exchanges

### BSE Limited

Phiroze Jeejeebhoy Towers  
Dalal Street, Fort  
Mumbai – 400 001

### National Stock Exchange of India Ltd

Exchange Plaza, 5th Floor, Plot No. C/1  
'G' Block, Bandra-Kurla Complex  
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 2022-23.

### 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 2021-22

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'21	4.95	4.00	50,376	47,204	5.15	4.05	15,044	14,151
May'21	6.80	5.00	52,013	48,028	6.80	4.80	15,606	14,416
June'21	9.98	5.90	53,127	51,451	9.95	5.65	15,916	15,451
July'21	14.40	8.00	53,291	51,802	14.45	8.05	15,962	15,513
August'21	14.62	8.85	57,625	52,804	14.40	8.65	17,153	15,835
September'21	13.96	9.25	60,412	57,264	13.50	9.40	17,948	17,055
October'21	13.70	11.04	62,245	58,551	13.80	11.00	18,604	17,453
November'21	13.70	10.50	61,037	56,383	13.85	10.50	18,210	16,782
December'21	12.77	10.38	59,203	55,133	12.75	10.05	17,640	16,410
January'22	20.20	10.90	61,475	56,410	19.95	10.80	18,351	16,837
February'22	18.70	12.70	59,618	54,383	18.60	12.75	17,794	16,203
March'22	14.25	11.28	58,891	52,261	14.20	11.15	17,560	15,671

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 2022

Category	No. of Share Holders	No. of shares held	% of share Holding
Promoters and promoters group	22	2,35,39,334	42.80
Mutual Funds	1	1470	-
Foreign Institutional Investors / NRI/ OCB	105	3,97,175	0.72
Bodies Corporate	98	15,73,589	2.86
Public	15944	2,94,88,432	53.62
<b>Total</b>	<b>16170</b>	<b>5,50,00,000</b>	<b>100.00</b>

### Distribution of shareholdings as on 31st March 2022

Shares	No of Shareholders	% of holding	No of Shares	% of holding
1 - 5000	15139	93.62	10228154	18.60
5001 - 10000	514	3.18	3969254	7.22
10001 - 20000	249	1.54	3636738	6.61
20001 - 30000	111	0.68	2789438	5.07
30001 - 40000	33	0.20	1174342	2.13
40001 - 50000	42	0.26	1942541	3.53
50001 - 100000	50	0.30	3646674	6.63
100001 Above	32	0.19	27612859	50.20
<b>Total</b>	<b>16170</b>	<b>100.00</b>	<b>55000000</b>	<b>100.00</b>

### Demat and Physical Shares as on 31st March 2022

Particulars	No. of Shares	% to Share capital
National Securities Depository Ltd	4,05,11,556	73.66
Central Depository Services (India) Limited	1,34,33,298	24.42
Physical	10,55,146	1.92
<b>Total</b>	<b>5,50,00,000</b>	<b>100.00</b>

Securities and Exchange Board of India has mandated that the transfer of securities of listed companies can be done only in dematerialized form with effect from April 1, 2019 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 2021-22.

**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**

<b>B unit</b> Kotnur, Hindupur, Ananthapur Dist, Andhra Pradesh.	<b>Super Sara</b> Beerapalli, Hindupur, Ananthapur Dist, Andhra Pradesh
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<b>Address for Correspondence and Registered Office</b>	<b>Address for Correspondence with Registrar and Share Transfer Agent</b>
Mrs. Narmatha G K Company Secretary & 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 Fax Number: 91- 422 - 2311611 E Mail.: investors@ssh.saraelgi.com Web: www.superspining.com	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

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**

**Other Disclosures / Compliances / Certifications Disclosure from Senior Management)**

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

Your Company has formulated a Related Party Transaction Policy including therein the materiality of related party transaction and determination of material subsidiaries, which is available on the corporate website of the Company.

During the year under review, all related party transactions were on arm’s length basis and in the ordinary course of business. These Related Party Transactions have been approved by the Audit Committee and noted by the Board of Directors. There were no materially significant related party transactions that may have potential

conflict with the interests of the Company at large. 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.

Your Company has received a confirmation from all the senior management personnel of the Company disclosing that they do not have any material, financial and commercial transactions to disclose and there is no potential conflict with the interest of the Company at large, for the year under review.

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, structures 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 structures 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>

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

The Company does not deal in commodities and hence disclosure with regard to commodity price risks and commodity hedging activities was not applicable to the Company, for the year under review.

**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 Act. 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) Disclosure by listed entity and its subsidiaries of 'Loans and advances in the nature of loans to firms/ companies in which directors are interested by name and amount**

Not Applicable

**l) Other disclosures**

The Company has not raised any amount from preferential allotment or qualified institutional placement, etc., during the year under review.

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 requirement of the Sexual Harassment of Women at Workplace (Prevention, Prohibition & Redressal) Act, 2013 ("PoSH Act") and Rules made thereunder, your Company has adopted a policy for prevention of sexual harassment at workplace, which, inter-alia, provides for protection against sexual harassment of women at workplace and for prevention and redressal of such complaints During the year 2021-22;

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- i) number of complaints filed during the financial year: Nil
  - ii) number of complaints disposed of during the financial year: Nil
  - iii) number of complaints pending as on end of the financial year: Nil

**Website**

All the information and disclosures required to be disseminated pursuant to the Listing Regulations and the Act are being posted at Company's corporate website at [www.superspinning.com](http://www.superspinning.com).

**Certificate from CEO / CFO**

As required under Regulation 17(8) of the Listing Regulations, the Chief Executive Officer (CEO) and the Chief Financial Officer (CFO) of the Company have furnished to the Board, a certificate regarding the Financial Statements for the year ended March 31, 2022 which is annexed to this Annual Report.

**Code of Conduct**

The Company is committed to compliance with all laws and regulations that apply to it, with the spirit and intent of high business ethics, honesty and integrity.

The Company has adopted the Code of Conduct and Ethics for its Independent Directors. All Independent Directors have confirmed compliance to the said Code.

The Company has adopted the Code of Conduct for its Board members and senior management personnel of the Company. This Code is posted on the website of the Company. All Board members and senior management personnel have confirmed compliance to the Code of Conduct.

**Code for Prevention of Insider Trading**

In compliance with the provisions of the SEBI (Prohibition of Insider Trading) Regulations, 2015, as amended, from time to time ("the SEBI Regulations"), the Board has formulated its own code for Insider Trading and 'Code of Fair Disclosure of Unpublished Price Sensitive Information (UPSI)', for Regulating, Monitoring and Reporting Trading by Designated Persons. Further in accordance with the SEBI Regulations, your Company has licensed a software with requisite audit trail and time stamping to ensure non- tampering with it, which is used for multipurpose viz: repository of database of Designated Persons, database of UPSI recipient, tracking of trading and compliance thereof by DPs and their immediate relatives etc.

**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 2021-22.

Coimbatore  
4th August 2022

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 2022** 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: F000960D000331202

Peer Review No: 985/2020

Place : Coimbatore

Date : 18.05.2022





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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, 2022, 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, Prabhad Hegde & Co**

Chartered Accountants

Firm Registration No. 013367S

**Timmayya Hegde**

Partner

Membership No. 226267

UDIN : 2226267AJDVJP6834

Sirsi, Karnataka

May 18, 2022

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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 Nidheesh A, 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 2022 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 2022 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 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 2022.
  - ii. There have not been any significant changes in accounting policies during the year ended 31st March 2022.
  - iii. There have been no instances during the year ended 31st March 2022 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  
18th May 2022

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

**Nidheesh A**  
Chief Financial Officer

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**Independent Auditors' Report on Financial Statements****To the members of Super Spinning Mills Limited****Report on the financial statements****Opinion**

We have audited the accompanying financial statements of **M/s. Super Spinning Mills Limited** ('the Company'), which comprise the Balance Sheet as at 31st March, 2022, 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 2022, its profit including other comprehensive income, its cash flows and the changes in equity for the year ended on that date.

**Basis for opinion**

We conducted our audit of the financial statements in accordance with the Standards on Auditing (SAs), 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 2022. 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.

**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.

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.

When we read the board's report, if we conclude that there is a material misstatement therein, we are required to communicate the matter to those charged with governance.

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### **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 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.
  - 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
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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 2022 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 the Companies (Auditor's Report) Order, 2020 ("the order"), issued by the Central Government of India in terms of sub-section (11) of section 143 of the Act, we give in the "Annexure A" statement on the matters specified in paragraphs 3 and 4 of the order to the extent applicable.
  2. As required by Section 143 (3) of the Act, we report that:
    - (a) We have sought and obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purposes of our audit.
    - (b) In our opinion, proper books of account as required by law have been kept by the Company so far as it appears from our examination of those books;
    - (c) The Balance Sheet, the Statement of Profit and Loss including Other Comprehensive Income, 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, 2022 taken on record by the Board of Directors, none of the directors is disqualified as on 31st March, 2022 from being appointed as a director in terms of Section 164 (2) of the Act.
    - (f) With respect to the adequacy of the internal financial controls over financial reporting of the Company and the operating effectiveness of such controls, refer to our separate report in "Annexure B" 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 2022 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
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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. 41 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.
- iv.
- (a) The management has represented that, to the best of its knowledge and belief, other than as disclosed in the notes to the financial statements, no funds have been advanced or loaned or invested (either from borrowed funds or share premium or any other sources or kind of funds) by the company to or in any other person or entity, including foreign entity ("Intermediaries") with the understanding, whether recorded in writing or otherwise, that the Intermediary shall, whether, directly or indirectly lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the company ("Ultimate Beneficiaries") or provide any guarantee, security or the like on behalf of the Ultimate Beneficiaries. Refer note 53 (a) to the financial statements;
  - (b) The management has represented, that, to the best of its knowledge and belief, other than as disclosed in the notes to the financial statements, no funds have been received by the company from any person or entity, including foreign entity ("Funding Parties"), with the understanding, whether recorded in writing or otherwise, that the company shall, whether, directly or indirectly, lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the Funding Party ("Ultimate Beneficiaries") or provide any guarantee, security or the like on behalf of the Ultimate Beneficiaries – Refer not 53 (b) to the financial statements; and
  - (c) Based on our audit procedures, nothing has come to our notice that has caused us to believe that the representations provided by the management under sub-clause (a) and (b) above contain any material misstatement.
- v. The Company has not declared any dividend during the year.

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

Chartered Accountants

Firm Registration No. 013367S

**Timmayya Hegde**

Partner

Membership No. 226267

UDIN : 22226267AMRCQB7027

Sirsi  
May 18,2022

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**Annexure - A to the Independent Auditors' 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 **M/s. SUPER SPINNING MILLS LIMITED** for the year ended 31st March, 2022)

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.
    - (d) The Company has not revalued any of its property, plant and equipment (including right of use assets) or intangible assets during the year. Hence, reporting under paragraph 3(i) (d) of the Order does not arise.
    - (e) According to the information and explanations given to us, no proceeding has been initiated or is pending against the Company for holding any benami property under the Benami Transactions (Prohibition) Act, 1988 (45 of 1988), as amended in 2016 and Rules made thereunder.
  - ii)
    - (a)
      - (i) 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.
      - (ii) 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.
      - (iii) 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.
    - (b) According to the information and explanations given to us, and the records examined by us, the Company has not been sanctioned any working capital limits aggregating to more than five crores by banks or financial institutions on the basis of security of current assets at any point of time of the year. Hence reporting, under paragraph 3(ii)(b) of the Order does not arise.
  - 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.
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- 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.

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 2022, 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) According to the information and explanations given to us, and on the basis of our audit procedures, the Company has not surrendered or disclosed any transaction not recorded in the book as the income in the tax assessments under Income Tax Act, 1961 during the year. Hence, reporting under paragraph 3 (viii) of the Order does not arise.

ix)

- (a) The company has not defaulted in repayment of loans and borrowing to financial institution, bank, government or dues to debenture holders.



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- (b) According to the information and explanations given to us, and on the basis of our audit procedures, we report that the Company has not been declared willful defaulter by any bank or financial institution or other lender.
  - (c) According to the information and explanations given to us and on the basis of our audit procedures, the Company has applied the term loans for the purpose for which they were borrowed.
  - (d) According to the information and explanations given to us, and the audit procedures performed by us, the Company has not utilized funds raised on short term basis for long term purposes. Hence, the reporting, under paragraph 3(ix)(d) of the Order does not arise.
  - (e) The Company does not have a subsidiary or a joint venture or an associate company. Hence reporting under paragraph 3(ix)(e) of the Order does not arise.
  - (f) The Company does not have a subsidiary or a joint venture or an associate company. Hence reporting under paragraph 3(ix)(f) of the Order does not arise.

x)

- (a) 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.
- (b) According to the information and explanations given to us, the Company has not made any preferential allotment or private placement of shares or convertible debentures (fully or partly, or optionally) during the year. Hence, reporting under paragraph 3(x)(b) of the Order does not arise.

xi)

- (a) According to the information and explanations given to us by the Company, no fraud by the Company or on the Company by its officers or employees has been noticed or reported during the course of our audit.
- (b) According to the information and explanations given to us, and based on our audit procedures, no report under Section 143(12) of the Companies Act, 2013 has been filed in Form ADT-4 as prescribed under Rule 13 of Companies (Audit and Auditors) Rules, 2014 with the Central Government, during the year.
- (c) As represented to us by the management, there are no whistle-blower complaints received by the Company during the year.

xii) In our opinion and according to the information and explanations given to us, the Company is not a nidhi company. Accordingly, paragraph 3(xii) of the Order is not applicable.

xiii) According to the information and explanations given to us and based on our examination of the records of the Company, transactions with the related parties are in compliance with Sections 177 and 188 of the Act where applicable and details of such transactions have been disclosed in the financial statements as required by the applicable Indian accounting standards (Ind AS).

xiv)

- (a) In our opinion and based on our examination, the company has an internal audit system commensurate with the size and nature of its business.
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(b) We have considered the internal audit reports of the Company issued till date, for the year under audit.

xv) According to the information and explanations given to us, and the records of the Company examined by us, in our opinion, the company has not entered into any non-cash transactions with directors or persons connected with its directors during the year, and hence provisions of Section 192 of the Companies Act, 2013 are not applicable to the company. Accordingly, the reporting under paragraph 3(xv) of the Order does not arise.

xvi)

(a) According to the information and explanations given to us, the Company is not engaged in the business of non-banking financial institution and is not required to be registered under Section 45-IA of the Reserve Bank of India Act, 1934. Hence, reporting under paragraph 3(xvi)(a) of the Order does not arise.

(b) According to the information and explanations given to us, the Company has not conducted any Non-banking Financial or Housing Financial activities during the year. Hence, reporting under paragraph 3(xvi)(b) of the Order does not arise.

(c) According to the information and explanations given to us, and the records of the Company examined by us, in our opinion, the Company is not a Core Investment Company as defined in the Regulations made by the Reserve Bank of India. Hence, reporting under paragraph 3(xvi)(c) of the Order does not arise.

(d) As represented to us by the management, there is no Core Investment Company (as defined in the Core Investment Companies (Reserve Bank) Directions, 2016) within the Group. Hence, reporting under paragraph 3 (xvi)(d) of the Order does not arise.

xvii) According to the explanations and information given to us and the audit procedures performed by us, the Company has not incurred cash loss in the current financial year. However, during the immediately preceding financial year, the Company has incurred cash loss amounting to Rs 654.96 Lakhs.

xviii) There has been no resignation of the statutory auditors during the year. Hence, further reporting under paragraph 3 (xviii) of the Order does not arise.

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

xx)

(a) According to the information and explanations given to us, and based on our audit procedures, the Company is not required to transfer any amount to a Fund specified in Schedule VII of the Companies Act, 2013. Hence, reporting under paragraph 3(xx)(a) of the Order does not arise.

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(b) According to the information and explanations given to us, and based on our audit procedures, the Company is not required to transfer any amount to special account specified in Section 135(6) of the Companies Act, 2013. Hence, reporting under paragraph 3(xx)(b) of the Order does not arise.

xxi) The financial statements are not consolidated financial statements. Accordingly, reporting under paragraph 3 (xxi) of the Order is not applicable.

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

Chartered Accountants

Firm Registration No. 013367S

**Timmayya Hegde**

Partner

Membership No. 226267

UDIN : 22226267AMRCQB7027

Sirsi

May 18,2022

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

(Referred to in paragraph 2(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 **M/s. SUPER SPINNING MILLS LIMITED** ("the Company") as of 31st March 2022 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, 2022 and whether such internal financial controls were operating effectively.

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

Chartered Accountants

Firm Registration No. 013367S

**Timmayya Hegde**

Partner

Membership No. 226267

UDIN : 22226267AMRCQB7027

Sirsi

May 18,2022

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## 5 Year Highlights

(Rs. in lakhs)

Operating Results	2018	2019	2020	2021	2022
Sales and Other Income	26362	21716	15708	5963	9917
Operating Profit	(222)	746	41	(79)	1428
Finance Cost	1382	1266	881	576	387
Gross Profit	(1604)	(520)	(839)	(655)	1041
Depreciation	555	409	390	308	287
Taxes	0	0	0	0	716
Net Profit	(2159)	(929)	(1229)	(963)	37
<b>Performance Parameters</b>					
Net Fixed Assets	21382	17135	15391	11255	10690
Share Capital	550	550	550	550	550
Reserves	13915	12006	10777	9814	10381
Net Worth	14465	12556	11327	10364	10931
Return on Net Worth (%)	(15)	(7)	(11)	(9)	0
Bank Borrowings	6871	5274	3172	2817	3100
Debt : Equity	0.48:1	0.42:1	0.28:1	0.27:1	0.30:1
Earnings per Share (in Rs.)	(3.93)	(2.91)	(2.06)	(1.43)	0.15



## Balance Sheet as at March 31, 2022

(Rs. in Lakhs)

Particulars	Note no.	As at March 31, 2022	As at March 31, 2021
<b>ASSETS</b>			
<b>Non-current assets</b>			
Property, plant and equipment	4	10,571.18	11,202.36
Intangible assets	4	-	-
Capital work in progress	4	66.28	-
Investment property	5	52.43	52.43
Financial assets			
Investments	6	1,327.05	1,327.05
Other financial assets	7	224.89	268.08
Deferred Tax Assets (Net)	8	958.51	-
Other non-current assets	9	2,186.78	2,001.14
<b>Total non-current assets</b>		<b>15,387.13</b>	<b>14,851.07</b>
<b>Current assets</b>			
Inventories	10	1,708.32	1,015.35
Financial assets			
Trade receivables	11	190.82	115.23
Cash and cash equivalents	12	366.88	3.36
Other financial assets	13	26.23	178.15
Non-Current Assets Held for Sale	14	140.00	2,051.90
Other current assets	15	13.16	8.51
<b>Total current assets</b>		<b>2,445.40</b>	<b>3,372.50</b>
<b>Total Assets</b>		<b>17,832.53</b>	<b>18,223.57</b>
<b>EQUITY AND LIABILITIES</b>			
<b>Equity</b>			
Equity share capital	16	550.00	550.00
Other equity	17	10,380.61	9,814.10
<b>Total equity</b>		<b>10,930.61</b>	<b>10,364.10</b>
<b>Liabilities</b>			
<b>Non-current liabilities</b>			
Financial liabilities			
Borrowings	18	2,052.92	2,262.13
Provisions	19	73.34	182.87
Other non-current liabilities	20	468.34	200.24
<b>Total non-current liabilities</b>		<b>2,594.60</b>	<b>2,645.24</b>

(Rs. in Lakhs)

Particulars	Note no.	As at March 31, 2022	As at March 31, 2021
<b>Current liabilities</b>			
Financial liabilities			
Borrowings	21	<b>1,497.36</b>	1,038.20
Trade payables	22		
i) Total outstanding dues of micro and small enterprises		<b>1.14</b>	4.03
ii) Total outstanding dues of creditors other than micro and small enterprises		<b>1,702.50</b>	1,588.40
Other current liabilities	23	<b>684.70</b>	2,524.55
Short Term Provisions	24	<b>421.61</b>	59.05
<b>Total current liabilities</b>		<b>4,307.32</b>	5,214.23
<b>Total liabilities</b>		<b>6,901.92</b>	7,859.47
<b>Total Equity and Liabilities</b>		<b>17,832.53</b>	18,223.57

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

**Sanjay Krishna Ramamurthi**  
Director  
DIN: 00504396

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

**G.K.Narmatha**  
Company Secretary

**Nidheesh A**  
Chief Financial Officer

**Timmayya Hegde**  
Partner  
Membership No. 226267  
Sirsi  
May 18, 2022

Coimbatore  
May 18, 2022





## Statement of profit and loss for the year ended March 31, 2022

(Rs. in Lakhs)

Particulars	Note no.	As at March 31, 2022	As at March 31, 2021
<b>Continuing Operations</b>			
<b>A Income</b>			
Revenue from operations	25	9,344.53	4,888.42
Other income	26	84.89	542.34
<b>Total income</b>		<b>9,429.42</b>	<b>5,430.76</b>
<b>B Expenses</b>			
Cost of materials consumed	27	6,321.08	2,476.74
Changes in inventories of finished goods, work in progress	28	(391.09)	370.55
Power and Fuel	29	886.23	517.42
Employee Benefits Expense	30	956.00	851.82
Finance costs	31	387.45	575.73
Depreciation and amortisation expense	32	287.44	307.68
Other expenses	33	669.45	585.27
<b>Total expenses</b>		<b>9,116.56</b>	<b>5,685.21</b>
<b>C Profit before exceptional items and tax</b>		<b>312.86</b>	<b>(254.46)</b>
Exceptional items	34	487.16	532.06
<b>D Profit before tax from continuing operations</b>		<b>800.02</b>	<b>277.60</b>
Tax expense	35		
Current tax		400.04	-
MAT credit entitlement		(86.98)	-
Income tax provision relating to earlier years		452.74	519.91
Deferred tax charge/ (credit) relating to earlier years		(49.34)	-
<b>Profit for the year</b>		<b>83.56</b>	<b>(242.31)</b>
<b>E Profit / (loss) before tax from discontinued operations</b>	45	<b>-</b>	<b>(546.85)</b>
Income tax expense			
Current tax		-	-
Deferred tax charge/ (credit) relating to earlier years		-	-
<b>Profit / (loss) for the year</b>		<b>-</b>	<b>(546.85)</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		(46.94)	(173.47)
Income tax relating to these items		-	-
<b>Other comprehensive income for the year, net of tax</b>		<b>(46.94)</b>	<b>(173.47)</b>
<b>Total comprehensive income for the year</b>		<b>36.62</b>	<b>(962.63)</b>
<b>Earnings per share</b>	36		
Basic earnings per share		0.15	(1.43)
Diluted earnings per share		0.15	(1.43)

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****Sanjay Krishna Ramamurthi****For M/s Sethia, Prabhakar Hegde & Co**

Chairman and Managing Director

Director

Chartered Accountants

DIN: 00002773

DIN: 00504396

Firm Regn No. 013367S

**Timmayya Hegde****G.K.Narmatha****Nidheesh A**

Partner

Company Secretary

Chief Financial Officer

Membership No. 226267

Coimbatore

Sirsi

May 18, 2022

May 18, 2022


**Statement of cash flows for the year ending March 31, 2022**
**(Rs. in Lakhs)**

Particulars	Year ended March 31, 2022	Year ended March 31, 2021
<b>I. Operating Activities</b>		
Profit before income tax	800.02	(269.25)
Adjustments for:		
Depreciation and amortisation expense	287.44	307.68
(Profit)/ Loss on sale of assets - Net	(487.16)	(532.06)
Interest income	(12.87)	(22.35)
Finance costs	387.45	575.73
	974.88	59.75
Change in assets and liabilities		
(Increase)/ decrease in Other financial assets	195.11	44.98
(Increase)/ decrease in inventories	(692.97)	201.95
(Increase)/ decrease in trade receivables	(75.59)	859.96
(Increase)/ decrease in Other assets	(1,148.80)	1,172.46
Increase/ (decrease) in provisions and other liabilities	(1,365.64)	1,004.13
Increase/ (decrease) in trade payables	111.22	(4,694.56)
Increase/ (decrease) in General Reserves	529.89	-
Cash generated from operations	(1,471.91)	(1,351.33)
Less : Income taxes paid (net of refunds)	716.46	-
<b>Net cash flow from / (used in) operating activities (I)</b>	<b>(2,188.37)</b>	<b>(1,351.33)</b>
<b>II. Investing Activities</b>		
Purchase of Property, plant and equipment (including changes in CWIP)	(68.35)	(306.75)
Sale proceeds of Property, plant and equipment	2,744.88	2,606.55
Interest income	12.87	22.35
<b>Net cash flow from / (used in) Investing activities (II)</b>	<b>2,689.40</b>	<b>2,322.16</b>
<b>III. Financing Activities</b>		
Proceeds from/ (repayment of) long term borrowings	(209.22)	2,403.27
Proceeds from/ (repayment of) short term borrowings	459.15	(2,758.16)
Finance costs	(387.45)	(622.79)
<b>Net cash flow from / (used in) Financing activities (III)</b>	<b>(137.51)</b>	<b>(977.68)</b>

(Rs. in Lakhs)

Particulars	Year ended March 31, 2022	Year ended March 31, 2021
<b>Net decrease in cash and cash equivalents (I+II+III)</b>	<b>363.52</b>	(6.85)
Cash and cash equivalents at the beginning of the financial year	<b>3.36</b>	10.21
<b>Cash and cash equivalents at end of the year</b>	<b>366.88</b>	3.36
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		
Balances with banks		
- in current accounts	<b>365.00</b>	1.77
Cash on hand	<b>1.88</b>	1.59
	<b>366.88</b>	3.36

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

**Sanjay Krishna Ramamurthi**  
Director  
DIN: 00504396

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

**G.K.Narmatha**  
Company Secretary

**Nidheesh A**  
Chief Financial Officer

**Timmayya Hegde**  
Partner  
Membership No. 226267  
Sirsi  
May 18, 2022

Coimbatore  
May 18, 2022


**Statement of Changes in Equity for the year ended March 31, 2022** (Rs. in Lakhs)

**(A) Equity Share Capital**

Balance as at April 1, 2021	Changes in Equity Share Capital due to prior period errors	Restated balance at the beginning of the current reporting period	Changes in equity share capital during the current year	Balance as at March 31, 2022
550.00	-	550.00	-	550.00

Balance as at April 1, 2020	Changes in Equity Share Capital due to prior period errors	Restated balance at the beginning of the current reporting period	Changes in equity share capital during the current year	Balance as at March 31, 2021
550.00	-	550.00	-	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, 2020</b>	8,666.85	1,487.50	51.02	501.95	69.41	10,776.73
Changes in accounting policy or prior period errors	-	-	-	-	-	-
Total Comprehensive Income for the year	-	-	-	(173.47)	(789.16)	(962.63)
<b>Balance as at March 31, 2021</b>	8,666.85	1,487.50	51.02	328.48	(719.76)	9,814.10
<b>Balance as at April 1, 2021</b>	8,666.85	1,487.50	51.02	328.48	(719.76)	9,814.10
Changes in accounting policy or prior period errors	529.89	-	-	-	-	529.89
<b>Restated balance at April 1, 2021</b>	<b>9,196.74</b>	<b>1,487.50</b>	<b>51.02</b>	<b>328.48</b>	<b>(719.76)</b>	<b>10,343.99</b>
Total Comprehensive Income for the year	-	-	-	-	36.62	36.62
<b>Balance as at March 31, 2022</b>	<b>9,196.74</b>	<b>1,487.50</b>	<b>51.02</b>	<b>328.48</b>	<b>(683.13)</b>	<b>10,380.61</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

**G.K.Narmatha**  
Company Secretary  
Coimbatore  
May 18, 2022

**Sanjay Krishna Ramamurthi**  
Director  
DIN: 00504396

**Nidheesh A**  
Chief Financial Officer

As per our report of even date attached  
For **M/s Sethia, Prabhakar Hegde & Co**

Chartered Accountants  
Firm Regn No. 013367S

**Timmayya Hegde**  
Partner  
Membership No. 226267  
Sirsi  
May 18, 2022



## Notes to Financial Statements for the year ended March 31, 2022

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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 May 18, 2022.

### 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, 2022

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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.

### **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,

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## Notes to Financial Statements for the year ended March 31, 2022

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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.

### **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.

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;

## Notes to Financial Statements for the year ended March 31, 2022

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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.

### 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.

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## Notes to Financial Statements for the year ended March 31, 2022

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During the year, the company had entered into an purchase cum sale agreement with one of the customers, from whom the raw cotton aggregating to Rs. 6,593 lakhs was purchased and in turn converted into cotton yarn and sold to them aggregating to Rs. 8,167 lakhs. The company has disclosed the sale of cotton yarn under the head "Income from Operations" and purchase of raw cotton under the head "Cost of materials consumed" separately. Inventory lying as on March 31, 2022 includes Rs. 1,600 lakhs which is on account of these transactions and the company bears the risks and ownership of the inventories lying in the balance sheet.

### **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.

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.

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## Notes to Financial Statements for the year ended March 31, 2022

### 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.

#### 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.

## Notes to Financial Statements for the year ended March 31, 2022

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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.

### **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.

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## Notes to Financial Statements for the year ended March 31, 2022

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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.

### **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.
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## Notes to Financial Statements for the year ended March 31, 2022

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- 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.

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:

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## Notes to Financial Statements for the year ended March 31, 2022

- a) The objective of the business model is achieved both by collecting contractual cash flows and selling the financial assets, and
- b) 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)

### 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

## Notes to Financial Statements for the year ended March 31, 2022

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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.

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

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## Notes to Financial Statements for the year ended March 31, 2022

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.

### 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.



## Notes to Financial Statements for the year ended March 31, 2022

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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.

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.

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## Notes to Financial Statements for the year ended March 31, 2022

### 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.
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.

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.



## Notes to Financial Statements for the year ended March 31, 2022

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### 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.

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.

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## Notes to Financial Statements for the year ended March 31, 2022

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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.

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.

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## Notes to Financial Statements for the year ended March 31, 2022

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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 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.

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## Notes to Financial Statements for the year ended March 31, 2022

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### 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.

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

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## Notes to Financial Statements for the year ended March 31, 2022

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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**

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.

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## Notes to Financial Statements for the year ended March 31, 2022

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### 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





## Notes to Financial Statements for the year ended March 31, 2022 (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, 2020</b>	<b>10,754.17</b>	<b>4,405.19</b>	<b>19,945.89</b>	<b>215.09</b>	<b>509.44</b>	<b>173.92</b>	<b>36,003.71</b>	<b>313.77</b>	-	<b>313.77</b>
Additions	-	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>	<b>7,882.43</b>	<b>4,153.12</b>	<b>9,380.91</b>	<b>212.58</b>	<b>491.02</b>	<b>178.47</b>	<b>22,298.53</b>	<b>313.77</b>	-	<b>313.77</b>
Additions during the year	-	-	1.19	0.35	0.52	-	2.07	-	-	-
Addition due to Remeasurement	-	-	-	-	-	-	-	-	-	-
Reclassified under Non current assets held for sale under Note no. 14	(140.00)	-	-	-	-	-	(140.00)	-	-	-
Disposals	(111.03)	(45.10)	(160.83)	(39.31)	(82.05)	-	(438.31)	-	-	-
<b>Cost as at March 31, 2022</b>	<b>7,631.40</b>	<b>4,108.02</b>	<b>9,221.28</b>	<b>173.63</b>	<b>409.49</b>	<b>178.47</b>	<b>21,722.29</b>	<b>313.77</b>	-	<b>313.77</b>
<b>Depreciation/Amortisation</b>										
<b>As at March 31, 2020</b>	-	<b>2,086.26</b>	<b>17,765.36</b>	<b>183.44</b>	<b>472.71</b>	<b>158.78</b>	<b>20,666.55</b>	<b>313.77</b>	-	<b>313.77</b>
Charge for the year	-	114.17	181.91	5.12	5.54	0.93	307.68	-	-	-
Impairment during the year (Discontinued Operations)*	-	-	-	-	-	-	-	-	-	-
On disposals	-	(298.62)	(9,559.79)	(3.74)	(20.46)	4.55	(9,878.06)	-	-	-
<b>As at March 31, 2021</b>	-	<b>1,901.81</b>	<b>8,387.49</b>	<b>184.82</b>	<b>457.78</b>	<b>164.26</b>	<b>11,096.17</b>	<b>313.77</b>	-	<b>313.77</b>
Charge for the year	-	108.94	165.64	6.64	5.17	1.06	287.44	-	-	-
Charge for the year (Discontinued Operations)	-	-	-	-	-	-	-	-	-	-
Reclassified under Non current assets held for sale under Note no. 14	-	-	-	-	-	-	-	-	-	-
Impairment during the year (Discontinued Operations)*	-	-	-	-	-	-	-	-	-	-
On disposals	-	(1.19)	(117.27)	(37.05)	(76.98)	-	(232.50)	-	-	-
<b>As at March 31, 2022</b>	-	<b>2,009.56</b>	<b>8,435.86</b>	<b>154.41</b>	<b>385.96</b>	<b>165.33</b>	<b>11,151.11</b>	<b>313.77</b>	-	<b>313.77</b>
<b>Net Block</b>										
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
As at March 31, 2022	7,631.40	2,098.46	785.42	19.22	23.53	13.15	10,571.18	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, 2022 (Rs. in Lakhs)**

As at  
March 31, 2022      As at  
March 31, 2021

**Capital work-in-progress**

**CWIP aging schedule**

**Ageing for capital work-in-progress as at March 31, 2022 is as follows:**

CWIP	Amount in CWIP for a period of				Total
	Less than 1 year	1-2 years	2-3 years	More than 3 years	
Projects in progress	66.28	-	-	-	66.28

**Ageing for capital work-in-progress as at March 31, 2021 is as follows:**

CWIP	Amount in CWIP for a period of				Total
	Less than 1 year	1-2 years	2-3 years	More than 3 years	
Projects in progress	-	-	-	-	-

**4 Capital Work-in-progress**

Plant & Equipment	66.28	-
	66.28	-

**5 Investment Property**

Land	52.43	52.43
	52.43	52.43

**6 Non-current investments**

**Investment in Equity Shares in others FVTPL**

**Trade Unquoted**

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

**Total non-current investments**

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 of 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

**Notes to Financial Statements for the year ended March 31, 2022 (Rs. in Lakhs)**

	As at March 31, 2022	As at March 31, 2021
<b>7 Other non- current financial assets</b>		
(Unsecured, considered good)		
Security deposits and other receivables	229.95	346.16
Less: Provision for expected credit loss	(78.08)	(78.08)
Security deposits and other receivables (Net)	151.87	268.08
Unamortised interest expense	73.03	-
	224.89	268.08
<b>8 Deferred Tax Assets (Net)</b>		
Deferred Tax Asset	1,669.79	-
Add /(Less): Deferred Tax Asset for the year	(43.59)	-
(A)	1,626.20	-
Deferred Tax Liability	760.61	-
Add /(Less): Deferred Tax Liability for the year	(92.92)	-
(B)	667.69	-
Net Deferred Tax Asset (A - B)	958.51	-
<b>9 Other non-current assets</b>		
(Unsecured, considered good)		
Advance to suppliers towards goods/services	167.61	152.26
Less: Provision for expected credit loss	-	(56.34)
Advance to suppliers towards goods/services (Net)	167.61	95.91
Tax deducted at source and Income taxes paid under protest	1,724.69	1,571.84
Income and claims receivable	294.48	333.39
	2,186.78	2,001.14
<b>10 Inventories</b>		
Raw Materials	834.13	535.30
Work-in-progress	435.65	162.25
Finished products	331.15	208.94
Stores and spares	99.75	96.70
Waste	7.64	12.16
	1,708.32	1,015.35

**Notes to Financial Statements for the year ended March 31, 2022 (Rs. in Lakhs)**

	As at March 31, 2022	As at March 31, 2021
<b>Inventory comprise of</b>		
<b>Raw Materials</b>		
Raw cotton	834.13	535.30
Viscose fibre	-	-
Polyster	-	-
	<b>834.13</b>	535.30
<b>Work in progress</b>	<b>435.65</b>	162.25
<b>Finished Goods</b>		
Cotton yarn	331.15	208.94
	<b>331.15</b>	208.94
<b>11 Trade receivables</b>		
(Unsecured, considered good)		
Outstanding for a period exceeding 6 months from due date of payment	461.64	414.72
Others	62.53	93.86
	<b>524.17</b>	508.58
Less: Allowance for expected credit losses	333.35	393.35
	<b>190.82</b>	115.23

Ageing for trade receivables – non-current outstanding as at March 31, 2022 is as follows:

Particulars	LESS THAN 6 MONTHS	6 MONTHS - 1 YEARS	1 YEAR - 2 YEARS	2 YEARS - 3 YEARS	MORE THAN 3 YEARS	TOTAL
Undisputed Trade receivables- Considered good	62.53	102.01	26.28	-	-	190.82
Undisputed Trade receivables- Considered doubtful	-	-	-	-	-	-
Disputed Trade receivables- Considered good	-	-	-	-	333.35	333.35
Disputed Trade receivables- Considered doubtful	-	-	-	-	-	-
<b>Total</b>	<b>62.53</b>	<b>102.01</b>	<b>26.28</b>	<b>-</b>	<b>333.35</b>	<b>524.17</b>
Less: Allowance for expected credit losses						333.35
<b>Trade Receivables</b>						<b>190.82</b>



## Notes to Financial Statements for the year ended March 31, 2022 (Rs. in Lakhs)

As at  
March 31, 2022

As at  
March 31, 2021

Ageing for trade receivables – non-current outstanding as at March 31, 2021 is as follows:

Particulars	LESS THAN 6 MONTHS	6 MONTHS - 1 YEARS	1 YEAR - 2 YEARS	2 YEARS - 3 YEARS	MORE THAN 3 YEARS	TOTAL
Undisputed Trade receivables- Considered good	93.86	81.37	-	-	-	175.23
Undisputed Trade receivables- Considered doubtful	-	-	-	-	-	-
Disputed Trade receivables- Considered good	-	-	-	-	333.35	333.35
Disputed Trade receivables- Considered doubtful	-	-	-	-	-	-
<b>Total</b>	<b>93.86</b>	<b>81.37</b>	<b>-</b>	<b>-</b>	<b>333.35</b>	<b>508.58</b>
Less: Allowance for expected credit losses						393.35
<b>Trade Receivables</b>						<b>115.23</b>

### 12 Cash and cash equivalents

Cash on hand	1.88	1.59
Balances with banks		
In current accounts	365.00	1.77
	<b>366.88</b>	<b>3.36</b>

### 13 Other current financial assets

(Unsecured, considered good)

Margin money balance against Letter of Credit facility	-	165.76
Balance with govt authorities (Indirect taxes)	23.68	4.67
Loans and advances to employees	2.55	7.72
	<b>26.23</b>	<b>178.15</b>

### 14 Non-current assets held for sale

Non-current assets held for sale	140.00	2,051.90
	<b>140.00</b>	<b>2,051.90</b>

### 15 Other current assets

(Unsecured, considered good)

Prepaid expenses	11.14	8.51
Advance to suppliers	-	-
Other advances	2.02	-
	<b>13.16</b>	<b>8.51</b>

**Notes to Financial Statements for the year ended March 31, 2022 (Rs. in Lakhs)**

	As at March 31, 2022	As at March 31, 2021
<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, 2022		March 31, 2021	
	No of shares	% of Holding	No of shares	% of Holding
Sumanth Ramamurthi	94,40,530	17.16%	94,40,530	17.16%
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	30,14,014	5.48%	29,25,914	5.32%

**(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, 2022 (Rs. in Lakhs)**

	As at March 31, 2022	As at March 31, 2021
<b>17 Other Equity</b>		
General reserve	9,196.74	8,666.85
Securities Premium Reserve	1,487.50	1,487.50
Capital Reserve	51.02	51.02
Other comprehensive income	328.48	328.48
Retained earnings	(683.13)	(719.75)
	<b>10,380.61</b>	<b>9,814.10</b>
<b>a) General reserve</b>		
Balance at the beginning of the year	8,666.85	8,666.85
Additions during the year	909.18	-
Deletions during the year	(379.29)	-
Transfer of General Reserve on account of merger	-	-
Balance at the end of the year	<b>9,196.74</b>	<b>8,666.85</b>
<b>b) Securities Premium Reserve</b>		
Balance at the beginning and end of the year	<b>1,487.50</b>	<b>1,487.50</b>
<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	328.48	501.95
Additions during the year	-	(173.47)
Balance at the end of the year	<b>328.48</b>	<b>328.48</b>
<b>e) Retained earnings</b>		
Balance at the beginning of the year	(719.75)	69.41
Net profit/(loss) for the period	36.62	(789.16)
Transfers to General Reserve	-	-
Balance at the end of the year	<b>(683.13)</b>	<b>(719.75)</b>



## Notes to Financial Statements for the year ended March 31, 2022 (Rs. in Lakhs)

	As at March 31, 2022	As at March 31, 2021
<b>18 Long Term Borrowings</b>		
From Banks *	2,383.55	2,490.83
Less : Current maturities due within 1 year (refer note 21 below)	330.63	228.70
	<b>2,052.92</b>	<b>2,262.13</b>
*Also refer note 47 for terms and conditions and security details		
<b>19 Provisions (Non -current)</b>		
Provision for Employee Benefits		
Gratuity	73.34	182.87
	<b>73.34</b>	<b>182.87</b>
<b>20 Other non-current Liabilities</b>		
Rental deposits collected from tenants	238.97	200.24
Electricity Wheeling & Cross power subsidy payable	229.37	-
	<b>468.34</b>	<b>200.24</b>
<b>21 Current liabilities - Financial Liabilities: Borrowings *</b>		
<b>Secured</b>		
Loans repayable on demand		
From Banks	716.73	326.50
<b>Unsecured</b>		
Loan from Directors	450.00	483.00
<b>Current maturities of long term debt</b>		
From Banks	330.63	228.70
	<b>1,497.36</b>	<b>1,038.20</b>
* Also refer note 48 for terms and conditions and security details		
<b>22 Trade payables</b>		
Trade payables *		
i) Total outstanding dues of micro and small enterprises; and	1.14	4.03
ii) Total outstanding dues of creditors other than micro and small enterprises	1,702.51	1,588.40
* Refer Note no. 51 for related party balances		
	<b>1,703.65</b>	<b>1,592.43</b>



**Notes to Financial Statements for the year ended March 31, 2022 (Rs. in Lakhs)**

**As at**  
**March 31, 2022**      **As at**  
March 31, 2021

**Ageing for trade payables outstanding as at March 31, 2022 is as follows:**

Particulars	LESS THAN 1 YEAR	1 YEAR -2 YEARS	2 YEAR -3 YEARS	MORE THAN 3 YEARS	Total
(i) MSME	1.14	-	-	-	1.14
(ii) Others	1,547.68	46.45	-	108.38	1,702.51
(iii) Disputed dues- MSME	-	-	-	-	-
(iv) Disputed dues- Others	-	-	-	-	-
	1,548.82	46.45	-	108.38	1,703.65

**Ageing for trade payables outstanding as at March 31, 2021 is as follows:**

Particulars	LESS THAN 1 YEAR	1 YEAR -2 YEARS	2 YEAR -3 YEARS	MORE THAN 3 YEARS	Total
(i) MSME	4.03				4.03
(ii) Others	1,481.75			106.65	1,588.40
(iii) Disputed dues- MSME	-	-	-	-	-
(iv) Disputed dues- Others	-	-	-	-	-
	1,485.78	-	-	106.65	1,592.43

\* 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. 42 forming part of the financial statements

**23 Other current liabilities**

Advance from customers	<b>16.41</b>	126.73
Employee payables	<b>121.43</b>	140.47
Statutory dues payable	<b>17.32</b>	21.23
Interest accrued but not due on borrowings	<b>4.90</b>	13.87
Advances received towards Non-current assets held for sale	<b>150.00</b>	1,800.00
Other payables	<b>374.64</b>	422.25
	<b>684.70</b>	2,524.55

**24 Provisions (Current)**

Provision for Income tax	<b>400.04</b>	-
Provision for gratuity	<b>21.57</b>	59.05
	<b>421.61</b>	59.05

**Notes to Financial Statements for the year ended March 31, 2022 (Rs. in Lakhs)**

	Year ended March 31, 2022	Year ended March 31, 2021
<b>25 Revenue from operations</b>		
Sale of Products		
Domestic	8,706.95	4,119.48
Export	-	-
Sale of services - Design job work	80.80	342.93
Other Operating Revenue [refer note 25 (a) below]	556.77	426.01
	<b>9,344.53</b>	<b>4,888.42</b>
<b>25 (a) Other Operating Revenue</b>		
Export Incentives	-	-
Rent Receipts	534.57	407.28
Others	22.20	18.73
	<b>556.77</b>	<b>426.01</b>
<b>26 Other income</b>		
Interest Income [refer note 26 (a) below]	12.87	22.35
Other non-operating Income [refer note 26 (b) below]	72.02	519.98
	<b>84.89</b>	<b>542.34</b>
<b>26 (a) Interest Income</b>		
Interest on Electricity Deposits	6.11	11.93
Other interest receipts	6.76	10.43
	<b>12.87</b>	<b>22.35</b>
<b>26 (b) Other non-operating Income</b>		
Exchange Gain (Net)	-	-
Other income/write backs	72.02	519.98
	<b>72.02</b>	<b>519.98</b>
<b>27 Cost of Materials consumed</b>		
Opening inventory of raw materials	535.30	353.44
Add : Purchases	6,619.91	2,658.61
Less : Closing inventory of raw materials	834.13	535.30
	<b>6,321.08</b>	<b>2,476.74</b>
<b>Cost of material consumed comprises of</b>		
Cotton	6,321.08	2,476.74
	<b>6,321.08</b>	<b>2,476.74</b>

**Notes to Financial Statements for the year ended March 31, 2022 (Rs. in Lakhs)**

	Year ended March 31, 2022	Year ended March 31, 2021
<b>28 Changes in inventories of work-in-progress, stock in trade and finished goods</b>		
<b>Opening 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>Closing Balance</b>		
Work-in-progress	435.65	162.25
Finished goods	331.15	208.94
Stock in trade	-	-
Waste	7.64	12.16
	<b>774.44</b>	<b>383.35</b>
<b>Changes in inventories</b>	<b>391.09</b>	<b>(370.55)</b>
<b>29 Power and Fuel</b>		
Power and Fuel	886.23	517.42
	<b>886.23</b>	<b>517.42</b>
<b>30 Employee benefits expense</b>		
Salaries, wages and bonus	830.26	592.43
Contribution towards:		
Provident Fund	19.72	44.11
Super Annuation Fund	1.01	0.90
Gratuity Fund	15.77	118.33
Staff welfare expenses	89.23	96.05
	<b>956.00</b>	<b>851.82</b>
<b>31 Finance Cost</b>		
Interest on borrowings	373.37	554.09
Interest to others	14.08	21.65
	<b>387.45</b>	<b>575.73</b>

**Notes to Financial Statements for the year ended March 31, 2022 (Rs. in Lakhs)**

	Year ended March 31, 2022	Year ended March 31, 2021
<b>32 Depreciation and amortisation expense</b>		
Depreciation of property, plant and equipment	287.44	307.68
Amortization of Intangible assets	-	-
	<b>287.44</b>	<b>307.68</b>
<b>33 Other expenses</b>		
Stores and spares consumed	299.23	164.16
Repairs and Maintenance		
Building	67.29	10.52
Machinery	52.51	26.51
Others	16.93	19.61
Processing charges	-	0.37
Selling Expenses	15.56	35.71
Insurance	11.05	19.54
Postage, telegram and printing charges	7.59	11.46
Travelling expenses	25.27	21.02
Bank Charges	3.61	65.34
Bad Debts	0.09	59.35
Rates and Taxes	28.57	42.22
Professional and Consultancy Charges	39.22	57.27
Auditors' Remuneration	4.00	5.59
Director's Sitting Fees	9.08	5.04
Others	89.46	41.56
	<b>669.45</b>	<b>585.27</b>
<b>Auditors' Remuneration</b>		
Statutory Audit Fee	4.00	4.00
Tax Audit Fee	1.00	1.00
Other matters	-	0.59
	<b>5.00</b>	<b>5.59</b>

**Notes to Financial Statements for the year ended March 31, 2022 (Rs. in Lakhs)**

	Year ended March 31, 2022	Year ended March 31, 2021
<b>34 Exceptional items</b>		
Provision for expected credit losses	-	-
Profit/(loss) on sale of assets - Net	<b>487.16</b>	532.06
	<b>487.16</b>	532.06
<b>35 Income tax expense</b>		
<b>(a) Income tax expense</b>		
<b>Current tax</b>		
Current tax on profits for the year	<b>400.04</b>	-
MAT credit entitlement	<b>(86.98)</b>	-
Income tax on profits pertaining to earlier years	<b>452.74</b>	519.91
<b>Total current tax expense</b>	<b>765.80</b>	519.91
<b>Deferred tax</b>		
Reversal of deferred tax assets of earlier years	<b>(49.34)</b>	-
<b>Total deferred tax expense/(benefit)</b>	<b>(49.34)</b>	-
<b>Income tax expense</b>	<b>716.46</b>	519.91
<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	<b>800.02</b>	277.60
Income tax expense calculated at 26.0% (2020-21: 26.0%)	<b>400.04</b>	-
Income tax expense	<b>400.04</b>	-
<b>c) Income tax recognised in other comprehensive income</b>		
Deferred tax		
Remeasurement of defined benefit obligation	-	-
Total income tax recognised in other comprehensive income	-	-

**Notes to Financial Statements for the year ended March 31, 2022 (Rs. in Lakhs)**

	Year ended March 31, 2022	Year ended March 31, 2021
<b>36 Earnings per share</b>		
Profit/(Loss) for the year (Rs. in lakhs)	83.56	(789.16)
Weighted average number of ordinary shares outstanding	5,50,00,000	5,50,00,000
Basic earnings per share (Rs)	0.15	(1.43)
Diluted earnings per share (Rs)	0.15	(1.43)
<b>37 Earnings in foreign currency</b>		
FOB value of exports	-	-
	-	-
<b>38 Expenditure in foreign currency</b>		
Foreign Travel	-	-
Commission	-	-
Others	-	-
	-	-
<b>39 Value of Imports (on C.I.F basis)</b>		
Raw Materials	-	-
Components and spares	-	-
	-	-
<b>40 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, 2022		Year ended March 31, 2021	
	Value	Percentage (%)	Value	Percentage (%)
<b>Value of raw materials consumed</b>				
Imported	-	-	-	-
Indigenous	6,321.08	100.00	2,476.74	100.00
	<b>6,321.08</b>	<b>100.00</b>	<b>2,476.74</b>	<b>100.00</b>
<b>Value of Stores and Spares Consumed</b>				
Imported	-	-	-	-
Indigenous	299.23	100.00	164.16	100.00
	<b>299.23</b>	<b>100.00</b>	<b>164.16</b>	<b>100.00</b>

**Notes to Financial Statements for the year ended March 31, 2022 (Rs. in Lakhs)**

**41 Commitments and contingent liability**

Particulars	Year ended March 31, 2022	Year ended March 31, 2021
<b>Contingent Liability *</b>		
Bank Guarantees	-	-
Disputed demands from Income tax authorities	-	-
Disputed excise duty liability	60.30	60.30
Disputed sales tax liability	594.96	594.96
<b>Capital Commitments</b>		
Estimated amount of investments	-	-

\* 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.

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

Particulars	Year ended March 31, 2022	Year ended March 31, 2021
(a) The principal amount remaining unpaid at the end of the year	1.14	4.03
(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, 2022 (Rs. in Lakhs)

### 43 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, 2022	Year ended March 31, 2021
<b>Segment Revenue</b>		
a) Textiles	8,809.95	4,481.14
b) Rental services	534.57	407.28
c) Unallocated	-	-
<b>Net Sales/Income from Operations</b>	<b>9,344.53</b>	4,888.42
<b>Segment Results</b>		
Profit (+) / Loss (-) before tax and finance cost		
a) Textiles	358.30	2.52
b) Rental services	342.01	318.75
c) Unallocated	-	-
<b>Total</b>	<b>700.31</b>	321.28
Add/ Less : Finance Costs	387.45	575.73
Profit/(Loss) from continuing operations	312.86	(254.46)
Profit/(Loss) from discontinued operations	-	(546.85)
Add/ Less : Exceptional Items	487.16	532.06
<b>Profit/(Loss) Before Tax</b>	<b>800.02</b>	(269.25)
<b>Segment Assets</b>		
a) Textiles	16,257.84	16,649.36
b) Rental services	1,574.69	1,574.21
c) Other unallocable corporate assets	-	-
<b>Total assets</b>	<b>17,832.53</b>	18,223.57
<b>Segment Liabilities</b>		
a) Textiles	6,662.95	7,659.24
b) Rental services	238.97	200.24
c) Other unallocable corporate liabilities	-	-
<b>Total liabilities</b>	<b>6,901.92</b>	7,859.47
<b>Capital Employed (Segment assets-Segment liabilities)</b>		
a) Textiles	9,594.89	8,990.13
b) Rental services	1,335.72	1,373.97
c) Other unallocable capital employed	-	-
Total capital employed in segments	10,930.61	10,364.10
Unallocable corporate assets less corporate liabilities	-	-
<b>Total Capital Employed</b>	<b>10,930.61</b>	10,364.10



## Notes to Financial Statements for the year ended March 31, 2022 (Rs. in Lakhs)

### Information relating to geographical areas

Particulars	Year ended March 31, 2022	Year ended March 31, 2021
<b>(a) Revenue from external customers</b>		
India	8,787.76	4,462.41
Rest of the world	-	-
Total	8,787.76	4,462.41

### (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	1
Total revenue from the above customers (Rs. in lakhs)	8,167.11	3,613.96

## 44 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. 534.57 Lakhs (Previous year Rs. 407.28 Lakhs).

## 45 Note on discontinuing/discontinued operations

During the Previous year, the company has permanently suspended the operations of Super A unit at Hindupur, Andhra Pradesh and accordingly has reported the losses arising 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.

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.

## 46 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.

**Notes to Financial Statements for the year ended March 31, 2022 (Rs. in Lakhs)**

	Year ended March 31, 2022	Year ended March 31, 2021
<b>Gearing Ratio:</b>		
Debt	3,550.28	3,300.34
Less: Cash and bank balances	366.88	3.36
Net debt	3,183.40	3,296.97
Total equity	10,930.61	10,364.10
Net debt to equity ratio (%)	29.12%	31.81%

**Categories of Financial Instruments**

**Financial assets**

**a. Measured at amortised cost**

Other non-current financial assets	224.89	268.08
Trade receivables	190.82	115.23
Cash and cash equivalents	366.88	3.36
Other financial assets	26.23	178.15

**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)	1,497.36	1,038.20
Trade payables	1,703.64	1,592.43

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

Derivative instruments	-	-
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**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.

## Notes to Financial Statements for the year ended March 31, 2022 (Rs. in Lakhs)

### 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, 2022</b>							
USD	-	-	-	-	-	-	-
In INR (₹ In lacs)	-	-	-	-	-	-	-
<b>As on March 31, 2021</b>							
USD	-	-	-	-	-	-	-
In INR (₹ In lacs)	-	-	-	-	-	-	-

### 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.

## **Notes to Financial Statements for the year ended March 31, 2022 (Rs. in Lakhs)**

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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.

### **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.

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## Notes to Financial Statements for the year ended March 31, 2022 (Rs. in Lakhs)

### (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.

### 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, 2022</b>				
Trade payables	1,703.64	-	-	1,703.65
Borrowings (including interest accrued thereon up to the reporting date)	335.53	1,163.65	2,136.68	3,635.87
	<b>2,039.17</b>	<b>1,163.65</b>	<b>2,136.68</b>	<b>5,339.52</b>
<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>

**Notes to Financial Statements for the year ended March 31, 2022 (Rs. in Lakhs)**

	Year ended March 31, 2022	Year ended March 31, 2021
Fair value of financial assets and financial liabilities that are not measured at fair value (but fair value disclosures are required):	Nil	Nil

**47 Terms and conditions of long term loans taken from banks**

**Details of Security of Long term Borrowings**

The Term loan from IDBI / SBI is secured by:

Facility	
Guaranteed Emergency Credit Line	(a) Pari-passu first charge on entire current assets of the Company including hypothication 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

The Term loan from HDFC is secured by:

Facility	
Lease Rental Discounting	(a) Lease Rental receivables over the period of 10 years (b) Super Sara Property to the extent of 52.11 acres (c) Personal Gurantee given by the promoter director

**48 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 hypothication 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 ranging from 8.15% to 11.15%

**49 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.20.73 Lakhs (for the year ended March 31, 2021: Rs. 45.01 Lakhs) represents contribution paid to these plans by the Company at rates specified in the rules of the plan.

## Notes to Financial Statements for the year ended March 31, 2022 (Rs. in Lakhs)

### 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.

#### The principal assumptions used for the purposes of the actuarial valuations were as follows:

Particulars	Year ended March 31, 2022	Year ended March 31, 2021
Discount Rate	7.11% p.a	6.57% 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	6.57% p.a
Attrition rate	10.00% p.a	10.00% 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.

**Notes to Financial Statements for the year ended March 31, 2022 (Rs. in Lakhs)**

**Amounts recognised in total comprehensive income in respect of these defined benefit plans are as follows:**

	<b>Year ended March 31, 2022</b>	<b>Year ended March 31, 2021</b>
Current service cost	6.16	13.39
Net interest expense	9.03	19.93
Return on plan assets (excluding amounts included in net interest expense)	0.58	2.13
Components of defined benefit costs recognised in profit or loss	<b>15.77</b>	<b>35.45</b>
Remeasurement on the net defined benefit liability comprising:		
Actuarial (gains)/losses recognised during the period	46.94	173.47
Components of defined benefit costs recognised in other comprehensive income	<b>46.94</b>	<b>173.47</b>
	<b>62.70</b>	<b>208.92</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.

**The amount included in the balance sheet arising from the Company's obligation in respect of its defined benefit plans is as follows:**

	<b>Year ended March 31, 2022</b>	<b>Year ended March 31, 2021</b>
Present value of defined benefit obligation	102.39	356.61
Fair value of plan assets	(7.47)	(114.69)
Net liability/ (asset) arising from defined benefit obligation	<b>94.92</b>	<b>241.92</b>
Funded	7.47	114.69
Unfunded	87.45	127.23
	<b>94.92</b>	<b>241.92</b>

**The above provisions are reflected under 'Provision for employee benefits- gratuity' as per details below**

Long term provisions (refer note 19)	73.34	182.87
Short term provisions (refer note 25)	21.57	59.05
	<b>94.92</b>	<b>241.92</b>



**Notes to Financial Statements for the year ended March 31, 2022 (Rs. in Lakhs)**

	Year ended March 31, 2022	Year ended March 31, 2021
<b>Movements in the present value of the defined benefit obligation in the current year were as follows:</b>		
Opening defined benefit obligation	356.61	610.52
Current service cost	6.16	13.39
Interest cost	12.95	19.93
Actuarial (gains) /losses	45.47	171.34
Benefits paid	(318.81)	(463.53)
Others	-	4.95
Closing defined benefit obligation	<b>102.38</b>	<b>356.61</b>
<b>Movements in the fair value of the plan assets in the current year were as follows:</b>		
Opening fair value of plan assets	114.69	9.90
Return on plan assets	3.34	2.13
Contributions	209.71	567.62
Benefits paid	(318.81)	(463.53)
Actuarial gains/(loss)	(1.47)	(2.13)
Others	-	0.70
Closing fair value of plan assets	<b>7.46</b>	<b>114.69</b>

**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)

**Notes to Financial Statements for the year ended March 31, 2022 (Rs. in 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.

**50 Additional Regulatory Information**

**Ratios**

Ratio	Numerator	Denominator	Current Year	Previous Year
Current Ratio (in times)	Current Assets	Current Liabilities	0.57	0.65
Debt-Equity Ratio (in times)	Long Term Debts	Shareholder's Equity	0.19	0.22
Debt Service Coverage Ratio (in times)	Earning for Debt Service = Net Profit after taxes + Non cash operating expenses + Interest + Other non-cash adjustments	Debt Service	1.96	1.11
Return On Equity Ratio (in %)	Net Profits After Taxes - Preference Dividend	Average Shareholder's Equity	0.8%	-2.2%
Inventory Turnover Ratio (in times)	Cost Of Goods Sold Or Sales	Average Inventory	4.64	2.22
Trade Receivables Turnover Ratio (in times)	Revenue from operations	Average trade receivables	61.07	8.97
Trade Payables Turnover Ratio (in times)	Total Purchases	Average trade payables	4.02	0.67
Net Capital Turnover Ratio (in times)	Revenue from operations	Average Working Capital	(5.05)	(1.06)
Net Profit Ratio (in %)	Net Profit After Taxes	Revenue from operations	0.9%	-5.0%
Return On Capital Employed (in %)	Net Profit Before Interest And Taxes	Capital Employed	10.9%	8.2%
Return On Investment (in %)	Operating Profit Before Interest And Taxes	Operating Assets	6.7%	4.7%

**Notes to Financial Statements for the year ended March 31, 2022 (Rs. in Lakhs)**

**51 Related party disclosures**

**(a) Name of related party and nature of relationship**

**Key management personnel**

Sumanth Ramamurthi	Chairman & Managing Director
B.Sathyanarayana Reddy	Chief Financial Officer (resigned on 15th July 2021)
Nidheesh A	Chief Financial Officer (appointed on 30th December 2021)
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

**b) Transactions during the year**

S. No	Nature of transactions	Year ended March 31, 2022	Year ended March 31, 2021
1	Others		
	Purchase of goods	1.41	0.92
	Sale of Goods	-	-
	Sale of Fixed Assets	0.50	1,000.00
	Service Charges Paid	0.09	-
	Rent Received	12.00	16.60
	Other Receipts	0.00	10.09
2	Sumanth Ramamurthi		
	Managerial Remuneration	45.28	25.38
	Contribution to provident and other funds	3.88	2.82
	Loan received	-	450.00
	Loan repaid	(33.00)	(450.00)
	Interest Expended	45.82	70.61
3	B Sathyanarayana Reddy (Resigned on 15th July 2021)		
	Remuneration	4.35	15.44
	Contribution to provident and other funds	0.07	0.22

**Notes to Financial Statements for the year ended March 31, 2022 (Rs. in Lakhs)**

S. No	Nature of transactions	Year ended March 31, 2022	Year ended March 31, 2021
4	Nidheesh A		
	Remuneration	2.30	-
	Contribution to provident and other funds	0.05	-
5	G K Narmatha		
	Remuneration	5.15	4.67
	Contribution to provident and other funds	0.22	0.20

**c) Balance outstanding at the year end**

Particulars	Year ended March 31, 2022	Year ended March 31, 2021
<b>Others</b>		
<b>Elgi Electric and Industries Ltd</b>		
Amount outstanding at year end - Cr	150.00	151.85
<b>Super Farm Products Pvt Ltd</b>		
Amount outstanding at year end - Dr	-	5.04
Amount outstanding at year end - Cr	-	-
<b>Sumanth Ramamurthi</b>		
Amount outstanding at year end - Cr	450.00	483.00

52.

- (a) During the year, no funds have been advanced or loaned or invested (either from borrowed funds or share premium or any other sources or kind of funds) by the company to or in any other person or entity, including foreign entity ("Intermediaries"), with the understanding, whether recorded in writing or otherwise, that the Intermediary shall, whether, directly or indirectly lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the company ("Ultimate Beneficiaries") or provide any guarantee, security or the like on behalf of the Ultimate Beneficiaries.
- (b) During the year, no funds have been received by the company from any person or entity, including foreign entity ("Funding Parties"), with the understanding, whether recorded in writing or otherwise, that the company shall, whether, directly or indirectly, lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the Funding Party ("Ultimate Beneficiaries") or provide any guarantee, security or the like on behalf of the Ultimate Beneficiaries.

**53. OTHER STATUTORY INFORMATION**

- The Company does not have any Benami property, where any proceeding has been initiated or pending against the Company for holding any Benami property.
- The Company has not traded or invested in Crypto currency or virtual currency during the financial year.

## Notes to Financial Statements for the year ended March 31, 2022 (Rs. in Lakhs)

3. The Company has not advanced or loaned or invested funds to any persons or entities, including foreign entities (Intermediaries) with the understanding that the Intermediary shall:
  - a) directly or indirectly lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the Company (Ultimate Beneficiaries) or
  - b) provide any guarantee, security or the like on behalf of the Ultimate Beneficiaries.
4. The Company has not received any fund from any persons or entities, including foreign entities (Funding Party) with the understanding (whether recorded in writing or otherwise) that the Company shall:
  - a) directly or indirectly lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the Funding Party (Ultimate Beneficiaries) or
  - b) provide any guarantee, security or the like on behalf of the Ultimate Beneficiaries.
5. The Company does not have any transaction which is not recorded in the books of accounts that has been surrendered or disclosed as income during the year in the tax assessments under the Income Tax Act, 1961 (such as, search or survey or any other relevant provisions of the Income Tax Act, 1961).
6. The Company does not have any charges or satisfaction which is yet to be registered with Registrar of Companies (ROC) beyond statutory period.
7. The Company does not have any transactions with companies struck off under Section 248 of the Companies Act, 2013 or Section 560 of Companies Act, 1956 during the financial year.
8. The Company has not been declared willful defaulter by any bank or financial institution or government or any government authority.

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

**Sanjay Krishna Ramamurthi**  
Director  
DIN: 00504396

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

**G.K.Narmatha**  
Company Secretary

**Nidheesh A**  
Chief Financial Officer

**Timmayya Hegde**  
Partner  
Membership No. 226267

Coimbatore  
May 18, 2022

Sirsi  
May 18, 2022



**SUPER**



# **Super Spinning Mills Limited**

**CIN: L17111TZ1962PLC001200**

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