

57th Annual Report 2019 - 2020

**SREE
SATYANARAYANA SPINNING MILLS
LIMITED**

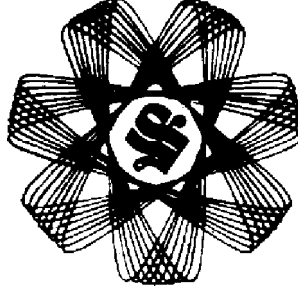
SREE SATYANARAYANA SPINNING MILLS LTD.

Regd. Office: Venkatarayapuram, Tanuku – 534215

CIN: U18101AP1962PLC000919

Ph : 08819-224166, 224808

E-mail: sssmills.tanuku@gmail.com, Website : <http://www.sssmills.com>



Board of Directors:

Sri E. Sathyanarayana, B.E. (Hons.), Managing Director and Chief Executive Officer

Sri P. Narendranath Chowdary, B.Sc.

Sri A. Dharmaraju, M.B.A., F.C.S.

Sri S. Parvatha Rao, B.Sc., B.L.

Sri C. Murali Krishna, B.Com., F.C.A., A.C.S., M.B.A. (USA)

Chief Financial Officer :

Sri M. Gopala Krishna, M.Com.

Auditors:

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

Cost Auditors:

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

Bankers:

State Bank of India

Registrars & Share Transfer Agents:

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

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NOTICE TO SHAREHOLDERS

Notice is hereby given that the 57th Annual General Meeting of Sree Satyanarayana Spinning Mills Ltd. will be held on **Saturday, the 26th September, 2020 at 10.00 A.M** at the Registered Office of the Company, Venkatarayapuram, Tanuku-534 215 to transact the following business.

ORDINARY BUSINESS:

- 1) To receive, consider and adopt the audited Financial Statements of the Company comprising the Balance Sheet as at 31st March, 2020, Statement of Profit and Loss, Statement of Cash flows and Statement of changes in Equity for the year ended 31st March, 2020 together with the reports of the Board of Directors and Auditors thereon.
- 2) To appoint a director in place of Sri P.Narendranath Chowdary, (DIN: 0015764) who retires by rotation and, being eligible, offers himself for re-appointment.

//By Order of the Board//
for Sree Satyanarayana Spinning Mills Ltd.

Registered Office:
Venkatarayapuram,
TANUKU - 534 215.
Date: 28th July, 2020

E.Sathyanarayana
Managing Director and Chief Executive Officer
(DIN: 01285696)

Notes:

- 1) A member entitled to attend and vote at the meeting is entitled to appoint a Proxy to attend and vote instead of himself and the Proxy need not be a Member of the Company. A person can act as proxy on behalf of members not exceeding fifty (50) and holding in the aggregate not more than 10% of the total share capital of the Company. Proxy Form is enclosed. Proxies in order to be effective must be received at the Registered Office of the Company not less than 48 hours before the commencement of the Meeting. Proxies submitted on behalf of the companies, societies, etc., must be supported by an appropriate resolution/authority, as applicable;
- 2) The Register of Members and the Share Transfer books of the Company will remain closed from **19-09-2020 to 26-09-2020 (both days inclusive)** for Annual Closing.
- 3) The Record date shall be fixed on the basis of beneficial ownership as at end of business hours of **18th September, 2020** as per the Register of Members and details furnished by the Depositories for this purpose.
- 4) **The Board has not recommended any Dividend pertaining to financial year ended 31st March, 2020 considering the present situation of COVID-19 Pandemic and its outbreak in India resulting in economic uncertainties, to support the working capital requirements and absorb losses in an environment of heightened uncertainty.**
- 5) Pursuant to Sec.124 and 125 of the Companies Act, 2013, all the unclaimed dividends shall be transferred to the "Investor Education and Protection Fund" (IEPF) of the Central Government after a period of 7 years from the date of declaration. Shareholders, who have not encashed their dividend warrants for the years 2017-18 and 2018-19 are requested to write to the Registrars and Share Transfer Agents, M/s. XL Softech Systems Ltd., 3,Sagar Society, Road No.2,Banjara Hills, Hyderabad 500034 for claiming the dividend.

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

Sree Satyanarayana Spinning Mills Ltd.

Members who have not en-cashed the dividend warrants so far in respect of the aforesaid periods are requested to send their claims if any to the Company/ Authorized Share transfer agent immediately. Once the amount is transferred by the Company to IEPF, no claim thereof shall lie against the Company.

- 6) The Securities and Exchange Board of India (SEBI) has made it mandatory for all companies to use the bank account details furnished by the depositories for depositing dividend. Accordingly, dividend will be credited through National Electronic Clearing Service (NECS) to investors wherever NECS and bank details are available. In the absence of NECS facilities, the Company will print the bank account details, if available, on the payment instrument for distribution of dividend. The Company is in compliance with SEBI's directive in this regard;
- 7) 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 participants with whom they are maintaining their demat account(s). Members holding shares in physical form can submit their PAN details to the company.
- 8) Electronic copy of the Notice for the Annual General Meeting and the Annual Report for the year 2019-20 are being sent to all the members whose E-mail IDs are registered with the Company / Depository Participant(s). Physical copy of the Notice together with the Annual Report are being sent in permitted mode, to members for whom the E-mail IDs are not available and who have requested for physical copies. The Notice and the Annual Report are also available on the Company's Website - www.sssmills.com for their download;
- 9) Shareholders are requested to notify their change of address if any to the Company.
- 10) Pursuant to Rule 18 of Companies (Management and Administration) Rule, 2014, Members, those who have not got their E-mail IDs recorded are **requested to register their E-mail address and changes therein by sending their e-mail IDs to sssmills.tanuku@gmail.com** in respect of physical shares and with Depository Participants in respect of dematerialized shares.
- 11) Pursuant to the provisions of Section 72 of the Companies Act, 2013, Members may file nomination forms in respect of their physical shareholdings. Any Member wishing to avail this facility may submit to the Company's Registrar & Share Transfer Agent in the prescribed statutory form.
- 12) Company's share transfer work and dematerialisation of shares, is done by Registrar and Share Transfer Agents - M/s. XL Softech Systems Ltd., 3, Sagar Society, Road No.2, Banjara Hills, Hyderabad - 500 034. Members who are holding shares in the same name in more than one folio may please advise the Registrar and Share Transfer Agents for consolidating into single folio. Members are also advised to dematerialise shares held by them in physical form.

BOARD REPORT

To the Members,

Your Directors have pleasure in submitting their 57th Annual Report of the Company together with the Audited Statements of Accounts for the year ended 31st March, 2020.

FINANCIAL RESULTS:

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

Particulars	For the year ended 31st March, 2020 (Rs.)	For the year ended 31st March, 2019 (Rs.)
Income from Business Operations	70,88,55,477	67,82,03,779
Expenditure	61,61,69,921	59,34,11,700
Operating Profit	9,26,85,557	8,47,92,079
Less: Depreciation & Finance costs	3,78,43,837	4,44,64,880
Gross Profit	5,48,41,720	4,03,27,199
Less: Exceptional Items	–	(4,23,50,148)
Add: Income Tax Refund Received	84,69,556	–
Less: Provision for Taxation:		
Current & Deferred taxes & Short Provision of IT	1,12,50,242	(5,97,519)
Add: Previous years adjustments of Tax	–	–
Less: MAT Credit utilized during the year	39,62,890	–
Net Profit after Tax	4,80,98,143	(14,25,430)
Add balance in profit & loss a/c. brought forward	4,45,25,104	5,16,47,234
Available for appropriation	9,26,23,247	5,02,21,804
Transfer to General reserve	–	–
Dividend paid	47,25,450	47,25,450
Tax on distributable profits	9,71,422	9,71,250
Transfer to FVTOCI Reserve	57,78,867	–
Balance carried forward to next year	8,11,47,508	4,45,25,104
Earnings per share (Basic /diluted)	45.80	(1.36)

REVIEW OF BUSINESS OPERATIONS AND FUTURE PROSPECT:

During the year under review, the mill worked for 350 days in triple shift. The turnover during the year is Rs.70.05 Crores as against Rs.67.26 Crores in the previous year showing an increase of 4.15%. The Company achieved profit of Rs.4.81Crores as against loss of Rs. 14.25 Lakhs in the previous year.

OUTLOOK:

Our mill is facing testing times with falling demand for our yarn and operational challenges due to the coronavirus outbreak. We are facing challenges such as increased bargaining power of buyers amid intense competition, cost-side pressures emanating from higher support prices for kappas announced by Government of India.

The impact will be more pronounced, with limited bargaining power with customers, modest liquidity cushion and less financial flexibility to absorb the impact. This apart, demand in key markets has remained subdued with rapid spread of the Covid-19 across the nation in the recent weeks. While demand for apparel and textile madeups from the EU has remained weak, recent trends in US imports have also been discouraging, corroborated by a steep fall in apparel imports by the USA from India this year and an overall decline in the unit price also. Competition from peer nations is intensifying with increasing penetration of free trade agreements.

These pressures are likely to sustain at least in the near term and the turnover growth will be subdued.

Sree Satyanarayana Spinning Mills Ltd.

TRANSFER TO RESERVES:

Your Company has not transferred any amount to its General Reserves during the year under review. The Directors have decided to retain the entire amount of Rs.4.81 crores in the retained earnings.

EVENTS SUBSEQUENT TO THE DATE OF FINANCIAL STATEMENTS:

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

CHANGE IN THE NATURE OF BUSINESS, IF ANY:

There is no change in the nature of business operations of the Company during the year.

DIVIDEND:

Your Directors wish to inform that considering the present situation of COVID-19 Pandemic and its outbreak in India resulting in economic uncertainties, the Board decided not to recommend any dividends out of profits pertaining financial year ended 31st March, 2020 as it is imperative that Company conserve capital to retain their capacity to support the working capital requirements and absorb losses in an environment of heightened uncertainty.

TRANSFER OF UNCLAIMED DIVIDEND TO INVESTOR EDUCATION AND PROTECTION FUND

During the year under review, there was no dividend amount remaining unclaimed for a period of 7 years and the relevant shares for transfer thereon to the Investor Education and Protection Fund.

The Company has complied with the provisions of Section 125 of the Companies Act, 2013 in this matter.

SHARE CAPITAL:

The paid up Equity Share Capital as on March 31, 2020 was Rs. 1,05,01,000/- comprising 10,50,100 shares of Rs.10/- each. The Company has not issued any shares during the year under review.

a. Listing

Metropolitan Stock Exchange of India Ltd. has turned down our application for Membership. Your Company is making necessary correspondence with them to review their stand.

SUBSIDIARIES, JOINT VENTURES AND ASSOCIATE COMPANIES:

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

DIRECTORS AND KEY MANAGERIAL PERSONNEL:

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

Sri. E. Sathyanarayana, (Managing Director and Chief Executive Officer) and Sri M. Gopalakrishna, [Sr. Manager (Accounts) and Chief Financial Officer] are the Key Managerial personnel (KMP) of the Company.

The company has not been successful yet to appoint a full time Company Secretary as per the requirements of the listing obligations of the Metropolitan Stock Exchange of India Ltd. Continued efforts are on to find a suitable person for the said office and the company is hopeful to fulfill the listing obligation shortly.

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

No Independent Director has been appointed during the financial Year.

DECLARATION OF INDEPENDENT DIRECTORS:

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

BOARD MEETINGS:

The Company had conducted 5 (Five) Meetings of Board, 4 (Four) Meetings of Audit Committee, 2 (Two) Meetings of the Nomination and Remuneration Committee, 2 (Two) Meetings of the Corporate Social Responsibility Committee, 2 (Two) Meetings of the Stakeholders Relationship Committee during the financial year under review. The Details of such Board Meetings are hereunder:

Sree Satyanarayana Spinning Mills Ltd.

Sl. No.	Date of Board meeting	Board strength	No. of directors present
1.	28 th May, 2019	5	5
2.	10 th August, 2019	5	5
3.	6 th November, 2019	5	5
4.	8 th February, 2020	5	5
5.	2 nd March, 2020	5	3

Attendance of Directors:

Board Meetings

Sl. No.	Name of the Director	Board Meetings	
		Number of Meetings director was entitled to attend	Number of Meetings attended
1.	E.Sathyanarayana	5	5
2.	P.Narendranath Chowdary	5	5
3.	A.Dharmaraju	5	5
4.	S. Parvatha Rao	5	4
5.	C.Murali Krishna	5	4

ATTENDANCE OF COMMITTEE MEETINGS:

a. Audit Committee Meetings

Sl. No.	Name of the Director	Audit Committee Meetings	
		Number of Meetings director was entitled to attend	Number of Meetings attended
1.	E.Sathyanarayana	4	4
2.	A.Dharmaraju	4	4
3.	S. Parvatha Rao	2	1
4.	C.Murali Krishna	4	4

b. Corporate Social Responsibility Committee Meetings

Sl. No.	Name of the Director	CSR Committee Meetings	
		Number of Meetings director was entitled to attend	Number of Meetings attended
1.	E.Sathyanarayana	2	2
2.	A.Dharmaraju	2	2
3.	S. Parvatha Rao	2	2

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c. Nomination and Remuneration Committee Meetings

Sl. No.	Name of the Director	NRC Committee Meetings	
		Number of Meetings director was entitled to attend	Number of Meetings attended
1.	P.Narendranath Chowdary	2	1
2.	C.Murali Krishna	2	2
3.	S. Parvatha Rao	2	2

d. Stakeholders Relationship Committee Meetings

Sl. No.	Name of the Director	Stakeholders Relationship Committee Meetings	
		Number of Meetings director was entitled to attend	Number of Meetings attended
1.	P.Narendranath Chowdary	2	2
2.	A.Dharmaraju	2	2
3.	S. Parvatha Rao	2	2

DIRECTORS RESPONSIBILITY STATEMENT:

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

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

NOMINATION AND REMUNERATION COMMITTEE AND POLICY

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

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

ADEQUACY OF INTERNAL FINANCIAL CONTROLS:

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

AUDITORS:

The shareholders, at the 54th Annual General Meeting held on 29th September, 2017 have appointed M/s. Brahmayya & Co., Chartered Accountants, Vijayawada, as Statutory Auditors for a term of five financial years from 2017-2018 to 2021-2022, who will hold office up to the conclusion of the 59th Annual General Meeting to be held in the year 2022, subject to ratification of appointment by the shareholders at every Annual General Meeting. However as per the companies (Amendment) Act, 2018 the requirement of ratification has been done away with, with effect from 7th May, 2018. Hence no motion for ratification of the appointment of auditors is being put up at the ensuing Annual General Meeting.

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

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

DETAILS IN RESPECT OF FRAUDS REPORTED BY AUDITORS UNDER SECTION 143(12) OF THE COMPANIES ACT, 2013

There was no instance of fraud identified or reported by the Statutory Auditors during the course of their audit to report to the Audit Committee and / or Board pursuant to Section 143(12) of the Companies Act, 2013 and rules framed thereunder.

DEPOSITS:

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

UNSECURED LOANS:

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

PARTICULARS OF LOANS, GUARANTEES, OR INVESTMENTS:

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

PARTICULARS OF RELATED PARTY TRANSACTIONS:

All related party transactions that were entered into during the financial year 2019-2020 were on an arm's length basis and were in the ordinary course of business. There were no significant related party transactions made by the Company with promoters, Directors, Key managerial personnel or other designated persons which may have a potential conflict with the interest of the Company at large. All related party transactions were placed in the Audit committee/Board meetings for approval.

CORPORATE SOCIAL RESPONSIBILITY (CSR) INITIATIVES:

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

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

Corporate Social Responsibility policy has been placed on the web site of the company i.e. <http://www.sssmills.com/investors.aspx>

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

Conservation of Energy:

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

Technology Absorption, Adaptation and Innovation:

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

Sree Satyanarayana Spinning Mills Ltd.

Foreign exchange:

Inflow during the year under review: Nil.

Outflow during the year under review was Rs.4.64 Crores.

RISK MANAGEMENT POLICY:

The Company does not have any Risk Management Policy.

DISCLOSURE OF COMPOSITION OF AUDIT COMMITTEE AND PROVIDING VIGIL MECHANISM:

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

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

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

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

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

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

SECRETARIAL STANDARDS OF ICSI

Your Company is in compliance with all applicable secretarial standards issued by the Institute of Company Secretaries of India.

EXTRACT OF ANNUAL RETURN

The extracts of Annual Return in the prescribed Form MGT 9, pursuant to the provisions of Section 92 read with Rule 12 of the Companies (Management and administration) Rules, 2014 is furnished as **Annexure 'B'** and is appended to this Report.

Annual Return for the year ended 31st March, 2020 has been placed on the web site of the company i.e. <http://www.sssmills.com/investors>.

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

The Company has in place a policy on Sexual Harassment of Women at Workplace in line with the requirements of the Sexual Harassment of Women at Workplace (Prevention, Prohibition and Redressal) Act, 2013. An Internal Compliant Committee has been set up to redress complaints received. There were no complaints received from any employee of the Company during the financial year 2019-20.

ACKNOWLEDGEMENTS:

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

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

Registered Office:
Venkatarayapuram,
TANUKU - 534 215.
Date: 28th July, 2020

P.NarendranathChowdary
Chairman
(DIN: 0015764)

ANNEXURE 'A' TO DIRECTORS REPORT

The Annual Report on Corporate Social Responsibility (CSR) Activities to be included in the Board's Report

- 1 "A brief outline of the Company's CSR policy, including overview of projects or programmes "proposed to be undertaken and a reference to the web-link to the CSR policy and projects or programs."
The Companies CSR Policy is to promote education, health, environment and livelihood.
- 2 The Composition of the CSR Committee. 3 Members
1. Sri S. Parvatha Rao, Chairman, 2. Sri E.Sathyannarayana, 3. Sri A.Dharmaraju
- 3 Average net profit of the Company for last three financial years. Rs.3,19,14,086.00
- 4 Prescribed CSR Expenditure (two per cent of the amount as in term 3 above). Rs.6,38,282.00
- 5 Details of CSR spent during the financial year:
a) Total Amount to be spent for the financial year; Rs.6,38,282.00
b) Amount unspent, if any; -
c) Manner in which the amount spent during the financial year is detailed below.

1	2	3	4	5	6	7	8
Sl. No.	CSR Project or activity identified	Sector in which the project is covered	Projects or programs (1) Local area or other 2) Specify the State and district where projects or Programmes was undertaken	Amount outlay (budget) project or programs wise (Rs. in Lakhs)	Amount spent on the projects or programs Sub-heads 1) Direct expenditure on projects or programs 2)Overheads (Rs. in Lakhs)	Cumulative expenditure up to the reporting period (Rs. in Lakhs)	Amount spent: Direct or through implementing agency
1	Promoting education	CL.II	Dr. Sunkavalli Smaraka Vignana Bharathi High School, Unguturu Village, West Godavari District, Andhra Pradesh	0.85	0.85	0.85	Direct
2	Promoting education	CL.II	AKTP Z.P. High School, Tanuku, West Godavari District, Andhra Pradesh	1.60	1.61	1.61	Direct
3	Promoting education	CL.II	Z.P. Girls High School, Tanuku, West Godavari District, Andhra Pradesh	4.00	4.21	4.21	Direct
4	Social Welfare	CL.III	Sr. Citizen Welfare Association, Tanuku, West Godavari District, Andhra Pradesh	1.80	1.95	1.95	Through Association
	TOTAL			8.25	8.62	8.62	

5 In case the company has failed to spend the two per cent of the average net profit of the last three financial years or any part thereof, the company shall provide the reasons for not spending the amount in its Board's report.	Not Applicable
6 A responsibility statement of the CSR Committee that the implementation and monitoring of CSR Policy, is in compliance with CSR Objectives and Policy of the Company.	The implementation and monitoring of CSR Policy is in compliance with CSR objectives and Policy of the Company.

E. Sathyannarayana
Managing Director and Chief Executive Officer

S. Parvatha Rao
Chairman CSR Committee

ANNEXURE 'B' TO DIRECTORS REPORT

**FORM NO. MGT 9
EXTRACT OF ANNUAL RETURN
As on financial year ended on 31.03.2020**

**Pursuant to Section 92 (3) of the Companies Act, 2013 and rule 12(1) of the Company
(Management & Administration) Rules, 2014.**

I.REGISTRATION&OTHERDETAILS:		
1	CIN	U18101AP1962PLC000919
2	Registration Date	23/07/1962
3	Name of the Company	Sree Satyanarayana Spinning Mills Limited
4	Category/Sub-category of the Company	Public Limited Company having Share Capital
5	Address of the Registered office & contact details	Venkatarayapuram, Tanuku - 534 215
6	Whether listed company	unlisted
7	Name, Address & contact details of the Registrar & Transfer Agent, if any.	M/s. XL Softech Systems Limited, Plot No. 3, Sagar Society, Road No. 2, Banjara Hills, Hyderabad - 500034.

II. PRINCIPAL BUSINESS ACTIVITIES OF THE COMPANY

(All the business activities contributing 10 % or more of the total turnover of the company shall be stated)

S. No.	Name and Description of main products / services	NIC Code of the Product/service	% to total turnover of the company
1	COTTONYARN	13111	100%

III. PARTICULARS OF HOLDING, SUBSIDIARY AND ASSOCIATE COMPANIES

S. No.	Name and address of the Company	CIN/GLN	Holding/ Subsidiary/ Associate	% of shares held	Applicable Section
NIL					

IV. SHARE HOLDING PATTERN

(Equity share capital breakup as percentage of total equity)

(i) Category-wise Share Holding

Category of Shareholders	No. of Shares held at the beginning of the year				No. of Shares held at the end of the year				% Change during the year
	Demat	Physical	Total	% of Total Shares	Demat	Physical	Total	% of Total Shares	
A. Promoters									
(1) Indian									
a) Individual/ HUF	2,22,540	1,07,300	3,29,840	31.41%	3,49,840	-	3,49,840	33.31%	1.90%
b) Central Govt	-	-	-	-	-	-	-	-	-
c) State Govt(s)	-	-	-	-	-	-	-	-	-
d) Bodies Corp.	-	10,000	10,000	0.95%	10,000	-	10,000	0.95%	0.00%
e) Banks / FI	-	-	-	-	-	-	-	-	-
f) Any other	-	-	-	-	-	-	-	-	-
Sub Total (A) (1)	2,22,540	1,17,300	3,39,840	32.36%	3,59,840	-	3,59,840	34.27%	1.90%
(2) Foreign									
a) NRI Individuals	-	-	-	-	-	-	-	-	-
b) Other Individuals	-	-	-	-	-	-	-	-	-
c) Bodies Corp.	-	-	-	-	-	-	-	-	-
d) Any other	-	-	-	-	-	-	-	-	-
Sub Total (A) (2)	-	-	-	-	-	-	-	-	-
TOTAL (A)	2,22,540	1,17,300	3,39,840	32.36%	3,59,840	-	3,59,840	34.27%	1.90%
B. Public Shareholding									
1. Institutions									
a) Mutual Funds	-	-	-	-	-	-	-	-	-
b) Banks / FI	-	-	-	-	-	-	-	-	-
c) Central Govt	-	-	-	-	-	-	-	-	-
d) State Govt(s)	-	-	-	-	-	-	-	-	-
e) Venture Capital Funds	-	-	-	-	-	-	-	-	-
f) Insurance Companies	-	-	-	-	-	-	-	-	-
g) FIs	-	-	-	-	-	-	-	-	-
h) Foreign Venture Capital Funds	-	-	-	-	-	-	-	-	-
i) Others (specify)	-	-	-	-	-	-	-	-	-
Sub-total (B)(1):-	-	-	-	-	-	-	-	-	-
2. Non-Institutions									
a) Bodies Corp.	-	-	-	-	-	-	-	-	-
i) Indian	-	79,500	79,500	7.57%	-	79,500	79,500	7.57%	0.00%
ii) Overseas	-	-	-	-	-	-	-	-	-
b) Individuals									
i) Individual shareholders holding nominal share capital upto Rs. 1 lakh	44,100	1,47,250	1,91,350	18.22%	50,870	1,38,480	1,89,350	18.03%	0.19%

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ii) Individual shareholders holding nominal share capital in excess of Rs 1 lakh	18,000	4,21,410	4,39,410	41.84%	-	4,21,410	4,21,410	40.13%	1.71%
c) Others (specify)	-	-	-	-	-	-	-	-	-
Non Resident Indians	-	-	-	-	-	-	-	-	-
Overseas Corporate Bodies	-	-	-	-	-	-	-	-	-
Foreign Nationals	-	-	-	-	-	-	-	-	-
Clearing Members	-	-	-	-	-	-	-	-	-
Trusts	-	-	-	-	-	-	-	-	-
Foreign Bodies - D R	-	-	-	-	-	-	-	-	-
Sub-total (B)(2):-	62,100	6,48,160	7,10,260	67.64%	50,870	6,39,390	6,90,260	65.73%	1.90%
Total Public (B)	62,100	6,48,160	7,10,260	67.64%	50,870	6,39,390	6,90,260	65.73%	1.90%
C. Shares held by Custodian for GDRs & ADRs	-	-	-	-	-	-	-	-	-
Grand Total (A+B+C)	2,84,640	7,65,460	10,50,100	100.00%	4,10,710	6,39,390	10,50,100	100.00%	0.00%

(ii) Shareholding of Promoter

Sl. No.	Shareholder's Name	Shares held at the beginning of the year			Shares held at the end of the year *			(% Change in share holding during the year)
		No. of Shares	% of total Shares of the company	% of Shares Pledged / encumbered to total shares	No. of Shares	% of total Shares of the company	% of Shares Pledged / encumbered to total shares	
1	E.SATHYANARAYANA	1,59,140	15.15%	-	1,79,140	17.06%	-	1.90%
2	E.RAJESWARI	48,800	4.65%		48,800	4.65%		0.00%
3	E.SIDHAARTH	14,600	1.39%		14,600	1.39%		0.00%
4	E.RAMALAKSHMI	5,000	0.48%		5,000	0.48%		0.00%
5	E.RANGA RAO	55,310	5.27%		55,310	5.27%		0.00%
6	E.SAILESH	42,570	4.05%		42,570	4.05%		0.00%
7	L.NAGASWARNA	4,420	0.42%		4,420	0.42%		0.00%
8	RAMALAKSHMI SPINNERS PVT. LTD.	10,000	0.95%		10,000	0.95%		0.00%
	TOTAL	3,39,840	32.36%		3,59,840	34.27%		1.90%

(iii) Change in Promoters' Shareholding (please specify, if there is no change)

Sl. No.	Particulars	Date	Reason	Shareholding at the beginning of the year		Cumulative Shareholding during the year	
				No. of Shares	% of total Shares	No. of Shares	% of total Shares
1	E.SATHYANARAYANA						
	At the beginning of the year	01/04/2019		1,59,140	15.15%	-	-
	Changes during the year	14/06/2019	Transfer	18,000	1.71%	-	-
		13/03/2020	Transfer	2,000	0.19%	-	-
	At the end of the year	31/03/2020				1,79,140	17.06%
2	E.RAJESWARI						
	At the beginning of the year	01/04/2019		48,800	4.65%	-	-
	Changes during the year			-	-	-	-
	At the end of the year	31/03/2020				48,800	4.65%
3	E.SIDHAARTH						
	At the beginning of the year	01/04/2019		14,600	1.39%	-	-
	Changes during the year			-	-	-	-
	At the end of the year	31/03/2020				14,600	1.39%
4	E.RAMALAKSHMI						
	At the beginning of the year	01/04/2019		5,000	0.48%	-	-
	Changes during the year			-	-	-	-
	At the end of the year	31/03/2020				5,000	0.48%
5	E.RANGA RAO						
	At the beginning of the year	01/04/2019		55,310	5.27%	-	-
	Changes during the year			-	-	-	-
	At the end of the year	31/03/2020				55,310	5.27%
6	E.SAILESH						
	At the beginning of the year	01/04/2019		42,570	4.05%	-	-
	Changes during the year			-	-	-	-
	At the end of the year	31/03/2020				42,570	4.05%
7	L.NAGASWARNA						
	At the beginning of the year	01/04/2019		4,420	0.42%	-	-
	Changes during the year			-	-	-	-
	At the end of the year	31/03/2020				4,420	0.42%
8	RAMALAKSHMI SPINNERS PVT. LTD.						
	At the beginning of the year	01/04/2019		10,000	0.95%	-	-
	Changes during the year			-	-	-	-
	At the end of the year	31/03/2020				10,000	0.95%

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**(iv) Shareholding Pattern of top ten Shareholders
(Other than Directors, Promoters and Holders of GDRs and ADRs):**

Sl. No.	For each of the Top 10 shareholders	Date	Reason	Shareholding at the beginning of the year		Cumulative Shareholding during the year	
				No. of Shares	% of total Shares	No. of Shares	% of total Shares
1	B.Ramesh Kumar At the beginning of the year Changes during the year At the end of the year	01/04/2019		72,280	6.88%	72,280	6.88%
		31/03/2020					
2	Sree Venkataraya Investment & Finance Company Ltd. At the beginning of the year Changes during the year At the end of the year	01/04/2019		44,500	4.24%	44,500	4.24%
		31/03/2020					
3	N.V.K.Ranga Rao At the beginning of the year Changes during the year At the end of the year	01/04/2019		43,630	4.15%	43,630	4.15%
		31/03/2020					
4	D.Lakshmi At the beginning of the year Changes during the year At the end of the year	01/04/2019		38,820	3.70%	38,820	3.70%
		31/03/2020					
5	Sri.Y Narayana Rao Chowdary At the beginning of the year Changes during the year At the end of the year	01/04/2019		38,100	3.63%	38,100	3.63%
		31/03/2020					
6	M.Satyanarayanamma At the beginning of the year Changes during the year At the end of the year	01/04/2019		33,030	3.15%	33,030	3.15%
		31/03/2020					
7	Y.T.Raja At the beginning of the year Changes during the year At the end of the year	01/04/2019		23,340	2.22%	23,340	2.22%
		31/03/2020					
8	Sri. M Narendranath At the beginning of the year Changes during the year At the end of the year	01/04/2019		21,670	2.06%	21,670	2.06%
		31/03/2020					
9	M.Thimmaraja At the beginning of the year Changes during the year At the end of the year	01/04/2019		21,670	2.06%	21,670	2.06%
		31/03/2020					
10	Sree Venkataraya Printers & Packers Pvt. Ltd. At the beginning of the year Changes during the year At the end of the year	01/04/2019		20,000	1.90%	20,000	1.90%
		31/03/2020					

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(v) Shareholding of Directors and Key Managerial Personnel:

Sl. No.	Shareholding of each Directors and each Key Managerial Personnel	Date	Reason	Shareholding at the beginning of the year		Cumulative Shareholding during the year	
				No. of Shares	% of total Shares	No. of Shares	% of total Shares
1	E. Satyanarayana						
	At the beginning of the year	01/04/2019		1,59,140	15.15%	-	-
	Changes during the year	14/06/2019	Transfer	18,000	1.71%	-	-
		13/03/2020	Transfer	2,000	0.19%	-	-
	At the end of the year	31/03/2020				1,79,140	17.06%
2	P.Narendranath Chowdary						
	At the beginning of the year	01/04/2019		6,420	0.61%		
	Changes during the year						
	At the end of the year	31/03/2020				6,420	0.61%
3	A.Dharmaraju						
	At the beginning of the year	01/04/2019		-	-	-	-
	Changes during the year			-	-	-	-
	At the end of the year	31/03/2020		-	-	-	-
4	Sunkavalli Parvatha Rao						
	At the beginning of the year	01/04/2019		-	-	-	-
	Changes during the year			-	-	-	-
	At the end of the year	31/03/2020		-	-	-	-
5	Chevuturi Murali Krishna						
	At the beginning of the year	01/04/2019		-	-	-	-
	Changes during the year			-	-	-	-
	At the end of the year	31/03/2020		-	-	-	-

V. INDEBTEDNESS

Indebtedness of the Company including interest outstanding/accrued but not due for payment.

(Rs. in Lakhs)

Particulars	Secured Loans excluding deposits	Unsecured Loans	Deposits	Total Indebtedness
Indebtedness at the beginning of the financial year				
i) Principal Amount	1,275.31	-	-	1,275.31
ii) Interest due but not paid	-	-	-	-
iii) Interest accrued but not due	-	-	-	-
Total (i+ii+iii)	1,275.31	-	-	1,275.31
Change in Indebtedness during the financial year				
* Addition	-	-	-	-
* Reduction	899.95	-	-	899.95
Net Change	(899.95)	-	-	(899.95)
Indebtedness at the end of the financial year				
i) Principal Amount	375.36	-	-	375.36
ii) Interest due but not paid	-	-	-	-
iii) Interest accrued but not due	2.79	-	-	2.79
	378.15	-	-	378.15

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VI. REMUNERATION OF DIRECTORS AND KEY MANAGERIAL PERSONNEL

A. Remuneration to Managing Director, Whole-time Directors and/or Manager:

S. No.	Particulars of Remuneration	Name of MD/WTD/ Manager	Total Amount Rs.
1	Gross salary (a) Salary as per provisions contained in section 17(1) of the Income-tax Act, 1961 (b) Value of perquisites u/s 17(2) Income-tax Act, 1961 (c) Profits in lieu of salary under section 17(3) Income- tax Act, 1961	Name : E.Sathyanarayana Designation : Managing Director and Chief Executive Officer	13,50,000 96,600 -
2	Stock Option		-
3	Sweat Equity		-
4	Commission - as % of profit - others, specify		- 14,39,806 -
5	Others, please specify		-
	Total (A)		28,86,406
	Ceiling as per the Act		5%

B. Remuneration to other Directors

Rs.

S. No.	Name of Directors	Particulars of Remuneration			
1	Independent Directors	Fee for attending board / committee meetings	Commission	Others, please specify	Total (1)
	A.Dharmaraju	1,15,000	-	-	1,15,000
	S. Parvatha Rao	95,000	-	-	95,000
	C.Murali Krishna	90,000	-	-	90,000
	Total Amount	3,00,000			3,00,000
2	Other Non-Executive Directors	Fee for attending board / committee meetings	Commission	Others, please specify	Total (2)
	Total Amount	-	-	-	-
	Total (B)=(1+2)	3,00,000	-	-	3,00,000
	Total Managerial Remuneration (A+B)	-	-	-	31,86,406

C. Remuneration to Key Managerial Personnel other than MD/Manager/WTD

S. No.	Particulars of Remuneration	Name of Key Managerial Personnel			Total Amount Rs.
		Name Designation	- CEO	M. Gopalakrishna CFO	
1	Gross salary (a) Salary as per provisions contained in section 17(1) of the Income-tax Act, 1961 (b) Value of perquisites u/s 17(2) Income-tax Act, 1961 (c) Profits in lieu of salary under section 17(3) Income- tax Act, 1961		3,36,462		3,36,462
2	Stock Option				
3	Sweat Equity				
4	Commission - as % of profit - others, specify				
5	Others, please specify Total		3,36,462		3,36,462

VII. PENALTIES / PUNISHMENT/ COMPOUNDING OF OFFENCES:

Type	Section of the Companies Act	Brief Description	Details of Penalty / Punishment/ Compounding fees imposed	Authority [RD / NCLT/ COURT]	Appeal made, if any (give Details)
A. COMPANY Penalty Punishment Compounding B. DIRECTORS Penalty Punishment Compounding C. OTHER OFFICERS IN DEFAULT Penalty Punishment Compounding			NIL		

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Independent Auditor's Report

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

Report on the Financial Statements

Opinion

We have audited the accompanying Ind AS financial statements of **SREE SATYANARAYANA SPINNING MILLS LIMITED**, ("the Company, which is in the process of listing with The Metropolitan Stock Exchange of India Limited"), which comprise the Balance sheet as at 31st March, 2020, the Statement of Profit and Loss (including other comprehensive income), the statement of Cash Flows and the statement of changes in equity for the year then ended, and a summary of significant accounting policies and other explanatory information (herein after referred to as " Ind AS financial statements").

In our opinion and to the best of our information and according to the explanations given to us the accompanying financial statements give the information required by the Companies Act, 2013 ("the Act") in the manner so required and give a true and fair view in conformity with the Indian Accounting Standards prescribed under section 133 of the Act read with the Companies (Indian Accounting Standard) Rules, 2015, as amended, ("Ind AS") and other accounting principles generally accepted in India, of the state of affairs of the Company as at March 31, 2020, the profit and total comprehensive income, changes in equity and its cash flows for the year ended on that date.

Basis for Opinion

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

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

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

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

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

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

Responsibilities of Management for the Financial Statements

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

This responsibility also includes maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding of the assets of the company and for preventing and detecting the frauds and other irregularities; selection and application of appropriate accounting policies; making judgments and estimates that are reasonable and prudent; and design, implementation and maintenance of

adequate internal financial controls, that were operating effectively for ensuring the accuracy and completeness of the accounting records, relevant to the preparation and presentation of Ind AS financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error.

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

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

Auditor's Responsibilities for the Audit of the Financial Statements

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

As part of an audit in accordance with SAs, we exercise professional judgment and maintain professional 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 Companies Act, 2013, we are also responsible for expressing our opinion on whether the company has adequate internal financial controls system in place and the operating effectiveness of such controls.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Company to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

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

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

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 of the current period and are therefore the key audit matters. We describe these matters in our auditor's 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.

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Report on Other Legal and Regulatory Requirement

- 1) As required by the Companies (Auditor's Report) Order, 2016 ("the Order") issued by the Central Government of India in terms of sub-section (11) of section 143 of the Companies Act, 2013 we give in the Annexure A, a statement on the matters specified in paragraph 3 and 4 of the Order, to the extent applicable.
- 2) As required by Section 143(3) of the Companies Act, 2013 we report that:
 - a) We have sought and obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purposes of our audit.
 - b) In our opinion, proper books of account as required by law have been kept by the Company so far as it appears from our examination of those books.
 - c) The Balance Sheet, the Statement of Profit and Loss including other comprehensive income, the Cash Flow Statement and the changes in equity dealt with by this Report are in agreement with the books of account.
 - d) In our opinion, the aforesaid financial statements comply with the Indian Accounting Standards (IND AS) prescribed under Section 133 of the Companies Act, 2013 read with relevant rules issued there under and other accounting principles generally accepted in India.
 - e) On the basis of written representations received from the directors as on 31st March, 2020 taken on record by the Board of Directors, none of the directors is disqualified as on 31st March, 2020 from being appointed as a director in terms of Section 164(2) of the Act.
 - f) With respect to the adequacy of internal financial controls over financial reporting of the Company and the operating effectiveness of such controls, refer to our separate report in "Annexure B", Our report expresses an unmodified opinion on the adequacy and operating effectiveness of the company's internal financial controls over financial reporting.
 - g) With respect to the other matters to be included in the Auditor's report under section 197(16), in our opinion and according to the information and explanations given to us, the remuneration paid by the company to its directors during the current year is in accordance with the provisions of Section 197 of the Act. The remuneration paid to the managing director is not in excess of the limit laid down under Section 197 of the Act. The Ministry of Corporate Affairs has not prescribed other details under Section 197(16) which are required to be commented upon by us.
 - h) With respect to the other matters to be included in the Auditor's report in accordance with Rule 11 of the Companies (Audit and Auditors) Rules, 2014, in our opinion and to the best of our information and according to the explanations given to us:
 - i. The Company has disclosed the impact of pending litigations on its financial position in its Ind AS financial statements - Refer Note 31 to the Ind AS financial statements;
 - ii. The Company did not have any long term contracts including derivative contracts for which there were any material foreseeable losses; and
 - iii. There has been no delay in transferring amounts, required to be transferred, to the Investor Education and Protection Fund by the Company.

Place: VIJAYAWADA
Date: 28th July, 2020

For Brahmayya & Co.
Chartered Accountants
Firm's Registration
Number:000513S
(T.V.Ramana)
Partner
(ICAI Membership. No. 200523)

ANNEXURE - A to the Independent Auditor's Report

The Annexure referred to in Paragraph 1 under the heading of "Report on other Legal and Regulatory Requirements" of our report of even date, to the members of **Sree Satyanarayana Spinning Mills Limited, TANUKU** for the year ended 31st March 2020.

We report that:

- (i) (a) The company has maintained proper records showing full particulars including quantitative details and situation of fixed assets.
- (b) The Fixed Assets are physically verified by the management according to a phased program designed to cover all the items over a period of three years which, in our opinion, is reasonable having regard to the size of the company and the nature of its assets. No material discrepancies were noticed on such physical verification.
- (c) According to the information and explanations furnished to us, the title deeds of immovable properties are held in the name of the company.
- (ii). According to the information and explanation given to us, the inventory has been physically verified by the management at reasonable intervals and the discrepancies noticed during such physical verification of inventories as compared to books have been properly dealt with in the books of account.
- (iii). The company has not granted any loans, secured or unsecured to companies, firms, Limited Liability partnerships or other parties covered in the register maintained under section 189 of the Companies Act, 2013. Therefore, the provisions of clauses 3(iii)(a), 3(iii)(b) and 3(iii)(c) of the said order are not applicable to the company.
- (iv). In our opinion and according to the information and explanations given to us, the company has not granted any loans, guarantees and security in accordance with the provisions of section 185 of the Companies Act 2013. The company has complied with the provisions of section 186 of the Companies Act 2013, in respect of Loans and investments made.
- (v). The company has not accepted any deposits from public that come within the purview of provisions of section 73 to 76 and other applicable provisions of the Companies Act, 2013 and Companies (Acceptance of Deposits) Rules, 2014 with regard to the deposits accepted from the public.
- (vi). We have broadly reviewed the books of account and records maintained by the company, pursuant to the Rules made by the Central Government for the maintenance of Cost Records under section 148 (1) of the Companies Act, 2013 and are of the opinion that prima facie the prescribed accounts and records have been made and maintained.
- (vii). (a) According to the information and explanations given to us and on the basis of our examination of the records of the company, in our opinion, the company is regular in depositing with the appropriate authorities, the undisputed statutory dues including Provident Fund, Employees' State Insurance, Income Tax, Sales Tax, Goods and Service Tax, Service Tax, Duty of Customs, Duty of Excise, Value Added Tax, Cess and other material statutory dues applicable to it.

According to the information and explanations given to us, no undisputed amounts payable in respect of Provident Fund, Income Tax, Sales Tax, Goods and Service Tax, Service Tax, Duty of Customs, Duty of Excise, Value Added Tax, Cess and other material statutory dues applicable to it; and no undisputed statutory dues were outstanding, as at the date of Balance sheet under report, for a period of more than six months from the date they became payable.
- (b) According to the information and explanations given to us, there were no amounts of Sales Tax, Customs Duty, Goods and Service Tax Excise Duty, Cess, Income Tax, Service Tax that have been disputed by the company, and hence, were not remitted to the concerned authorities at the date of the balance sheet under report, except

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S.No.	Nature of dues	Name of the statute	Period	Amount in Rs.	Forum where the dispute is pending
1	Income Tax	Income Tax Act, 1961	1989-1990	28,84,527	Honorable High court of AP

- (viii). According to the records of the company examined by us, and the information and explanations given to us, there were no defaults in repayment of loans or borrowings to banks and Government during the year under report.
- (ix). According to Information and explanations given to us, the term loans taken by the company from banks under report and the same were applied for the purposes for which those were raised.
- (x). During the course of our examination of the books and records of the company, carried out in accordance with the Generally Accepted Audited Practices in India, and according to the information and explanations given to us, we have neither come across any instances of material fraud by the company or any fraud on the company by its officers or employees, noticed or reported during the year, nor have we been informed of any such case by the management.
- (xi). According to the information and explanations given to us and based on our examination of the records of the Company, the Company has paid/provided for managerial remuneration in accordance with the requisite approvals mandated by the provisions of section 197 read with Schedule V to the Companies Act.
- (xii). In our opinion and according to the information and explanations furnished to us, the company is not a Nidhi and hence, the requirement of clause 3(xii) of the Order is not applicable to the company during the year under report.
- (xiii). 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 Ind AS financial statements as required by the applicable accounting standards.
- (xiv) According to the information and explanations given to us and based on our examination of the records of the Company, the Company has not made any preferential allotment or private placement of shares or fully or partly convertible debentures during the year.
- (xv) According to the information and explanations given to us and based on our examination of the records of the Company, the Company has not entered into non-cash transactions with directors or persons connected with him under the provisions of Section 192 of Companies Act, 2013. Therefore, the provisions of clause 3(xv) of the Order are not applicable.
- (xvi) The Company is not required to be registered under section 45-IA of the Reserve Bank of India Act 1934.

Place: VIJAYAWADA
Date: 28th July, 2020

For Brahmayya & Co.
Chartered Accountants
Firm's Registration
Number: 000513S
(T.V.Ramana)
Partner
(ICAI Membership. No. 200523)

Annexure - B to the Independent Auditors' Report

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

We have audited the internal financial controls over financial reporting of Sree Satyanarayana Spinning Limited ("the Company, which is in the process of listing with The Metropolitan Stock Exchange of India Limited") as of 31st March 2020 in conjunction with our audit of the Ind AS financial statements of the Company for the year ended on that date.

Management's Responsibility for Internal Financial Controls

The Company's management is responsible for establishing and maintaining internal financial controls based on the internal control 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 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

Sree Satyanarayana Spinning Mills Ltd.

- (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.

Opinion

In our opinion, to the best of our information and according to the explanations given to us, the Company has, in all material respects, an adequate internal financial controls system over financial reporting and such internal financial controls over financial reporting were operating effectively as at 31st March 2020, 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.

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

Place : VIJAYAWADA
Date : 28th July, 2020

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

Balance Sheet As At 31st March, 2020

Particulars	Notes	As At 31st March 2020 Rs.	As At 31st March 2019 Rs.
Non current Assets			
Property, Plant and Equipment	2	33,25,90,509	33,83,17,368
Capital Work in Progress		--	--
Investment property			
Other Intangible Assets			
Financial assets:			
(i) Investments	3	3,92,74,540	4,30,94,935
(ii) Trade receivables			
(iii) Loans		--	--
(iv) Others (To be specified)	4	1,42,75,813	1,42,75,813
Deferred Tax Assets (net)			
Other Non Current assets		--	--
Current Assets			
Inventories	5	11,63,05,297	19,24,03,997
Financial assets:			
(i) Investments	6	25,77,142	3,80,362
(ii) Trade Receivables	7	8,28,06,496	6,43,18,435
(iii) Cash and Cash Equivalents	8.1	1,53,06,093	3,99,749
(iv) Bank balances other than (iii) above	8.2	5,95,700	77,75,000
(v) Loans			
(vi) Others (to be specified)	9	14,22,462	20,49,801
Current tax asset(Net)	10	68,80,832	76,78,380
Other Current Assets	11	3,86,24,472	16,13,601
TOTAL		65,06,59,356	67,23,07,441
EQUITY AND LIABILITIES			
Equity			
Equity Share Capital	12	1,05,01,000	1,05,01,000
Other Equity	13	48,11,55,475	45,83,03,735
LIABILITIES			
Non-Current Liabilities			
Financial Liability			
(i) Borrowings	14	--	3,37,36,327
(ii) Trade Payables			
Due to Micro & Small Enterprises		--	--
Due to Others		--	--
(iii) Other Financial liabilities			
Provisions	15	1,27,74,578	96,44,960
Deferred Tax Liability (Net)	16	3,18,70,491	1,22,51,755
Other non-current liabilities		--	--
Current Liabilities			
Financial liabilities:			
(i) Borrowings	18	--	5,53,95,207
(ii) Trade Payables	19		
Due to Micro & Small Enterprises		3,46,448	3,61,549
Due to Others		5,36,29,121	3,57,52,256
(iii) Other Financial liabilities	20	5,22,79,017	4,80,54,157
Other Current Liabilities	21	21,50,513	29,92,027
Provisions	17	59,52,713	53,14,468
Current Tax Liabilities (Net)			
TOTAL		65,06,59,356	67,23,07,441
Summary of Significant Accounting policies	1		

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

As per our report of even date
for BRAHMAYYA & CO.

Chartered Accountants
Firm Regn. No.000513S
(T.V.RAMANA)
Partner

Membership No: 200523

Camp : Vijayawada
Date : 28-07-2020

For and on behalf of the Board of Directors

E. SATHYANARAYANA
P. NARENDRANATH CHOWDARY

M. GOPALAKRISHNA

Managing Director and Chief Executive Officer
Director

C.F.O.

Statement of Profit And Loss for the year Ended 31st March, 2020

Particulars	Notes	Current Reporting Period 2019-20 Rs.	Previous Reporting Period 2018-19 Rs.
Income			
Revenue from operations	22	70,06,02,227	67,31,75,539
Other Income	23	82,53,251	50,28,240
Total Income (I)		70,88,55,477	67,82,03,779
Expenses			
Cost of raw materials consumed	24	28,32,39,981	34,65,85,100
Changes in Inventories of finished goods and Work-in-progress	25	7,39,73,129	(2,42,99,397)
Employee benefits expense	26	8,25,26,217	7,42,03,539
Finance Costs	27	61,67,993	1,32,42,125
Depreciation and amortization expense	28	3,16,75,844	3,12,22,755
Power and fuel		10,73,15,659	11,49,72,220
Other expenses	29	6,91,14,935	8,19,50,238
Total Expenses (II)		65,40,13,758	63,78,76,581
Profit/(loss) before exceptional items and tax (I-II)		5,48,41,720	4,03,27,199
Less: Exceptional items		--	4,23,50,148
Profit/(loss) before tax		5,48,41,720	(20,22,949)
Add: Income Tax Refund Received		84,69,556	--
Less : Tax expenses			
Current tax		83,20,954	--
MAT credit utilised during the year		39,62,890	--
Deferred tax		29,28,784	(6,13,817)
Short Provision of Income tax of earlier years		504	16,298
Total tax expense		1,52,13,132	(5,97,519)
Profit/(loss) for the year from continuing operations		4,80,98,143	(14,25,430)
Profit (loss) from discontinued operations		--	--
Tax expenses of discontinued operations		--	--
Profit/(loss) from Discontinued operations (after tax)		--	--
Profit (loss) for the period		4,80,98,143	(14,25,430)
Other comprehensive income			
A (i) Items that will not be reclassified to profit or loss	30	(68,22,972)	(2,80,42,561)
(ii) Income tax relating to items that will not be reclassified to profit or loss		(1,27,26,559)	4,57,392
B (i) Items that will be reclassified to profit or loss		--	--
(ii) Income tax relating to items that will be reclassified to profit or loss		--	--
Total Comprehensive Income for the period (comprising profit (loss) for the period and other comprehensive income)		2,85,48,613	(2,90,10,599)
Earning per share:-			
Basic		45.80	(1.36)
Diluted		45.80	(1.36)
Restated		45.80	(1.36)
Summary of Significant Accounting policies	1		

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

As per our report of even date
for BRAHMAYYA & CO.

Chartered Accountants
Firm Regn. No.000513S
(T.V.RAMANA)
Partner

Membership No: 200523

Camp : Vijayawada

Date : 28-07-2020

For and on behalf of the Board of Directors

E. SATHYANARAYANA

P. NARENDRANATH CHOWDARY

M. GOPALAKRISHNA

Managing Director and Chief Executive Officer

Director

C.F.O.

Statement of Changes in Equity for the year ended 31st March 2020

A. Equity share capital

Particulars	No's	Amount in Rs.
As at 1st April, 2019	10,50,100	1,05,01,000
Changes in equity share capital	-	-
As at 31st March, 2020	10,50,100	1,05,01,000

B. Other Equity

Other Comprehensive Income

Particulars	Capital Redemption Reserve	Capital Reserve	Other Reserves (General reserve)	Retained Earnings	Equity instruments through Other Comprehensive Income	Deferred tax impact on related items	Actuarial Gains/ losses reserve	Total Rs.
Balance at the beginning of reporting period - 31st March, 2019	3,00,000	28,31,396	41,02,39,530	4,45,25,104	(95,42,565)	1,40,19,268	(40,68,999)	45,83,03,734
Profit for the period				4,80,98,143				4,80,98,143
Other Comprehensive Income					(38,20,395)	(1,27,26,559)	(30,02,577)	(1,95,49,531)
Total Comprehensive Income for the year				4,80,98,143	(38,20,395)	(1,27,26,559)	(30,02,577)	2,85,48,613
Transfer from/to General Reserve								--
Transfer to FVTOCI reserve				(57,78,867)		(12,92,709)	70,71,576	57,78,867
Transfer from Retained Earnings				(47,25,450)				(57,78,867)
Final Dividends				(9,71,422)				(47,25,450)
Dividend Distribution tax								(9,71,422)
Balance at the end of reporting period - 31st March 2020	3,00,000	28,31,396	41,02,39,530	8,11,47,508	(1,33,62,960)	--	--	48,11,55,475

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

As per our report of even date For and on behalf of the Board of Directors

for BRAHMAYYA & CO. E. SATHYANARAYANA

Chartered Accountants Firm Regn. No.000513S P. NARENDRANATH CHOWDARY Director

(T.V.RAMANA) M. GOPALAKRISHNA C.F.O.

Partner

Membership No: 200523

Camp : Vijayawada

Date : 28-07-2020

Managing Director and Chief Executive Officer

Director

C.F.O.

Sree Satyanarayana Spinning Mills Ltd.

CASH FLOW STATEMENT FOR THE YEAR ENDED 31st March 2020

	31st March 2020	31st March 2019
Profit before tax from continuing operations	5,48,41,720	(20,22,949)
Adjustments for		
Interest expense	61,67,993	1,32,42,125
Interest income	(37,59,740)	(19,95,988)
Dividend income	(10,21,780)	(4,43,046)
Bad debts written off	8,14,721	-
Depreciation/amortization on continuing operation	3,16,75,844	3,12,22,755
Loss/[profit] on sale of fixed assets	(19,36,777)	-
Remeasurement of defined benefit plans	(30,02,577)	(16,44,112)
Operating profit before working capital changes	8,37,79,404	3,83,58,785
Movements in working capital:		
Increase/[decrease] in trade payables	1,78,61,764	(3,83,93,506)
Increase/[decrease] in non-current provisions	31,29,618	44,12,337
Increase/[decrease] in short-term provisions	6,38,245	(24,39,963)
Increase/[decrease] in other liabilities(Current)	(8,41,514)	9,18,098
Increase/[decrease] in other financial liabilities (current)	55,59,950	84,71,062
Increase/[decrease] in other financial assets (non-current)	--	(41,79,100)
Decrease/[increase] in trade receivables	(1,93,02,782)	(31,05,989)
Decrease/[increase] in inventories	7,60,98,700	(1,11,12,760)
Decrease/[increase] in other current assets	(3,70,10,871)	1,06,389
Decrease/[increase] in other financial assets (current)	1,00,051	52,17,892
Decrease/[increase] in current investments	(11,75,000)	3,30,00,000
Decrease/[increase] in margin money deposits	71,79,300	(22,00,000)
Cash generated from/[used in] operations		
Direct taxes paid [net of refunds]	9,46,149	(24,70,654)
Net cash flow from/[used in] operating activities (A)	13,69,63,014	2,65,82,592
Cash flows from investing activities		
Purchase of fixed assets, including intangible assets, CWIP and capital advances	(3,29,73,507)	(1,01,37,572)
Proceeds from sale of fixed assets	89,61,298	
Purchase of current investments		
Proceeds from sale/maturity of current investments		
Interest received	42,87,028	18,12,488
Dividends received from Long- Term investments		
Net cash flow from/[used in] investing activities (B)	(1,97,25,181)	(83,25,084)
Cash flows from financing activities		
Proceeds from borrowings	(8,99,95,207)	(75,05,696)
Proceeds from other non-current financial liabilities		
Interest paid	(66,85,090)	(1,33,85,760)
Dividends paid including Interim Dividend	(46,79,770)	(47,25,450)
Tax on equity dividend paid	(9,71,423)	(9,71,251)
Net cash flow from/[used in] in financing activities [C]	(10,23,31,490)	(2,65,88,157)
Net increase/[decrease] in cash and cash equivalents (A+B+C)	1,49,06,344	(83,30,649)
Cash and cash equivalents at the beginning of the year	3,99,749	87,30,398
Cash and cash equivalents at the end of the year	1,53,06,093	3,99,749
Components of cash and cash equivalents		
Cash on hand	65,455	57,137
Cheques/drafts on hand		
With banks Accounts	1,48,97,558	45,422
Margin Money deposit accounts		
Unpaid dividend accounts*	3,43,080	2,97,190
Total cash and cash equivalents (Note 15)	1,53,06,093	3,99,749

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

As per our report of even date
for BRAHMAYYA & CO.

Chartered Accountants
Firm Regn. No.000513S
(T.V.RAMANA)

Partner

Membership No: 200523

Camp : Vijayawada

Date : 28-07-2020

For and on behalf of the Board of Directors

E. SATHYANARAYANA

P. NARENDRANATH CHOWDARY

M. GOPALAKRISHNA

Managing Director and Chief Executive Officer

Director

C.F.O.

NOTES FORMING PART OF FINANCIAL STATEMENTS

1. CORPORATE INFORMATION

Brief description of the Company

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

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

The financial statements for the year ended March 31, 2020 were approved by the Board of Directors and authorize for issue on July 28th, 2020.

1.1 SIGNIFICANT ACCOUNTING POLICIES

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

a) Basis of preparation of financial statements

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

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

b) Use of estimates

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

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

c) Significant Estimates and judgments

The areas involving critical estimates or judgments are:

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

d) Revenue recognition

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

Sree Satyanarayana Spinning Mills Ltd.

i) Sale of products

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

ii) Interest Income

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

iii) Dividends

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

e) Property, Plant and Equipment

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

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

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

f) Depreciation and amortization

- i) Depreciation on tangible fixed assets is charged over the estimated useful life of the asset,
 - On Factory buildings, Plant and machinery and electrical installations are provided under Straight Line Method.
 - On the remaining assets, under Written Down value method treating the plant as continuous process plant.
 - Depreciation is computed on plant & Machinery treating each machine/equipment as a single unit since the value of components forming part thereof of is insignificant.
 - In respect of the following assets, the useful life has been estimated by the technical personnel which is different from the life given under Part C of Schedule II of the Companies Act, 2013 as detailed here under:
 - Plant & Machinery - 15 years.
- ii) Residual values and useful lives are reviewed, and adjusted, if appropriate, for each reporting period.
- iii) Advances paid towards the acquisition of Property, Plant and Equipment outstanding at each Balance Sheet date is classified as capital advances under other Non-current assets and the cost of assets not put to use before such date are disclosed under capital work-in-progress.

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

g) Impairment

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

h) Foreign Exchange Translations

- (i) Functional and presentation currency

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

- (ii) Transactions and balances

- i) Export sales are initially accounted at the exchange rate prevailing on the date of documentation/invoicing and the same is adjusted with the difference in the rate of exchange arising on the actual receipts of proceeds in foreign exchange.
- ii) Import of materials/Capital equipment is accounted at the rates at which the actual payments are affected.
- iii) Foreign currency monetary assets and liabilities such as cash, receivables, payables, etc., are translated at year end exchange rates.
- iv) Non-monetary items denominated in foreign currency such as investments, fixed assets, etc., are valued at the exchange rate prevailing on the date of transaction.
- v) Exchange differences arising on settlement of transactions and translation of monetary items are recognized as income or expense in the year in which they arise

i) Inventories

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

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

j) Employee benefits

- i) Short term obligations:

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

- ii) Other long term employee benefit:

The liabilities for earned leave are not expected to be settled wholly within 12 months after the end of the period in which the employees render the related service. They are therefore measured as the present value of the expected future payments to be made in respect of services

Sree Satyanarayana Spinning Mills Ltd.

provided by employee up to the end of reporting period using the projected unit credit method. The benefits are discounted using the market yields at the end of the reporting period that have terms approximating to the terms of the related obligation. Re-measurements as a result of experience adjustments and changes in actuarial assumptions are recognized in profit or loss.

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

iii) Post-employment obligation:

The Company operates the following post-employment schemes:

- a) Defined benefit plans such as gratuity for its eligible employees,
- b) Defined contribution plans such as provident fund and

Gratuity obligation:

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

Provident Fund and Employees' state Insurance Scheme:

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

k) Taxes on income:

Tax expense comprises of current and deferred taxes.

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

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

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

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

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

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

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

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

l) Provisions and contingent liabilities

i) Provision:

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

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

ii) Contingent liabilities:

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

m) Cash and Cash equivalents

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

n) Cash flow statement:

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

o) Financial instruments

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

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

Financial assets

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

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

For the impairment policy on financial assets - refer Para No. h(i).

1) Classification of financial assets

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

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

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

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

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

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

2) Effective interest method

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

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

3) Investments in equity instruments at FVTOCI

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

A financial asset is held for trading if:

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

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

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

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

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

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

A financial asset that meets the amortized cost criteria or debt instruments that meet the FVTOCI criteria may be designated as at FVTPL upon initial recognition if such designation eliminates or significantly reduces a measurement or recognition inconsistency that would arise from measuring

Assets or liabilities are recognizing the gains and losses on them on different bases. The company has not designated any debt instrument as at FVTPL.

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

5) De-recognition of financial assets

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

6) Foreign exchange gain and losses

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

- For foreign currency denominated financial assets measured at amortized cost and FVTPL, the exchange differences are recognized in profit or loss except for those which are designated as hedging instruments in a hedging relationship.

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

Financial liabilities and equity instrument:

1) Classification as debt or equity

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

2) Equity instruments

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

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

3) Financial liabilities:

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

(i) Financial liabilities at FVTPL:

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

A financial liability is classified as held for trading if:

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

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

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

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

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

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

Fair value is determined in the manner described in Para "t".

(ii) Financial liabilities subsequently measured at amortized cost

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

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

De-recognition of financial liabilities:

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

p) Borrowings

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

q) Current and Non-current classification

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

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

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

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All other assets are classified as non-current.

A liability is treated as current when:

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

All other liabilities are classified as non-current.

Deferred tax assets and liabilities are classified as non-current assets and liabilities.

The operating cycle is the time between the acquisition of assets for processing and their realization in cash and cash equivalents. The Company has identified twelve months as its operating cycle.

r) Dividend:

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

s) Earnings per share:

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

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

t) Fair value measurement:

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

u) Expenditure on approved Research and Development Programme:

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

v) Non-current assets held for sale:

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

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

Notes - 2 : Property, Plant and Equipment

Description	GROSS BLOCK			DEPRECIATION BLOCK				NET BLOCK	
	Cost as at 01.04.2019 Rs.	Additions During the year Rs.	Deductions During the year Rs.	Cost as at 31.03.2020 Rs.	Depreciation up to 31.03.2019 Rs.	Depreciation for the year Rs.	Depreciation on Deductions Rs.	As at 31.03.2020 Rs.	As at 31.03.2019 Rs.
Land	1845300	--	--	1845300	--	--	--	1845300	1845300
Buildings	51143558	--	--	51143558	5999592	2008495	--	43135472	45143967
Plant & Machinery	343092604	31427486	10074666	364445424	75178212	25452635	3052096	266866673	267914391
Furniture & Fittings	62458	--	--	62458	7192	14298	--	40968	55266
Office Equipment	146690	--	--	146690	110085	15909	--	20696	36604
Vehicles & Material Handling Equipment	2155367	--	39014	2116353	1280430	276370	37063	596616	874937
Electrical Installations & Equipment	29910792	--	--	29910792	9166490	3049235	--	17695067	20744302
Laboratory Equipment	5301358	1546020	--	6847378	3662721	839369	--	2345288	1638637
Computers	771157	--	--	771157	707195	19532	--	44430	63962
TOTAL	434429286	32973507	10113680	457289112	96111917	31675844	3089159	332590510	338317368
PREVIOUS YEAR	424291714	10137572	--	434429286	64889162	31222755	--	338317368	359402550

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

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3.	Non-current Investments	As At 31st March 2020 Rs.	As At 31st March 2019 Rs.
	Trade Investments (valued at cost unless stated otherwise) Investments measured at Fair Value through Other Comprehensive Income Investment in Equity instruments (Unquoted) 4,02,000 (31st March 2019: 4,02,000) Equity shares of Rs. 10/- each, fully paid up in Andhra Pradesh Gas Power Corporation Ltd.,	3,92,74,540	4,30,94,935
		3,92,74,540	4,30,94,935
	Aggregate amount of quoted Investments - Market Value Rs.	NIL	NIL
	- Cost Rs.	NIL	NIL
	Aggregate amount of impairment in value of investments	NIL	NIL
	Aggregate amount of unquoted investments	3,92,74,540	4,30,94,935
4.	Other Financial Assets (Non-current)	As At 31st March 2020 Rs.	As At 31st March 2019 Rs.
	Capital Advances Security Deposit Loans and advances to related parties Secured, considered good Unsecured, considered good Which have significant increase in Credit Risk Credit impaired Prepaid expenses	1,42,75,813	1,42,75,813
	Total	1,42,75,813	1,42,75,813
5.	Inventories (valued at lower of cost and net realizable value)	As At 31st March 2020 Rs.	As At 31st March 2019 Rs.
	Raw materials and components at Cost	5,28,23,504	5,52,80,665
	Work-in-progresss : At Cost	2,10,00,738	2,19,78,148
	: At Estimated Realisable Value		
	Finished goods : At Cost	2,78,28,513	10,37,56,220
	: At Estimated Realisable Value		
	Stores and spares at Cost	1,00,46,254	97,14,663
	Cotton Waste	46,06,289	16,74,301
	Total	11,63,05,297	19,24,03,997

The cost of inventories recognised as an expense during the year in respect of continuing operations was Rs. 37,38,65,405 year ended 31st March 2020 and Rs. 33,95,13,300 for the year ended 31st March 2019

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

6.	Current Investments	As At 31st March 2020 Rs.	As At 31st March 2019 Rs.
	Quoted mutual funds 2895.335 (31st March 2019 :4048.32) Units of SBI Mutual Funds.	25,77,142	3,80,362
	Aggregate amount of quoted Investments - Market Value Rs. - Cost Rs.	25,77,142	3,80,362
	Aggregate amount of impairment in value of investments		
7.	Trade receivables	As At 31st March 2020 Rs.	As At 31st March 2019 Rs.
	Secured, considered good	80,000	80,000
	Unsecured, considered good	-	8,14,721
	Which have significant increase in Credit Risk	80,000	8,94,721
	Credit impaired	-	8,14,721
	Provision for lifetime expected credit loss		
	(A)	80,000	80,000
	Other Receivables		
	Secured, considered good	8,27,26,496	6,42,38,435
	Unsecured, considered good		
	Which have significant increase in Credit Risk	8,27,26,496	6,42,38,435
	Credit impaired		
	(B)	8,27,26,496	6,42,38,435
	Total [A+B]	8,28,06,496	6,43,18,435
8.1	Cash and bank balances	As At 31st March 2020 Rs.	As At 31st March 2019 Rs.
	Cash and Cash Equivalents :		
	Balances with Banks:		
	On current accounts	1,48,97,558	45,422
	Deposits with original maturity of less than 3 months		
	On unclaimed dividend account	3,43,080	2,97,190
	Cheques/drafts on hand		
	Unpaid matured deposits		
	Unpaid matured debentures		
	Cash on hand	65,455	57,137
		1,53,06,093	3,99,749
8.2	Other Bank Balances :		
	Deposits with original maturity for more than 12 months		
	Deposits with original maturity for more than 3 months but less than 12 months	5,95,700	77,75,000
	Margin money deposit Letter of Credit	-	-
	Margin money deposit FD	5,95,700	77,75,000
	Amount disclosed under non-current assets		
	Total	1,59,01,793	81,74,749

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9.	Other Financial Assets (Current)	As At 31st March 2020 Rs.	As At 31st March 2019 Rs.
	Interest accrued on fixed deposits/security deposits	7,37,412	12,64,700
	Loans and Advance to employees	–	1,37,883
	Balances with Statutory / government authorities	6,85,050	1,18,867
	Advances recoverable in cash or kind		
	Secured, considered good		
	Unsecured, considered good	–	5,28,351
	Which have significant increase in Credit Risk		
	Credit impaired		
	Total	14,22,462	20,49,801
10.	Current tax assets(net)	As At 31st March 2020 Rs.	As At 31st March 2019 Rs.
	Advance Income-tax / TDS (net)	1,91,64,676	1,61,17,240
	Less: Provision for Income tax	(1,22,83,844)	(84,38,860)
		68,80,832	76,78,380
11.	Other current assets	As At 31st March 2020 Rs.	As At 31st March 2019 Rs.
	Prepaid expenses	17,55,177	16,13,601
	Advances recoverable in cash or kind		
	Secured, considered good		
	Unsecured, considered good	3,68,69,295	-
		3,86,24,472	16,13,601
12.	Share Capital	As At 31st March 2020 Rs.	As At 31st March 2019 Rs.
	Authorised Shares :		
	35,00,000 (31 March 2019 : 35,00,000) equity shares of Rs.10/- each	3,50,00,000	3,50,00,000
	5,000(31 March 2019 :5,000) 9.30% Taxable Redeemable cumulative preference shares of Rs.100/- each	5,00,000	5,00,000
		3,55,00,000	3,55,00,000
	Issued Shares :		
	10,50,100(31 March 2019 :10,50,100) equity shares of Rs.10/- each	1,05,01,000	1,05,01,000
		1,05,01,000	1,05,01,000
	Subscribed and fully paid-up shares :		
	10,50,100(31 March 2019 :10,50,100) equity shares of Rs.10/- each	1,05,01,000	1,05,01,000
		1,05,01,000	1,05,01,000
	Total issued, subscribed and fully paid-up capital	1,05,01,000	1,05,01,000

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

Equity Shares	As At 31st March 2020 Rs.		As At 31st March 2019 Rs.	
	No.	Rs.	No.	Rs.
At the beginning of the period	10,50,100	1,05,01,000	10,50,100	1,05,01,000
Issued during the period - Bonus issue	--	--	--	--
Issued during the period - ESOP	--	--	--	--
Outstanding at the end of the period	10,50,100	1,05,01,000	10,50,100	1,05,01,000

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

Equity shares of Rs.10/- each fully paid	As At 31st March 2020 Rs.		As At 31st March 2019 Rs.	
	No.	% holding in the class	No.	% holding in the class
1) Sri E.Satyanarayana	1,79,140	17.06%	1,59,140	15.15%
2) Sri E.Rangarao	55,310	5.27%	55,310	5.27%
3) Sri B.Ramesh Kumar	72,280	6.88%	72,280	6.88%
Total	3,06,730	29.21%	2,86,730	27.31%

13.

OTHER EQUITY	As At 31st March 2020 Rs.	As At 31st March 2019 Rs.
Capital Reserve	28,31,396	28,31,396
Capital Redemption Reserve	3,00,000	3,00,000
	31,31,396	31,31,396
Surplus in Other Comprehensive Income		
Balance as per last Financial Statements	4,07,704	2,79,92,873
Add: Other Comprehensive Income for the year	(1,95,49,531)	(2,75,85,169)
Add: Amount transferred from retained earnings	57,78,867	--
Closing Balance	(1,33,62,960)	4,07,704
General Reserve		
Balance as per the last Financial Statements	41,02,39,530	41,02,39,530
Add : Amount transferred from Surplus Balance in the Statement Of Profit and Loss	--	--
Less: Issue of bonus shares	--	--
Closing Balance	41,02,39,530	41,02,39,530
Surplus/(Deficit) In The Statement Of Profit And Loss		
Balance as per the last Financial Statements	4,45,25,104	5,16,47,234
Profit for the year	4,80,98,143	(14,25,430)
	9,26,23,247	5,02,21,804
Less :		
Equity Dividend paid	47,25,450	47,25,450
Transfer to FVTOCI Reserve	57,78,867	--
Tax on Distributed Profits	9,71,422	9,71,250
Transfer to General Reserve	--	--
Total Appropriations	1,14,75,739	56,96,700
Net Surplus In Statement Of Profit And Loss	8,11,47,508	4,45,25,104
Total Reserves And Surplus Taken To Balance Sheet	48,11,55,475	45,83,03,735

Sree Satyanarayana Spinning Mills Ltd.

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

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

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

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

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

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

14. Borrowings (Non-current)	As At 31st March 2020 Rs.	As At 31st March 2019 Rs.
Term Loans		
Indian rupee loan from banks (secured)	-	3,37,36,327
	-	3,37,36,327
Deposits from share holders	-	-
Deposits from Public	-	-
Total Amount	-	3,37,36,327
The above amount includes		
Secured borrowings	-	3,37,36,327
Unsecured borrowings	-	-
Net Amount	-	3,37,36,327

Term Loan taken from State Bank of India, Commercial Branch, Coimbatore against primary hypothecation of assets to be created out of the term loan, further collaterally secured by first charge on the entire fixed assets of the company. The rate of interest on above term loan is 3% above MCLR for 1 year being 8% with present effective rate at 10%. The term loan is to be repaid starting from Mar'2016 and last repayment is Dec'2020.

(Rs.)

Year	No. of Installments	Amount of Installments	Total
2015-16	1	15,00,000	15,00,000
2016-17	12	15,00,000	1,80,00,000
2017-18	9 3	15,00,000 20,00,000	1,95,00,000
2018-19	9 3	20,00,000 30,00,000	2,70,00,000
2019-20	9 3	30,00,000 38,00,000	3,84,00,000
2020-21	8 1	38,00,000 34,00,000	3,38,00,000
TOTAL	58		13,82,00,000

15.	Provisions (Non-current)	As At 31st March 2020 Rs.	As At 31st March 2019 Rs.
	Provision for employee benefits:		
	Provision for gratuity	86,50,682	57,31,167
	Provision for leave benefits	41,23,896	39,13,793
		1,27,74,578	96,44,960
16.	Deferred Tax Liability (Net)	As At 31st March 2020 Rs.	As At 31st March 2019 Rs.
	Deferred Tax Liability		
	Fixed assets: Impact of difference between tax depreciation and depreciation/amortisation charged for the financial reporting	4,09,64,195	3,91,49,472
	Others		
	Gross deferred tax liability	4,09,64,195	3,91,49,472
	Deferred tax asset		
	MAT Credit	17,87,028	57,50,421
	Investments	-	1,35,61,876
	Impact of expenditure charged to the statement of profit and loss in the current year but allowed for tax purposes on payment basis	73,06,676	54,54,677
	Provision for diminution in the value of investments	-	-
	Provision for doubtful debts and advances	-	2,26,655
	Unabsorbed losses	-	19,04,087
	Others	-	-
	Gross deferred tax asset	90,93,703	2,68,97,717
	Net Deferred Tax Liability	3,18,70,491	1,22,51,755
17.	Provisions (Current)	As At 31st March 2020 Rs.	As At 31st March 2019 Rs.
	Provision for employee benefits:		
	Provision for gratuity	48,09,554	42,83,618
	Provision for leave benefits	11,43,159	10,30,850
		59,52,713	53,14,468

Sree Satyanarayana Spinning Mills Ltd.

18.	Borrowings (Current)	As At 31st March 2020 Rs.	As At 31st March 2019 Rs.
	Cash credit from Banks : Secured : Unsecured Loan Repayable on Demand (Unsecured) : from Directors Interest free loan and advances from related parties repayable on demand (unsecured)	-	5,53,95,207
		-	5,53,95,207
	The above amount includes Secured borrowings Unsecured borrowings	-	5,53,95,207

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

19.	Trade payables	As At 31st March 2020 Rs.	As At 31st March 2019 Rs.
	Due to Micro & Small Enterprises	3,46,448	3,61,549
	Due to Others	5,36,29,121	3,57,52,256
		5,39,75,569	3,61,13,805

20.	Other Financial Liabilities (Current)	As At 31st March 2020 Rs.	As At 31st March 2019 Rs.
	Current maturities of long term borrowings	3,75,36,327	3,84,00,000
	Interest accrued and due on borrowings	2,78,612	7,95,709
	Unclaimed dividend	3,42,900	2,97,220
	Accrued Salaries and Benefits	1,22,95,872	85,61,228
	Directors Remuneration Payable	18,25,306	-
		5,22,79,017	4,80,54,157

21.	Other Current Liabilities	As At 31st March 2020 Rs.	As At 31st March 2019 Rs.
	Advance from customers	80,137	83,411
	Statutory Dues	16,76,795	25,69,166
	Others	3,93,581	3,39,450
		21,50,513	29,92,027

22.	Revenue from operations	This year	Previous year
	Sale of products:		
	Finished goods	66,67,54,907	62,95,99,311
	Sale of Cotton Waste	3,37,84,808	4,29,44,252
		70,05,39,715	67,25,43,563
	Other operating revenue		
	Duty draw back	-	5,25,536
	Other	62,512	1,06,440
	Revenue from operations	70,06,02,227	67,31,75,539

23.	Other Income	This year	Previous year
	Interest income on		
	Bank deposits	93,019	8,10,770
	Others	36,66,721	11,85,218
	Dividend income on		
	Short-term investments	10,21,780	4,43,046
	Other non-operating income #	34,71,731	25,89,206
		82,53,251	50,28,240

Note :

# Other non-operating income includes :	This year	Previous year
Profit on Sale of Asset	19,36,777	-
Miscellaneous Receipts	1,40,090	20,78,113
Claims Received	5,80,143	5,11,093
Provision no long required written back	8,14,721	-
Total	34,71,731	25,89,206

24.	Cost of raw material consumed	This year	Previous year
	Inventory at the beginning of the year	5,52,80,666	6,72,93,237
	Add:Purchases	28,07,82,820	33,45,72,529
		33,60,63,486	40,18,65,766
	Less: Inventory at the end of the year	5,28,23,505	5,52,80,666
	Cost of raw material consumed	28,32,39,981	34,65,85,100

Details of raw material consumed	This year	Previous year
i) Cotton	28,32,39,981	34,65,85,100
Total	28,32,39,981	34,65,85,100

Sree Satyanarayana Spinning Mills Ltd.

Details of Inventory	This year	Previous year
Raw materials		
i) Cotton	5,28,23,505	5,52,80,666
Total	5,28,23,505	5,52,80,666

25.

(Increase)/decrease in inventories	This year	Previous year
Inventories at the end of the year		
Work in progress	2,10,00,738	2,19,78,148
Finished goods	2,78,28,513	10,37,56,220
Cotton waste	46,06,289	16,74,301
	5,34,35,540	12,74,08,669
Inventories at the beginning of the year		
Work in progress	2,19,78,148	1,56,17,186
Finished goods	10,37,56,220	8,24,43,266
Cotton waste	16,74,301	50,48,850
	12,74,08,669	10,31,09,302
(Increase)/Decrease of inventories	7,39,73,129	(2,42,99,367)

Details of Inventory	This year	Previous year
Work-in-progress	2,10,00,738	2,19,78,148
	2,10,00,738	2,19,78,148
Finished goods		
Cotton Yarn	2,78,28,513	10,37,56,220
	2,78,28,513	10,37,56,220

26.

Employee benefit expense	This year	Previous year
Salaries, wages and bonus	6,94,97,989	6,17,48,926
Contribution to provident and other fund	83,21,222	83,55,094
Gratuity expense	35,75,221	29,86,249
Staff welfare expenses	11,31,785	11,13,270
	8,25,26,217	7,42,03,539

27.

Finance Costs	This year	Previous year
Interest	59,29,387	1,26,22,954
Other borrowing Cost	2,38,606	6,19,171
	61,67,993	1,32,42,125

28.	Depreciation and amortization expense	This year	Previous year
	Depreciation of tangible assets	3,16,75,844	3,12,22,755
		3,16,75,844	3,12,22,755
29.	Other expenses	This year	Previous year
	Consumption of stores and spares	1,66,52,295	1,72,27,597
	Processing Charges	1,61,13,393	1,81,75,720
	Freight and forwarding charges	45,94,551	59,23,239
	Rates and taxes	2,46,010	2,75,992
	Insurance	14,14,788	13,88,810
	Repairs and maintenance		
	Plant and machinery	2,22,62,631	2,62,78,211
	Buildings	11,73,734	18,71,743
	Others	7,29,863	11,09,890
	Advertising	5,08,138	7,42,878
	Sales commission	2,792	4,907
	Travelling and conveyance	2,36,270	2,93,103
	Communication costs	36,653	85,933
	Hank Yarn Obligation charges	86,073	8,12,623
	Legal and professional fees	4,50,037	10,60,634
	Directors' sitting fees	3,00,000	2,60,000
	Payment to Auditors (Refer details below)	4,92,000	4,49,800
	Exchange differences (net)	1,25,169	18,35,691
	Tools written off	13,198	50,735
	Bank Charges	1,79,464	13,19,776
	Corporate Social Responsibility Expenses	8,62,405	2,59,547
	Bad debts Written Off	8,14,721	-
	Miscellaneous expenses	18,20,750	25,23,410
		6,91,14,935	8,19,50,238

Sree Satyanarayana Spinning Mills Ltd.

Payment to Auditors	This year	Previous year
As Auditor:		
Audit fee	1,75,000	1,75,000
Tax audit fee	40,000	40,000
GST audit fee	40,000	-
Other services (certification fees)	1,56,700	1,79,500
Out of pocket expenses	5,300	5,300
Cost Auditors Fee	75,000	50,000
Total	4,92,000	4,49,800

30. Other Comprehensive income Items that will not be reclassified to profit & loss account	This year	Previous year
Revaluation gain/(loss) of investments	(38,20,395)	(2,63,98,449)
Actuarial Gain / Loss (OCI)-Gratuity	(26,63,268)	(9,03,133)
Actuarial Gain / Loss (OCI)-Leave	(3,39,309)	(7,40,979)
Deferred Tax (OCI)	(1,27,26,559)	4,57,392
	(1,95,49,531)	(2,75,85,169)

31. CONTINGENT LIABILITIES NOT PROVIDED FOR IN RESPECT OF:

Particulars	As at 31.03.2020 Rs.	As at 31.03.2019 Rs.
a) (i) Disputed Income Tax demands for the assesment year 1989-90 [Rs.21,50,580/- (Rs.21,50,580/-) paid under protest against the demands and grouped under loans and advances]	28,84,527	28,84,527
GRANDTOTAL	28,84,527	28,84,527

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

Particulars	2019-20		2018-19	
	Value Rs.	%	Value Rs.	%
Imported	6,88,62,885	24.31	5,63,71,472	16.26
Indigenous	21,43,77,096	75.69	29,02,13,628	83.74
	28,32,39,981	100.00	34,65,85,100	100.00

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

Particulars	2019-20		2018-19	
	Value Rs.	%	Value Rs.	%
Imported	9,35,219	4.54	22,38,691	8.49
Indigenous	1,96,63,742	95.46	2,41,22,344	91.51
	2,05,98,961	100.00	2,63,61,035	100.00

34. VALUE OF IMPORTS DURING THE YEAR CALUCLATED ON C.I.F BASIS

Particulars	2019-20 Rs.	2018-19 Rs.
Stores and spares	20,99,538	22,38,691
Raw Materials - Cotton	4,77,24,738	6,36,18,261
	4,98,24,276	6,58,56,952

35. Earnings in Foreign Currency during the year - 3,02,84,492

36. Details of expenditure incurred in foreign currency

Certification Fee	3,47,537	4,76,689
Stores and spares	9,33,575	22,34,123
Raw Materials Cotton	4,50,89,402	6,20,44,260

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

Particulars	Current Year	Previous Year
1. Amount remaining unpaid to any "Supplier" at the end of the year, (a) Principal amount of bills to be paid	3,46,448	3,61,549
(b) Interest due thereon	-Nil-	-Nil-
2. Payments made to suppliers, during the year, but beyond appointed/agreed by (a) Payments made to Suppliers.	-Nil-	-Nil-
(b) Interest paid along with such payments during the year u/s 16 of the Act.	-Nil-	-Nil-
3. The amount of interest due and payable for the period of delay in making payment but without adding the interest specified under MSMED Act,2006	-Nil-	-Nil-
4. Amount of interest accrued and remaining unpaid, at the end of each accounting year.	-Nil-	-Nil-
5. Amount of further interest remaining due and payable even in succeeding years, until such date when the interest dues above are actually paid to the small enterprises, for the purpose of disallowance of deductible expenditure under section 23 of MSMED Act,2006.	-Nil-	-Nil-
Note: For the purpose of the above details of the Status of the supplier's under the Act has been determined, to the extent of and based on the information furnished by the respective parties, and has accordingly, been relied upon by the company and its auditors.		

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

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

Summary of Results:

Highlights of the results as at 31st March, 2020 are given below:

Particulars	Gratuity		Leave Encashment	
	Financial Year Ending 31/03/2020	Financial Year Ending 31/03/2019	Financial Year Ending 31/03/2020	Financial Year Ending 31/03/2019
Defined Benefit Cost included in P&L*	35,75,221	30,12,638	9,62,067	8,68,104
Other Comprehensive (Income) / Loss	26,63,268	9,03,132	3,39,310	7,40,979
Total Defined Benefit Cost recognized in P&L and OCI	62,38,489	39,15,771	13,01,377	16,09,083
Defined Benefit Obligation at the end	3,68,12,615	3,22,16,984	52,67,055	49,44,643
Fair Value of Plan Assets at the end	2,33,52,379	2,22,02,199	-	-
Net Defined Benefit Liability / (Asset)	1,34,60,236	1,00,14,785	52,67,055	49,44,643
Discount Rate	6.82.%	7.65.%	6.82.%	7.65.%

Summary of Financial Assumptions

Particulars	Gratuity		Leave Encashment	
	31/03/2020	31/03/2019	31/03/2020	31/03/2019
Discount Rate	6.82.%	7.65.%	6.82.%	7.60.%
Salary Escalation	7.00.%	7.00.%	7.00.%	7.00.%

Summary of Demographic Assumptions-Gratuity

Particulars	31/03/2020	31/03/2019
Mortality Rate (as % of IALM (2012-14) (Mod.) Ult. Mortality Table)	100.0%	100.0%
Disability Rate (as % of above mortality rate)	0.0%	0.0%
Withdrawal Rate	8.0%	8.0%
Normal Retirement Age	58 Years	58 Years
Adjusted Average Future Service	24.37	24.29

Summary of Demographic Assumptions-Leave Encashment

Particulars	31/03/2020	31/03/2019
Mortality Rate (as % of IALM (2012-14) (Mod.) Ult. Mortality)	100.00%	100.00%
Disability Rate (as % of above mortality rate)	0.00%	0.00%
Attrition Rate	8.00%	8.00%
Normal Retirement Age	58 Years	58 Years
Leave Encashment Rate during employment	10.00%	10.00%
Leave Availment Rate	2.00%	2.00%

Change in Defined Benefit Obligation

Particulars	Gratuity		Leave encashment	
	Financial Year Ending 31/03/2020	Financial Year Ending 31/03/2019	Financial Year Ending 31/03/2020	Financial Year Ending 31/03/2019
Defined Benefit Obligation at the beginning	3,22,16,984	2,96,56,622	49,44,643	45,05,978
Current Service Cost	29,15,281	24,98,281	6,23,386	5,74,046
Past Service Cost	-	-	-	-
(Gain) / Loss on settlements	-	-	-	-
Interest Expense	23,44,162	21,16,104	3,38,681	2,94,058
Benefit Payments from Plan Assets	(31,48,681)	(28,83,802)	-	-
Benefit Payments from Employer	-	-	(9,78,965)	(11,70,418)
Settlement Payments from Plan Assets	-	-	-	-
Settlement Payments from Employer	-	-	-	-
Other (Employee Contribution, Taxes, Expenses)	-	-	-	-
Increase / (Decrease) due to effect of any business combination / divestiture / transfer)	-	-	-	-
Increase / (Decrease) due to Plan combination	-	-	-	-
Remeasurements - Due to Demographic Assumptions	-	-	-	-
Remeasurements - Due to Financial Assumptions	20,69,148	(3,25,166)	1,51,702	1,82,627
Remeasurements - Due to Experience Adjustments	4,15,078	11,54,945	1,87,607	5,58,352
Defined Benefit Obligation at the end	3,68,12,615	3,22,16,984	52,67,055	49,44,643
Discount Rate	6.82.%	7.65.%	6.82.%	7.60.%
Salary Escalation Rate	7.00.%	7.00.%	7.00.%	7.00.%

Change in Fair Value of Plan Assets

Particulars	Gratuity		Leave encashment	
	Financial Year Ending 31/03/2020	Financial Year Ending 31/03/2019	Financial Year Ending 31/03/2020	Financial Year Ending 31/03/2019
Fair Value of Plan Assets at the beginning	2,22,02,199	2,12,01,935	-	-
Interest Income	16,84,865	16,01,747	-	-
Employer Contributions	27,93,038	23,55,673	-	-
Employer Direct Benefit Payments Employer Direct Settlement Payments	-	-	9,78,965	11,70,418
Benefit Payments from Plan Assets	(31,48,681)	(28,83,802)	-	-
Benefit Payments from Employer	-	-	(9,78,965)	(11,70,418)
Settlement Payments from Plan Assets	-	-	-	-
Settlement Payments from Employer	-	-	-	-
Other (Employee Contribution, Taxes, Expenses)	-	-	-	-
Increase / (Decrease) due to effect of any business combination / divestiture / transfer)	-	-	-	-
Increase / (Decrease) due to Plan combination	-	-	-	-
Remeasurements - Return on Assets (Excluding Interest Income)	(1,79,042)	(73,354)	-	-
Fair Value of Plan Assets at the end	2,33,52,379	2,22,02,199	-	-

Sree Satyanarayana Spinning Mills Ltd.

Weighted Average Asset Allocations at end of Year

Particulars	Gratuity		Leave Encashment	
	Financial Year Ending 31/03/2020	Financial Year Ending 31/03/2019	Financial Year Ending 31/03/2020	Financial Year Ending 31/03/2019
Equities	0%	0%	0%	0%
Bonds	0%	0%	0%	0%
Gilts	0%	0%	0%	0%
Insurance Policies	100%	100%	0%	0%
Total	100%	100%	0%	0%

Components of Defined Benefit Cost

Particulars	Gratuity		Leave Encashment	
	Financial Year Ending 31/03/2020	Financial Year Ending 31/03/2019	Financial Year Ending 31/03/2020	Financial Year Ending 31/03/2019
Current Service Cost	29,15,924	24,98,281	6,23,386	5,74,046
Past Service Cost	-	-	-	-
(Gain) / Loss on Settlements Reimbursement Service Cost	-	-	-	-
Total Service Cost	29,15,924	24,98,281	6,23,386	5,74,046
Interest Expense on DBO	23,44,162	21,16,104	3,38,681	2,94,058
Interest (Income) on Plan Assets	(16,84,865)	(16,01,747)	-	-
Interest (Income) on Reimbursement Rights	-	-	-	-
Interest Expense on (Asset Ceiling) / Onerous Liability	-	-	-	-
Total Net Interest Cost	6,59,297	5,14,357	338681	294058
Reimbursement of Other Long Term Benefits	-	-	-	-
Defined Benefit Cost included in P & L	35,75,221	30,12,638	9,62,067	8,68,104
Remeasurements - Due to Demographic Assumptions	-	-	-	-
Remeasurements - Due to Financial Assumptions	20,69,148	(3,25,166)	1,51,702	1,82,627
Remeasurements - Due to Experience Adjustments (Return) on Plan Assets (Excluding Interest Income) (Return) on Reimbursement Rights	4,15,078	11,54,945	1,87,607	5,58,352
Changes in Asset Ceiling / Onerous Liability	1,79,042	73,354	-	-
Total Remeasurements in OCI	26,63,268	9,03,132	3,39,310	7,40,979
Total Defined Benefit Cost recognized in P&L and OCI	62,38,489	39,15,771	13,01,377	16,09,083
Discount Rate	6.82.%	7.65.%	6.82.%	7.60.%
Salary Escalation Rate	7.00.%	7.00.%	7.00.%	7.00.%

Bifurcation of Present Value of Obligations at the end of the valuation period as per revised Schedule III of the Companies Act, 2013

Particulars	Gratuity		Leave Encashment	
	Financial Year Ending 31/03/2020	Financial Year Ending 31/03/2019	Financial Year Ending 31/03/2020	Financial Year Ending 31/03/2019
Current Liabilities	48,09,554	42,83,618	11,43,159	10,30,850
Non- current Liabilities	3,20,03,061	2,79,33,366	41,23,896	39,13,793

Amounts recognized in the Statement of Financial Position

Particulars	Gratuity		Leave Encashment	
	Financial Year Ending 31/03/2020	Financial Year Ending 31/03/2019	Financial Year Ending 31/03/2020	Financial Year Ending 31/03/2019
Defined Benefit Obligation	3,68,12,615	3,22,16,984	52,67,055	49,44,643
Fair Value of Plan Assets	2,33,52,379	2,22,02,199	-	-
Funded Status	1,34,60,236	1,00,14,785	52,67,055	49,44,643
Effect of Asset Ceiling / Onerous Liability	-	-	-	-
Net Defined Benefit Liability / (Asset)	1,34,60,236	1,00,14,785	52,67,055	49,44,643
Of which, Short term Liability	48,09,554	42,83,618	11,43,159	10,30,850

Net Defined Benefit Liability / (Asset) reconciliation

Particulars	Gratuity		Leave Encashment	
	Financial Year Ending 31/03/2020	Financial Year Ending 31/03/2019	Financial Year Ending 31/03/2020	Financial Year Ending 31/03/2019
Net Defined Benefit Liability / (Asset) at the beginning	1,00,14,785	84,54,687	49,44,643	45,05,978
Defined Benefit Cost included in P & L	35,75,221	30,12,638	9,62,067	8,68,104
Total Remeasurements included in OCI	26,63,268	9,03,132	3,39,310	7,40,979
Net Transfer In / (Out) (Including the effect of any business combination / divesture)	-	-	-	-
Amount recognized due to Plan Combinations	-	-	-	-
Employer Contributions	(27,93,038)	(23,55,673)	-	-
Employer Direct Benefit Payments Employer Direct Settlement Payments	-	-	(9,78,965)	(11,70,418)
Credit to Reimbursements	-	-	-	-
Net Defined Benefit Liability / (Asset) at the end	1,34,60,236	1,00,14,785	52,67,055	49,44,643

Sree Satyanarayana Spinning Mills Ltd.

Experience Adjustments on Present Value of DBO and Plan Assets

Particulars	Gratuity		Leave Encashment	
	Financial Year Ending 31/03/2020	Financial Year Ending 31/03/2019	Financial Year Ending 31/03/2020	Financial Year Ending 31/03/2019
(Gain) / Loss on Plan Liabilities % of Opening Plan Liabilities	4,15,078 1.29%	11,54,945 3.89%	1,87,607 3.79%	5,58,352 12.39%
Gain / (Loss) on Plan Assets % of Opening Plan Assets	(1,79,042) (0.81%)	(73,354) (0.35%)	–	–

Maturity Profile of Defined Benefit Obligations:

Particulars	31st March 2020		31st March 2019	
	Gratuity	Leave Encashment	Gratuity	Leave Encashment
Expected Cash flow in year 1	48,09,554	11,43,159	42,83,618	10,30,850
Expected Cash flow in year 2	45,77,234	11,32,954	42,46,881	9,51,426
Expected Cash flow in year 3	30,28,225	7,10,632	40,20,972	9,12,364
Expected Cash flow in year 4	37,89,881	6,23,164	28,89,221	5,97,418
Expected Cash flow in year 5	26,17,739	5,16,317	32,95,165	5,28,826
Expected Cash flow in year 6	35,83,467	4,75,762	22,48,867	4,37,323
Expected Cash flow in year 7	33,48,085	4,57,173	31,03,587	4,00,297
Expected Cash flow in year 8	27,84,975	3,62,756	28,83,499	3,86,803
Expected Cash flow in year 9	25,02,783	2,77,151	23,96,375	3,02,534
Expected Cash flow in year 10	29,97,488	3,19,043	21,48,482	2,36,423

Significant Estimates: Sensitivity analysis

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

Particulars	Effect on Gratuity valuation		Effect on Gratuity valuation	
	31st March 2020	% change	31st March 2019	% change
Impact on Present value of Defined obligation if salary escalation rate increases by 1%	30,13,572	8.19%	24,72,862	7.68%
Impact on Present value of Defined obligation if salary escalation rate decreases by 1%	(26,66,457)	-7.24%	(22,00,116)	-6.83%
Impact on Present value of Defined obligation if withdrawal rate increases by 1%	(51,589)	-0.14%	70,829	0.22%
Impact on Present value of Defined obligation if withdrawal rate decreases by 1%	57,594	0.16%	(81,057)	-0.25%
Impact on Present value of Defined obligation if discount rate increases by 1%	(24,64,721)	-6.70%	(20,09,976)	-6.24%
Impact on Present value of Defined obligation if discount rate decreases by 1%	28,38,236	7.71%	22,99,601	7.14%

Particulars	Effect on Leave Encashment		Effect on Leave Encashment	
	31st March 2020	% change	31st March 2019	% change
Impact on Present value of Defined obligation if salary escalation rate increases by 1%	2,38,633	4.53%	2,22,906	4.51%
Impact on Present value of Defined obligation if salary escalation rate decreases by 1%	(2,22,918)	-4.23%	(2,08,571)	-4.22%
Impact on Present value of Defined obligation if withdrawal rate increases by 1%	(1,585)	-0.03%	4,893	0.10%
Impact on Present value of Defined obligation if withdrawal rate decreases by 1%	1,730	0.03%	(5,264)	-0.11%
Impact on Present value of Defined obligation if discount rate increases by 1%	(1,92,199)	-3.65%	(1,78,634)	-3.61%
Impact on Present value of Defined obligation if discount rate decreases by 1%	2,09,959	3.99%	1,94,618	3.94%

40. Earning Per Share - Numerators and Denominators used to calculate Basic and Diluted Earnings Per Share for the year 2019-20

Particulars	2019-20 Rs.	2018-19 Rs.
Profit attributable to the Share Holders	4,80,98,143	(14,25,430)
Basic/weighted average number of equity shares outstanding during the year	10,50,100	10,50,100
Nominal Value of Equity Shares	10.00	10.00
Basic/Diluted earning per share	45.80	(1.36)
Bonus issue shares	–	–
Restated Earnings per Share:	45.80	(1.36)

41. Related party disclosures pursuant to Ind AS 24**List of related parties:****Key Managerial Personnel**

Sri. E. Sathyanarayana, Managing Director & C.E.O.
 Sri P. Narendranath Chowdary, Director
 Sri A. Dharma Raju, Independent Director
 Sri Sunkavally Parvatha Rao, Independent Director
 Sri Chevuturi Murali Krishna, Independent Director
 Sri M Gopala Krishna, Chief Financial Officer

Relatives of Key Managerial Personnel

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

Enterprises in which key management personnel have significant influence:

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

Sree Satyanarayana Spinning Mills Ltd.

Transactions during the year	Key Managerial personnel Rs.	Relatives of Key Managerial Personnel Rs.	Enterprises in which key Managerial personnel have significant influence Rs.
a) Purchase of Goods From Sidhaarth Exports Pvt Ltd			5,586 (--)
b) Sale of Goods to Sree Dhinakar fabrics Pvt Ltd			-
Sidhaarth Exports Pvt Ltd			(13,68,800) 51,849 (9,88,168)
c) Services rendered to Sree Dinakar Fabrics Pvt Ltd			84,038 (1,41,362)
d) Services rendered by Sidhaarth Cotton Yarn Processors Pvt Ltd			52,38,969 (42,31,474)
e) Remuneration (including Commission) paid to Sri E.Sathyanarayana	28,86,406 (14,46,600)		
Sri M.Gopala Krishna	3,36,462 (4,32,000)		
f) Interest paid to			
g) Dividend paid to Sri E.Sathyanarayana	7,97,130 (7,16,130)		
Smt. E.Rajeswari		2,19,600 (2,19,600)	
Sri E.Sidhaarth		65,700 (65,700)	
Smt. E.Ramalakshmi		22,500 (22,500)	
Sri. E.Ranga Rao		2,48,895 (2,48,895)	
Sri. E.Sailesh		1,91,565 (1,91,565)	
Smt. L.Nagaswarna		19,890 (19,890)	
h) Directors sitting fee Sri A. Dharma Raju	1,15,000 (90,000)		
Sri Sunkavally Parvatha Rao	95,000 (75,000)		
Sri Chevuturi Murali Krishna	90,000 (20,000)		

Nature of transaction	Key Managerial personnel Rs.	Relatives of Key Managerial Personnel Rs.	Enterprises in which key Managerial personnel have significant influence Rs.
Balances as at 31st March 2020			
i. Share capital held by			
Sri E.Sathyanarayana	17,91,400 (15,91,400)		
Smt. E.Rajeswari		4,88,000 (4,88,000)	
Sri E.Sidhaarth		1,46,000 (1,46,000)	
Smt. E.Ramalakshmi		50,000 (50,000)	
Sri. E.Ranga Rao		5,53,100 (5,53,100)	
Sri. E.Sailesh		4,25,700 (4,25,700)	
Smt. L.Nagaswarna		44,200 (44,200)	
ii. Amount due to Sidhaarth Cotton Yarn Processors Pvt Ltd			3,82,593 (5,18,751)
iii. Amount due from Sree Dinakar Fabrics Pvt Ltd			64,530 (-)
iv. Remuneration Payable - Sri E.Sathyanarayana	18,25,306 (-)		

Note : Figures in brackets denote those for previous year.

42. Corporate Social Responsibility (CSR)

As per section 135 of the Companies Act 2013, the CSR committee has been formed by the company. The areas of CSR activities are promoting education, Health care, eradication of hunger and malnutrition, Art and Culture, destitute care and rehabilitation and Rural development projects.

Details of CSR Spent during the financial year: (in cash) Rs.

Total Amount to be spent for the financial year; 8,62,405

Amount unspent, if any; -NIL-

43. Financial Instruments

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

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

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

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

Financial Assets measured at fair value

Rs.

Financial Assets	31st March 2020			31st March 2019		
	Level 1	Level 2	Level 3	Level 1	Level 2	Level 3
Unquoted instruments			3,92,74,540			4,30,94,935
Quoted Mutual funds	25,77,142			3,80,362		

Management's Approach and the key assumptions used to determine the fair value under Level 3 Hierarchy: Income approach is the valuation technique used for determination of fair value of the unquoted equity instruments. It converts the future expected cash flows (savings in costs) to a single discounted amount by using the present value techniques.

Financial Asset	Unobservable Inputs	Value Assigned to Key	Approach to Determining Key Assumptions
Un Quoted Equity Instruments in APGPCL	Annual Savings	Rs.1.10 Per Unit	Estimated Based on Company's Past Experience
	No. of Units of Power	33,67,371 Units	Estimated that Company continues to hold the same no. of Equity Shares in the Foreseeable future.
	Cash flow forecast Period	5 Years	Reviewed the 5 year forecast prepared by the Technical Personnel.
	Long Term Growth Rate	Nil	This is the weighted Average growth rate used to extrapolate cash flows beyond the budgeted period. The Rate is consistent with forecasts included in Industry Reports.
	Discount Rate (%)	6.82%	Based on the Company's Cost of Equity.

As at 31st March, 2020

Rs.

Particulars	Note	Carrying amount				Total
		Financial assets - FVTOCI	Financial assets - FVTPL	Financial assets- Amortised cost	Financial Liabilities- Amortised cost	
Financial instruments measured at fair value						
Non Current investments	3	3,92,74,540				3,92,74,540
Current investments	6		25,77,142			25,77,142
Financial assets not measured at fair value						
Trade receivables	7			8,28,06,496		8,28,06,496
Cash and Cash Equivalents	8.1			1,53,06,093		1,53,06,093
Bank balances other than above	8.2			5,95,700		5,95,700
Other Financial assets						
Security Deposits	4			1,42,75,813		1,42,75,813
Interest accrued on fixed deposits/security deposits	9			7,37,412		7,37,412
Loans and Advance to employees	9			-		-
Balances with Statutory / government authorities	9			6,85,050		6,85,050
Advance recoverable in cash/kind	9			-		-
		3,92,74,540	25,77,142	11,44,06,564	-	15,62,58,246
Financial liabilities not measured at fair value						
Borrowings	14&18				-	-
Trade payables	19				5,39,75,569	5,39,75,569
Other financial liabilities						
Current maturities of long term borrowings	20				3,75,36,327	3,75,36,327
Interest accrued and due on borrowings	20				2,78,612	2,78,612
Unclaimed dividend	20				3,42,900	3,42,900
Accrued Salaries and Benefits	20				1,22,95,872	1,22,95,872
Directors Remuneration Payable	20				18,25,306	18,25,306
		-	-	-	10,62,54,586	10,62,54,586

As at 31st March, 2019

Rs.

Particulars	Note	Carrying amount				Total
		Financial assets - FVTOCI	Financial assets - FVTPL	Financial assets- Amortised cost	Financial Liabilities- Amortised cost	
Financial instruments measured at fair value						
Non Current investments	3	4,30,94,935				4,30,94,935
Current investments	6		3,80,362			3,80,362
Financial assets not measured at fair value						
Trade receivables	7			6,43,18,435		6,43,18,435
Cash and Cash Equivalents	8.1			3,99,749		3,99,749
Bank balances other than above	8.2			77,75,000		77,75,000
Other Financial assets						
Security Deposits	4			1,42,75,813		1,42,75,813
Interest accrued on fixed deposits/security deposits	9			12,64,700		12,64,700
Loans and Advance to employees	9			1,37,883		1,37,883
Balances with Statutory / government authorities	9			1,18,867		1,18,867
Advance recoverable in cash/kind	9			5,28,351		5,28,351
		4,30,94,935	3,80,362	8,88,18,798	-	13,22,94,095
Financial liabilities not measured at fair value						
Borrowings	14 & 18				8,91,31,534	8,91,31,534
Trade payables	19				3,61,13,805	3,61,13,805
Other financial liabilities						
Current maturities of long term borrowings	20				3,84,00,000	3,84,00,000
Interest accrued and due on borrowings	20				7,95,709	7,95,709
Unclaimed dividend	20				2,97,220	2,97,220
Accrued Salaries and Benefits	20				85,61,228	85,61,228
Directors Remuneration Payable	20				-	-
		-	-	-	17,32,99,496	17,32,99,496

a) Management of Credit Risk

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

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

b) Management of market risk

i) Commercial risk

ii) Fair value risk

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

i) Commercial risk**Sale price risk****Rs.**

Particulars	Impact on profit			
	2019-20		2018-19	
	Increase by 5%	Decrease by 5%	Increase by 5%	Decrease by 5%
Product name				
Cotton yarn	3,33,37,745	(3,33,37,745)	3,14,79,966	(3,14,79,966)
Cotton waste	16,89,240	(16,89,240)	21,47,213	(21,47,213)

Raw material price risk**Rs.**

Particulars	Impact on profit			
	2019-20		2018-19	
	Increase by 5%	Decrease by 5%	Increase by 5%	Decrease by 5%
Product name				
Cotton	1,41,61,999	(1,41,61,999)	1,73,29,255	(1,73,29,255)

ii) Fair value risk

Potential impact of risk	Management policy	Sensitivity to risk
<p>The Company is mainly exposed to the Fair value risk due to its investments in equity instruments. The Fair value risk arises due to uncertainties about the future market.</p> <p>In general, these securities are not held for trading purposes. These investments are not subject to changes in the market price of securities. The fair value of equity instruments classified as fair value through Other Comprehensive Income as at March 31, 2020 of amount Rs. 3,92,74,540. (Rs. 4,30,94,935 on March 31, 2019).</p>	<p>In order to manage its Fair value risk arising from investments in equity instruments, the Company maintains its portfolio in accordance with the framework set by the Risk Management policies.</p> <p>Any new investment or divestment must be approved by the Board of Directors, Chief Financial Officer.</p>	<p>As an estimation of the approximate impact of Fair value risk, with respect to investments in equity instruments, the Company has calculated the impact as follows.</p>

Sree Satyanarayana Spinning Mills Ltd.

Sensitivity analysis

Rs.

Particulars	Impact in Other Comprehensive Income			
	2019-20		2018-19	
	Increase by 5%	Decrease by 5%	Increase by 5%	Decrease by 5%
Andhra Pradesh Gas Power Corporation Ltd.,	19,63,727	(19,63,727)	21,54,747	(21,54,747)

Management of Liquidity risk

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

As at 31st March 2020

Rs.

Particulars	Contractual cash flows			
	Carrying value	Less than 1 year	1-2 years	More than 2 years
Borrowings	-	-	-	-
Current maturities of non-current borrowings	3,75,36,327	3,75,36,327		
Trade payables (Current)	5,39,75,569	5,39,75,569		
Other financial liabilities(Current)	1,47,42,690	1,47,42,690		
	10,62,54,586	10,62,54,586	-	-

As at 31st March 2019

Rs.

Particulars	Contractual cash flows			
	Carrying value	Less than 1 year	1-2 years	More than 2 years
Borrowings	8,91,31,534		8,91,31,534	-
Current maturities of non-current borrowings	3,84,00,000	3,84,00,000		
Trade payables (Current)	3,61,13,805	3,61,13,805		
Other financial liabilities(Current)	96,54,157	96,54,157		
	17,32,99,496	8,41,67,962	8,91,31,534	-

44. Income Tax Reconciliation

Taxation

a) Profit and loss section

Rs.

Particulars	For the year ended	
	31st March 2020	31st March 2019
Current Income tax		
Current tax charges	83,20,954	-
MAT Credit utilised during the year	39,62,890	-
MAT Credit Entitlement for the year		
Deferred Tax		
Relating to origination and reversal of temporary differences	29,28,784	(6,13,817)
Tax Expense reported in the Statement of Profit and Loss	1,52,12,628	(6,13,817)

Other Comprehensive Income ('OCI') Section

Rs.

Particulars	For the year ended	
	31st March 2020	31st March 2019
Deferred tax related to items recognised in OCI during the year		
Unrealised Loss/ (Gain) on FVTOCI Equity Securities	1,27,26,559	(4,57,392)
Tax Expense in the OCI Section	1,27,26,559	(4,57,392)

b) Balance sheet section

Rs.

Particulars	For the year ended	
	31st March 2020	31st March 2019
Tax recoverable	1,91,64,676	1,61,17,240
Provision for Tax	(1,22,83,844)	(84,38,860)
Net of advance tax recoverable	68,80,832	76,78,380

Reconciliation of tax expenses and the accounting profit multiplied by India's domestic tax rate for the year ended March 31, 2020 and March 31, 2019

Particulars	31st March 2020	31st March 2019
	Rs.	Rs.
Accounting profit/(loss) before Income tax	5,48,41,720	(20,22,949)
At India's Statutory income tax rate	1,52,56,966	(5,62,784)
Increase/(Decrease) of tax expense on account of		
Non-taxable income/Exempt income	(2,84,259)	(1,23,255)
Reduction in depreciation/(accelerated depreciation)	(18,14,723)	(4,38,839)
Expenses not allowed under income tax act	2,39,921	72,206
Expenses that are allowed under payment basis	10,16,681	(8,51,414)
Provisions no longer required credited back	(2,26,655)	-
Carry forward of current year loss	(19,04,087)	19,04,087
Deferred tax asset recognised	29,28,784	(6,13,817)
Total		
Tax expense reported in Statement of profit and Loss	1,52,12,628	(6,13,817)

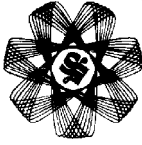
Reconciliation of Deferred tax liabilities (net)**Rs.**

Particulars	31st March 2020	31st March 2019
	Rs.	Rs.
Deferred Tax income / (expenses) during the period recognised in Statement of Profit and Loss	29,28,784	(6,13,817)
Deferred Tax income / (expenses) during the period recognised in OCI	1,27,26,559	(4,57,392)
MAT credit	39,63,394	-
Total	1,96,18,737	(10,71,209)

Income Tax expense**Rs.**

Particulars	31st March 2020	31st March 2019
	Rs.	Rs.
Current tax expense		
Current year	1,22,83,844	-
(A)	1,22,83,844	-
Deferred tax expense		
Decrease/(Increase) in deferred tax asset	1,78,04,013	(15,10,048)
Increase/(Decrease) in deferred tax liability	18,14,723	4,38,839
(B)	1,96,18,737	(10,71,209)
Tax expense recognised in the income statement (A+B)	3,19,02,581	(10,71,209)

45. The Company has not entered into any transaction either as Lessee or Lessor. Hence the introduction of IND AS - 116 - Leases with effect from 01-04-2019 will not have any impact on the companies accounts based on its current position.
46. Estimation of uncertainties relating to the global health pandemic form COVID-19 A nation-wide lockdown from the 25th of March 2020 announced by the Indian Government, to stem the spread of Covid-19. Based on the assessment of internal and external sources of information, the management has considered the assumptions and estimations relating to uncertainties as at the Balance Sheet date in relation to recoverability of assets and there is no significant impact on the financial results and financial position on 31st March 2020. The actual outcome of these assumptions and estimates may vary in future due to the impact of the pandemic.
47. Paise have been rounded off to the nearest rupee.
48. Previous year figures have been regrouped wherever necessary.



SREE SATYANARAYANA SPINNING MILLS LTD.

Regd. Office: Venkatarayapuram, Tanuku – 534215

CIN: U18101AP1962PLC000919

Ph : 08819-224166, 224808

E-mail: sssmills.tanuku@gmail.com, Website : http://www.sssmills.com

PROXY FORM

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

- (1) Name : Address :
E-mail ID : Signature or failing him
- (2) Name : Address :
E-mail ID : Signature or failing him
- (3) Name : Address :
E-mail ID : Signature

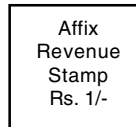
as my/our proxy to attend and vote (on a poll) for me/us and on my/our behalf at the **57th Annual General Meeting** of the Company to be held on Saturday, 26th September, 2020 at 10.00 a.m. at Regd. Office: Venkatarayapuram, Tanuku and at any adjournment thereof in respect of such Resolutions as are indicated below:

Resolution No.	RESOLUTION	Optional	
		For	Against
1.	Adoption of Financial Statements for the year ended 31st March, 2020		
2.	Re-appointment of Shri P. Narendranath Chowdary, as Director who retires by rotation.		

Signed this day of 2020

Signature of Shareholder

Signature of Proxy holder(s)



Note:

1. This form of proxy in order to be effective should be duly completed and deposited at the Registered Office of the Company not less than 48 hours before the commencement of the Meeting.
2. For the Resolutions, Explanatory Statement and Notes, please refer to the Notice of the **57th Annual General Meeting**.
3. It is optional to put a 'X' in the appropriate column against the Resolutions indicated in the Box. If you leave the 'For' or 'Against' column blank against any or all Resolutions, your proxy will be entitled to vote in the manner as he/she thinks appropriate.
4. Please complete all details including details of member(s) in above box before submission.

