

60th Annual Report 2022 - 2023

**SREE
SATYANARAYANA SPINNING MILLS
LIMITED**

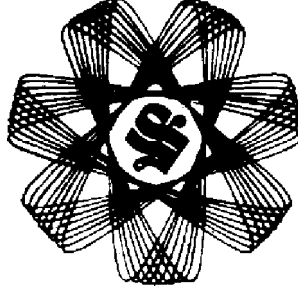
SREE SATYANARAYANA SPINNING MILLS LTD.

Regd. Office: Venkatarayapuram, Tanuku – 534215

CIN: U18101AP1962PLC000919

Ph : 08819-224166

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



Board of Directors:

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

Smt. E.Rajeswari, B.A (w.e.f. 31-03-2023)

Sri Ch.Joga Rao, DTT (w.e.f. 26-04-2023)

Sri S.Parvatha Rao, B.Sc., B.L (upto 05-08-2022)

Sri P.Narendranath Chowdary, B.Sc. (upto 25-03-2023)

Sri C. Murali Krishna, B.Com., F.C.A., A.C.S., M.B.A. (USA) (upto 30-03-2023)

Sri A. Dharmaraju, M.B.A., F.C.S. (upto 03-04-2023)

Auditors:

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

Cost Auditors:

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

Bankers:

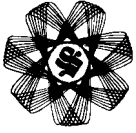
State Bank of India

Registrars & Share Transfer Agents:

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

Contents

	Page
1. Management	1
2. Contents	2
3. Notice to Shareholders	3
4. Directors Report	11
5. Independent Auditors Report	22
6. Balance Sheet	37
7. Statement of Profit & Loss	38
8. Statement of Changes in Equity	39
9. Cash flow Statement	41
10. Notes Forming Part of the Financial Statements	42



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NOTICE TO SHAREHOLDERS

Notice is hereby given that the 60th Annual General Meeting of Sree Satyanarayana Spinning Mills Ltd. will be held on Friday, **the 29th September, 2023 at 10 A.M** through **Physical mode** at the Registered Office of the Company situated at Venkatarayapuram, Tanuku – 534 215 to transact the following business(es): -

ORDINARY BUSINESS:

- 1) To receive, consider and adopt the Audited Financial Statements of the Company comprising the Balance Sheet as of 31st March, 2023, Statement of Profit and Loss, Statement of Cash flows, and Statement of Changes in Equity for the year ended 31st March, 2023 together with the reports of the Board of Directors and Auditors thereon.
- 2) To declare dividend of Rs.____/- per equity share of face value Rs. 10/- each for the financial year 2022-23.

SPECIAL BUSINESS:

- 3) **To regularize the appointment of Smt Rajeswari (DIN 01720295) as a Non-executive Director of the Company.**

To consider and if thought fit to pass with or without modifications the following resolution as a special resolution

RESOVED THAT appointment of Smt Rajeswari (DIN 01720295) made by the Board of Directors of the Company as Non-Executive Director of the Company with effect from March, 31, 2023, pursuant to Article 115 of the Articles of Association of the Company and in terms of the applicable provisions of Companies Act, 2013 (Act) and rules made thereunder, or any statutory modification(s) thereof or any re-enactment(s) of the said Act or Rules and whose term expires at this Annual General Meeting be and is hereby appointed as a director of the Company.

RESOLVED FURTHER THAT pursuant to the provisions of Sections 149 & 152 and other applicable provisions, if any, of the Act and the Rules made thereunder, her appointment as Non-executive Director is liable to retirement by rotation at annual general meeting.

RESOLVED FURTHER THAT The Board of Directors of the Company be and is hereby authorized to do all acts and take all such steps as may be necessary, proper or expedient to give effect to this Resolution".

4) To regularize the appointment of Sri Joga Rao Chintha (DIN: 10130864) as a Executive Director of the Company:

To Consider and if thought fit to pass with or without modifications the following resolution as a special resolution.

RESOVED THAT appointment of Sri Joga Rao Chintha (DIN 10130864) made by the Board of Directors of the Company as Executive Director of the Company with effect from 26-04-2023 and pursuant to Article 115 of the Articles of Association of the Company and in terms of the applicable provisions of Companies Act, 2013 (Act) and rules made thereunder, or any statutory modification(s) thereof or any re-enactment(s) of the said Act or Rules and whose term expires at this Annual General Meeting be and is hereby appointed as a director of the Company.

RESOLVED FURTHER THAT pursuant to the provisions of Sections 149 & 152 and other applicable provisions, if any, of the Act and the Rules made thereunder, his appointment as Executive Director is not liable to retire by rotation at annual general meeting, for a term of 5 years commencing from 25th May, 2023 to 24th May, 2028 be and is hereby approved.

RESOLVED FURTHER THAT The Board of Directors of the Company be and is hereby authorized to do all acts and take all such steps as may be necessary, proper or expedient to give effect to this Resolution".

(BY ORDER OF THE BOARD)

Registered Office:
Venkatarayapuram,
TANUKU – 534 215.
Date: 25th May, 2023

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

Notes:

- 1) The Explanatory Statement pursuant to Section 102 of the Companies Act, 2013 is annexed hereto and forms part of this notice.
- 2) Pursuant to the provisions of the Act, a Member entitled to attend and vote at the AGM is entitled to appoint a proxy to attend and vote on his/her behalf and the proxy need not be a Member of the Company. Accordingly, the facility for appointment of proxies by the members will be available only if the proxy is physically present at the meeting at the registered office of the Company. A proxy form is available for download on our website: www.sssmills.com/investors.aspx.
- 3) As per the provision of Section 91 of the Companies Act, 2013, The Register of Members and the Share Transfer books of the Company will remain closed from **22-09-2023 to 29-09-2023** (both days inclusive)
- 4) The dividend recommended by Directors if approved at the Meeting, will be paid to the Shareholders whose names are on the Register of Members **as on 22-09-2023**.

In respect of the shares held in Demat Mode, the above dividend will be paid on the basis of beneficial ownership as at end of business hours of **21-09-2023** as per the details furnished by the Depositories for this purpose.

5) **TDS on Dividend:**

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

A resident individual Shareholder having PAN and entitled to receive dividend amount exceeding Rs.5,000/- and who is not liable to pay income tax, can submit a yearly declaration in Form No. 15G/15H, to avail the benefit of non-deduction of tax at source by post or email to sssmills.tanuku@gmail.com **on or before 20th September, 2023.**

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

- 6) **Transfer to IEPF:** Pursuant to Sec.124 and 125 of the Companies Act, 2013, all the unclaimed dividends shall be transferred to the “Investor Education and Protection Fund” (IEPF) of the Central Government after a period of 7 years from the date of declaration. Shareholders, who have not encashed their dividend warrants for the years 2017-18, 2018-19, 2020-21 and 2021-22 are requested to write to the Registrars and Share Transfer Agents, M/s. XL Softech Systems Ltd., 3, Sagar Society, Road No.2, Banjara Hills, Hyderabad 500 034 for claiming the dividend.

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

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

- 7) **In compliance with the MCA Circulars dated 5th May 2020, 13th January 2021, and 28th December, 2022, Notice of the AGM along with the Annual Report is being sent only through electronic mode to those Members whose email addresses are registered with the Company/ Depositories. Members may note that the Notice and Annual Report will also be available on the Company’s website www.sssmills.com. A physical copy of the Notice together with the Annual Report shall be sent to the members in permitted mode, who have requested physical copies.**
- 8) Pursuant to Rule 18 of Companies (Management and Administration) Rule, 2014, Members, those who have not got their E-mail IDs recorded are **requested to register their E-mail address and changes therein by sending their e-mail IDs to sssmills.tanuku@gmail.com** in respect of physical shares and with Depository Participants in respect of dematerialized shares for receipt of all the notices and information from the Company. Shareholders are also requested to notify their change of address if any to Company.
- 9) Pursuant to the provisions of Section 72 of the Companies Act, 2013, **Members may file nomination forms in respect of their physical shareholdings.** Any Member wishing to avail this facility may submit to the **Company’s** Registrar & Share Transfer Agent in the prescribed statutory form along with a copy of the Pan Card of the nominee.

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

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

- 11) The Securities and Exchange Board of India (SEBI) has made it mandatory for all companies to use the **bank account details furnished by the depositories for depositing dividends.** Accordingly, the dividend will be credited through National Electronic Clearing Service (NECS) to investors wherever NECS and bank details are available. In the absence of NECS facilities, the Company will print the bank account details, if available, on the payment instrument for the distribution of dividends.
- 12) The Securities and Exchange Board of India (SEBI) has mandated the **submission of Permanent Account Number (PAN) by every participant** in the securities market. Members holding shares in electronic form are, therefore, requested to submit the PAN to their depository participants with whom they are maintaining their Demat account(s). Members holding shares in physical form can submit their PAN details to the company.

ANNEXURE TO NOTICE
Explanatory Statement Pursuant to Section 102 of the Companies Act, 2013.

ITEM No.3

Smt. Rajeswari is having DIN number 01720295. She belongs to promoter group of the Company and spouse of the Managing Director and Chief Executive Officer Sri E Sathyanarayana. She is having experience and expertise in management and running of main business of the Company and being eligible for appointment as Non-Executive Director of the Company. She gave her consent to act as Director of the Company.

Pursuant to Section 174(2) of the Companies Act, 2013 when the number of Directors falls below the minimum due to resignation, the existing directors may act to fulfil the vacancy and ensure minimum number of Directors on Board through Board Meeting or call General Meeting. The Board of Directors on 31-03-2023 appointed her as Director of the Company to fulfil the minimum number of Directors as per Article No.108 of Articles of Association of the Company. The Nomination and Remuneration Committee was dissolved as the Company is not obligated to form committees as per thresholds specified under Section 178 of Companies Act, 2013 read with rule 6 of Companies (Meeting of Board and its powers) Rules, 2014 hence this matter is dealt directly by the Board of Directors.

The Board hereby recommends the passing of the resolution in the interest of the Company for members approval. None of the directors except for Mr. E. Sathyanarayana are interested in the above resolution.

Disclosure as per Secretarial Standards-2 of ICSI

Name	Rajeswari
DIN	01720295
D.O.B and Age	30-03-1961 and 62 Years
Date of first Appointment on the Board	31-03-2023
Experience in Specific Functional Area	Experience and expertise in Management and running of main business of the Company
Qualifications	B.A
Terms and Conditions of Appointment / Re-appointment	Retirement by Rotation
Details of remuneration sought to be paid	--
Last drawn remuneration	--
Relationship with other Directors and Key Managerial Personnel	Spouse of Sri E.Sathyanarayana,Managing Director and CEO of the Company.
Directorship in Companies	1) Sree Dinakar Fabrics Private Limited, 2) Sidhaarth Cotton Yarn Processors Private Limited, 3) Sidhaarth Exports Private Limited 4) Sree Sathyanarayana Textiles Private Limited.
No. of Shares held in the Company	48,800 Shares

Number of meetings of the Board attended during the year	1 (One)
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ITEM No.4

Sri Joga Rao Chintha is having DIN 10130864. He is the senior most executive who worked in various key positions like General Manager and President (Operations). He is having vast experience in core business of the Company and his knowledge and expertise added value to the human capital of the Company. He extended his services to the Company post retirement to till date due to which the consistency of various processes was improved. The Board of Directors have appointed him as Director of the Company with effect from 26th April, 2023. He has submitted his consent to act as Director of the Company. His contribution to the Company over last 30 years is commendable.

Pursuant to Section 168(3) of the Companies Act, 2013 when all directors of the Company resign from their offices or vacate their offices U/s 167, the promoter or in his absence the Central Government shall appoint the required number of Directors who shall hold office till the directors are appointed by the Company in General Meeting. Promoters of the Company has appointed him to fulfil the minimum number of Directors as per Article 108 of the Articles of Association of Company. The Nomination and Remuneration Committee was dissolved as the Company is not obligated to form committees as per thresholds specified under Section 178 of Companies Act, 2013 read with rule 6 of Companies (Meeting of Board and its powers) Rules, 2014 hence this matter is dealt directly by the Board of Directors.

The Board hereby recommends the passing of the resolution in the interest of the Company for members approval.

He has no other interests as Director in any other Company and except himself no other Director is interested in this appointment.

Disclosure as per Secretarial Standards-2 of ICSI

Name	Joga Rao Chintha
DIN	10130864
D.O.B and Age	10-07-1947 and 76 years
Date of first Appointment on the Board	26-04-2023
Experience in Specific Functional Area	Vast experience in core business of the Company
Qualifications	Diploma in Textiles
Terms and Conditions of Appointment / Re- appointment	For a term of 5 (five) years
Details of remuneration sought to be paid	82,000/- per month
Last drawn remuneration	--
No. of Shares held in the Company	--
Number of Board Meetings attended during the year.	--

(BY ORDER OF THE BOARD)

Registered Office:
Venkatarayapuram,
TANUKU – 534 215.
Date: 25th May, 2023

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

SREE SATYANARAYANA SPINNING MILLS LTD
(U18101AP1962PLC000919)

Regd Off: Venkatarayapuram, Tanuku – 534 215, West Godavari Dist. Andhra Pradesh

Member's Folio Number _____

No. of Shares held _____

ATTENDANCE SLIP

(To be handed over at the Entrance of the Meeting Hall)

I hereby record my presence at the Annual General Meeting of the Company being held on Friday, 29th day of September, 2023 at 10.00 A.M. at Venkatarayapuram, Tanuku – 534 215, West Godavari Dist., Andhra Pradesh.

Name of the Attending Member (in Block Letters): _____

Name of the Proxy: _____
(To be filled in if the proxy attends instead of the member)

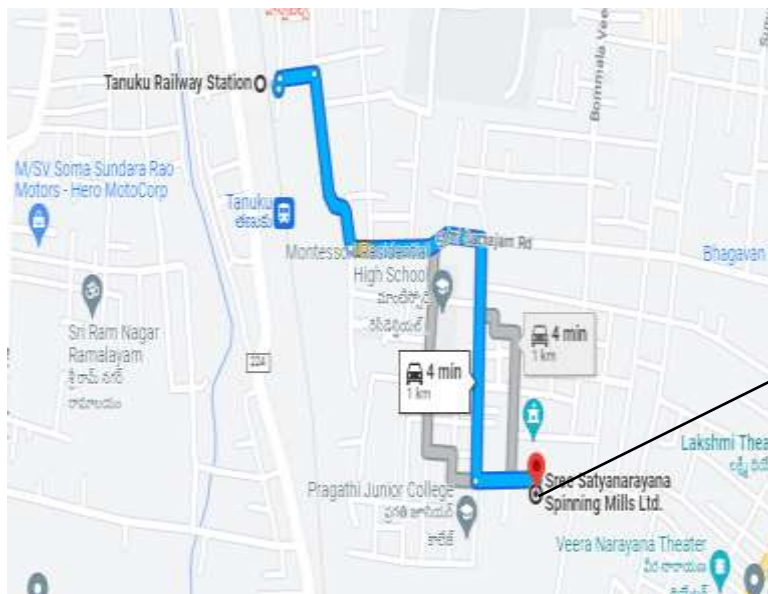
Signature of the Member/Proxy: _____

*To be signed at the time of handing over this slip

Note:

Shareholders/Proxy holders are requested to bring the attendance slip with them duly filled in when they come to the meeting and hand it over at the gate after affixing the signature on it.

Route Map for attending AGM



AGM Venue:
VENKATA
RAYAPURAM,
TANUKU – 534 215,
WEST GODAVARI
DISTRICT, ANDHRA
PRADESH.

BOARD REPORT

To the Members,

Your Directors have pleasure in submitting their 60th Annual Report of the Company together with the Audited Statements of Accounts for the year ended 31st March 2023.

FINANCIAL RESULTS:

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

Particulars	For the year ended 31 st March, 2023 (in Lakhs)	For the year ended 31 st March, 2022 (in Lakhs)
Income from Business Operations	5472.51	9314.77
Add: Other Income	130.75	230.90
Less: Expenditure	6032.69	6647.45
Operating Profit	(429.43)	2898.22
Less: Depreciation & Finance costs	359.11	350.74
Gross Profit	(788.54)	2547.49
Add: Exceptional items	52.20	-
Add: Excess Provision of Income Tax of earlier Years	13.84	-
Current, Deferred taxes & Short Provision of I.T	(178.97)	659.51
Less: MAT Credit utilized during the year		-
Net Profit after Tax	(543.53)	1887.97
Add balance in profit & loss a/c. brought forward	3169.76	1360.92
Add Transfer from FVTOCI Reserve	1.21	15.38
Available for Appropriation	2627.44	3264.26
Deductions:		
Dividend paid	47.25	94.51
Tax on distributable profits		-
Transfer to FVTOCI Reserve		-
Balance carried forward to next year	2580.18	3169.76
Earnings per share (Basic /diluted)	(51.76)	179.79

REVIEW OF BUSINESS OPERATIONS AND FUTURE PROSPECTS:

During the year under review, the mill worked for 355 days in the triple shift. The turnover during the year is Rs.54.72 Crores as against Rs.93.14 Crores in the previous year showing a decrease of 41.25%. The Company attained a loss of Rs.5.44 Crores as against a profit of Rs. 18.88 Crores in the previous year.

OUTLOOK:

Global slowdown this year will be led by advanced economies, especially the Eurozone and the US. India's textile exports depend significantly on these two regions, making them particularly vulnerable to a slowdown in these advanced economies,

The weather, macro conditions and geopolitics can all be expected to be significant market movers leading to 'Unusual' trends in fiber prices. The recent volatility in cotton prices and volatility in crops that can compete for cotton acreage "have made this an exceptionally difficult year to predict. Importantly, it becomes extremely challenging to extract the signal from the noise in the data for cotton.

Cotton prices have corrected from their all-time high levels. Lowering of domestic cotton premium over international prices will help Indian players become price competitive in global markets and any demand rebound would act as a tailwind for the sector. This, along with fall in freight rates, augurs well for textile companies over the medium term to long term. We expect margins of textile companies to be subdued in the quarters ahead. Free trade agreements (FTAs) with Australia, UAE, and UK which allows up to 90 per cent of India's exports to enter duty free in these countries will improve India's position in the global market.

TRANSFER TO RESERVES:

Your Company has not transferred any amount to its General Reserves during the year under review.

EVENTS SUBSEQUENT TO THE DATE OF FINANCIAL STATEMENTS:

Pursuant to SEBI Circular No. SEBI/HO/MRD/DSA/CIR/P/2016/110 dated October 10, 2016 and further clarification letter dated August 31, 2017 Exclusively Listed Companies are allowed to buy back their shares in order to provide exit to the shareholders. The Board has approved buyback of 2,62,525 equity shares of the Company U/s 68 of the Companies Act, 2013 on July, 12th 2023 and obtained special resolution passed by shareholders on August 9th, 2023 for a buyback price of Rs. 439.26 (valued by NSE empanelled independent valuer) per equity share having face value of Rs.10/- each. The approximate outflow is Rs 11, 53, 16,731.50

CHANGE IN THE NATURE OF BUSINESS, IF ANY:

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

DIVIDEND:

Your Directors are pleased to recommend a final dividend of Rs.4.50/- (Rupees Four paise fifty only) per equity share of Rs.10/- each (Previous Year – 4.50/-) for the financial year 2022-23. The dividend if approved and declared in the forthcoming Annual General Meeting would result in a cash outflow of Rs. Rs.47, 25,450/-, (Rupees Forty seven lakhs twenty five thousand four hundred fifty Only) as a dividend.

TRANSFER OF UNCLAIMED DIVIDEND TO INVESTOR EDUCATION AND PROTECTION FUND

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

SHARE CAPITAL:

The paid-up Equity Share Capital as on 31st March 2023 is 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

The Company is in process of delisting by providing exit to the shareholders through Company Buyback.

SUBSIDIARIES, JOINT VENTURES, AND ASSOCIATE COMPANIES:

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

DIRECTORS AND KEY MANAGERIAL PERSONNEL:

Sri S. Parvatha Rao (DIN 06611306) has resigned from the position of Non-Executive Director of the Company with effect from 5th August, 2022

Sri P. Narendranath Chowdary (DIN 00015764) has resigned from the position of Non-Executive Director of the Company with effect from 25th March, 2023.

Sri Murali Krishna Chevuturi (DIN 01770851) has resigned from the position of Non-Executive and Independent Director of the Company with effect from 30th March, 2023

Smt Rajeswari (DIN 01720295) has been appointed as Additional Director of the Company with effect from 31st March, 2023 and shall get regularized as a Director at the ensuing Annual General meeting.

Changes after the Financial Year:

Sri Joga Rao Chintha (DIN 10130864) has been appointed as Additional Director of the Company with effect from 26th April, 2023 and shall get regularized as a Director at the ensuing Annual General meeting.

Sri A. Dharma Raju (DIN 05115294) has resigned from the position of Non-Executive and Independent Director of the Company with effect from 3rd April, 2023.

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

No Independent Director has been appointed during the financial year.

DECLARATION OF INDEPENDENT DIRECTORS:

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

BOARD MEETINGS:

The Company had conducted 5 (Five) Board meetings during the financial year under review. The Details of such Board Meetings are hereunder:

Sl. No	Date of Board meeting	Board Strength	No. of Directors Present
1.	11th May, 2022	5	4
2.	8 th August, 2022	4	4
3.	10 th November, 2022	4	4
4.	9 th February, 2023	4	3
5.	31 st March, 2023	3	3

Attendance of Directors in Board and Committee Meetings:

Sl. No.	Name of the Director	Board Meetings		Committee meetings	
		Number of Meetings director was entitled to attend	Number of Meetings attended	Number of Meetings director was entitled to attend	Number of Meetings attended
1.	E.Sathyanarayana	5	5	6	6
2.	P.Narendranath Chowdary	4	2	0	0
3.	A.Dharmaraju	5	4	6	6
4.	S. Parvatha Rao	1	1	2	2
5.	C.Murali Krishna	4	4	4	4

DIRECTORS RESPONSIBILITY STATEMENT:

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

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

ADEQUACY OF INTERNAL FINANCIAL CONTROLS:

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

AUDITORS:

M/s. Brahmayya & Co., Chartered Accountants, Vijayawada were appointed by shareholders of the Company as Statutory Auditors for a period of 5 years in the 59th Annual General Meeting held on 22-09-2022. Their Term of appointment is ending after the close of 64th Annual General meeting that will be held in the year 2027.

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

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

DEPOSITS:

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

UNSECURED LOANS:

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

PARTICULARS OF LOANS, GUARANTEES, OR INVESTMENTS:

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

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

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

PARTICULARS OF RELATED PARTY TRANSACTIONS:

All related party transactions that were entered into during the financial year 2022-23 were on at arm's length basis and were in the ordinary course of business. There were no significant related party transactions made by the Company with promoters, Directors, Key managerial personnel, or other designated persons which may have a potential conflict with the interest of the Company at large. All related party transactions were placed in the Audit Committee/Board meetings for approval.

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

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

Conservation of Energy:

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

Technology Absorption, Adaptation, and Innovation:

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

Foreign exchange:

Inflow during the year under review Rs. Nil.

Outflow during the year under review was Rs.215.55 Lakhs.

RISK MANAGEMENT POLICY:

The Company does not have any Risk Management Policy.

CORPORATE SOCIAL RESPONSIBILITY (CSR) INITIATIVES:

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

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

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

NOMINATION AND REMUNERATION COMMITTEE AND POLICY

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

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

DISCLOSURE OF COMPOSITION OF AUDIT COMMITTEE AND PROVIDING VIGIL MECHANISM:

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

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

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

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

COMPLIANCE WITH SECRETARIAL STANDARDS

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

ANNUAL RETURN

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

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

The Company has in place a policy on Sexual Harassment of Women at Workplace in line with the requirements of the Sexual Harassment of Women at Workplace (Prevention, Prohibition and Redressal) Act, 2013. An Internal Complaint Committee has been set up to redress complaints received. There were no complaints received from any employee of the Company during the financial year 2022-23.

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

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

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

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

ACKNOWLEDGEMENTS:

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

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

Place: TANUKU – 534 215.
Date: 25th May, 2023

E Sathyararyana
Chairman of the Meeting
(DIN: 01285696)

ANNEXURE- II**THE ANNUAL REPORT ON CSR ACTIVITIES OF SREE SATYANARAYANA SPINNING MILLS LIMITED, TANUKU FOR THE FY 2022-23 AS ANNEXURE TO BOARD'S REPORT**

1. Brief outline on CSR Policy of the Company: The Companies CSR Policy is to promote education, health, environment and livelihood

2. Composition of CSR Committee: Not applicable as the CSR obligation is below Rs. 50,00,000/- U/s 135(9)

Sl. No.	Name of Director	Designation/Nature of Directorship	Number of meetings of CSR Committee held during the year	Number of meetings of CSR Committee attended during the year
N.A				

3. Provide the web-link(s) where Composition of CSR Committee, CSR Policy and CSR Projects approved by the board are disclosed on the website of the company. www.sssmills.com

4. Provide the executive summary along with web-link(s) of Impact Assessment of CSR Projects carried out in pursuance of sub-rule (3) of rule 8, if applicable.

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

6. Average net profit of the company as per sub-section (5) of section 135. Rs. 12,61,72,739

7 (a) Two percent of average net profit of the company as per sub-section (5) of section 135. Rs. 25,23,455

(b) Surplus arising out of the CSR Projects or programmes or activities of the previous financial years. Rs.2,190

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

(d) Total CSR obligation for the financial year [(a)+(b)-(c)]. Rs. 25,21,265

68 (a) CSR amount spent or unspent for the Financial Year:

Total Amount Spent for the Financial Year. (in Rs.)	Amount Unspent (in Rs.)				
	Total Amount transferred to Unspent CSR Account as per sub-section (6) of section 135.		Amount transferred to any fund specified under Schedule VII as per second proviso to sub-section (5) of section 135.		
	Amount.	Date of transfer.	Name of the Fund	Amount.	Date of transfer.
25,23,538	0			0	

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

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

Sl. No	Name of the Project or Activity	Item from the list of activities in schedule VII to the Act.	Local area (Yes// No)	Location of the project		Amount spent on the projects or programs Sub-heads:	Mode of Implementation: Direct or through implementing agency	
				State	District		Name	CSR Registrar

								ati on N o.
1	Dr. Sunkavalli Smaraka Vignana Bharathi High School, Unguturu Construction of School Building and Reestablishment of School Playground	Promoting Education CL.II	Yes	Andhra Pradesh	Eluru District	7,68,878/-	Direct	
2	Senior Citizen Welfare Association, Tanuku Facilitate physiotherphy services and Medical care to Senior Citizens	Social Welfare CL.III	Yes	Andhra Pradesh	West Godavari	4,04,000/-	Direct	
3	SBS MP Primary School, No.1, Undrajavaram. Reestablishment of School Playground & Construction of Cycle Shed	Promoting Education CL.II	Yes	Andhra Pradesh	East Godavari	3,20,630/-	Direct	
4	JNBM ZPP High School, Achanta Vemavaram Facilitate school Furniture	Promoting Education CL.II	Yes	Andhra Pradesh	West Godavari	2,88,000/-	Direct	
5	S.C.I.M Govt. Degree College Reestablishment of Playground	Promoting Education CL.II	Yes	Andhra Pradesh	West Godavari	3,37,344/-	Direct	
6	S.N.V.T Govt. Jr. College, Tanuku Construction of Toilets in College.	Promoting Education CL.II	Yes	Andhra Pradesh	West Godavari	2,38,500/-	Direct	
7	M.V.N Z.P High School, Undrajavaram. Facilitate UV Drinking Plant and reestablishment of Playground	Promoting Education CL.II	Yes	Andhra Pradesh	East Godavari	1,38,186/-	Direct	
8	Expenditure on Administrative Overheads on CSR Activities done	Administrati on Expenses	Yes	Andhra Pradesh		28,000/-	Direct	
		TOTAL:				25,23,538/-		

(d) Amount spent in Administrative Overheads. Rs. 28,000

(e) Amount spent on Impact Assessment, if applicable. Not Applicable

(f) Total amount spent for the Financial Year [(a)+(b)+(c)]. Rs. 25,23,538

(g) Excess amount for set-off, if any:

Sl. No.	Particular	Amount (in Rs.)
(1)	(2)	(3)
(i)	Two percent of average net profit of the company as per sub-section (5) of section 135	25,23,455
(ii)	Total amount spent for the Financial Year	25,23,538
(iii)	Excess amount spent for the Financial Year [(ii)-(i)]	83
(iv)	Surplus arising out of the CSR projects or programmes or activities of the previous Financial Years, if any	2,190
(v)	Amount available for set off in succeeding Financial Years [(iii)-(iv)]	2,273

9. Details of Unspent Corporate Social Responsibility amount for the preceding three Financial Years:

1	2	3	4	5	6	7	8
Sl. No.	Preceding Financial Year(s)	Amount transferred to Unspent CSR Account under sub-section (6) of section 135 (in Rs.)	Balance Amount in Unspent CSR Account under sub-section (6) of section 135 (in Rs.)	Amount Spent in the Financial Year (in Rs)	Amount transferred to a Fund as specified under Schedule VII as per second proviso to sub-section (5) of section 135, if any	Amount remaining to be spent in succeeding Financial Years (in Rs)	Deficiency, if any
					Amount (in Rs)	Date of Transfer	
NIL							

10 In case of creation or acquisition of capital asset, furnish the details relating to the asset so created or acquired through CSR spent in the financial year (asset wise details): Not Applicable

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

Sd/ (Managing Director and (Chief Executive Officer).	(Not applicable) (Chairman CSR Committee).	[Person specified under clause (d) of sub-section (1) of section 380] (Wherever applicable)."
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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 stock exchange”), which comprise the Balance sheet as at 31st March, 2023, 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, 2023, the loss and total comprehensive loss, changes in equity and its cash flows for the year ended on that date.

Basis for Opinion

We conducted our audit of the financial statements in accordance with the Standards on Auditing (SAs) specified under section 143(10) of the Act. 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 Act and the Rules there under, and we have fulfilled our other ethical responsibilities in accordance with these requirements and the ICAI’s Code of Ethics. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

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

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

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

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

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

Responsibilities of Management for the Financial Statements

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

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

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

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

Auditor's Responsibilities for the Audit of the Financial Statements

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

As part of an audit in accordance with SAs, we exercise professional judgment and maintain professional 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 financial controls relevant to the audit in order to design audit procedures that are appropriate in the circumstances. Under section 143(3)(i) of the Companies Act, 2013, we are also responsible for expressing our opinion on whether the company has adequate internal financial controls system in place and the operating effectiveness of such controls.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Company to cease to continue as a going concern.

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

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

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

Report on Other Legal and Regulatory Requirement

- 1) As required by the Companies (Auditor's Report) Order, 2020 ("the Order") issued by the Central Government of India in terms of sub-section (11) of section 143 of the Companies Act, 2013 we give in the Annexure A, a statement on the matters specified in paragraph 3 and 4 of the Order, to the extent applicable.
- 2) As required by Section 143(3) of the Companies Act, 2013 we report that:
 - a) we have sought and obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purposes of our audit;
 - b) in our opinion, proper books of account as required by law have been kept by the Company so far as it appears from our examination of those books;
 - c) the Balance Sheet, the Statement of Profit and Loss including other comprehensive income, the Cash Flow Statement and the changes in equity dealt with by this Report are in agreement with the books of account;
 - d) in our opinion, the aforesaid financial statements comply with the Indian Accounting Standards (Ind AS) prescribed under Section 133 of the Companies Act, 2013 read with relevant rules issued there under and other accounting principles generally accepted in India.
 - e) on the basis of written representations received from the directors as on 31st March, 2023 taken on record by the Board of Directors, none of the directors is disqualified as on 31st March, 2023 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 with reference to Ind AS financial statements 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 with reference to financial statements;

- 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 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, as amended in our opinion and to the best of our information and according to the explanations given to us:
- i. The Company has disclosed the impact of pending litigations on its financial position in its Ind AS financial statements - Refer Note 31 to the Ind AS financial statements;
 - ii. The Company did not have any long-term contracts including derivative contracts for which there were any material foreseeable losses; and
 - iii. There has been no delay in transferring amounts, required to be transferred, to the Investor Education and Protection Fund by the Company.
- iv. (a) The Management has represented that, to the best of its knowledge and belief, no funds (which are material either individually or in the aggregate) have been advanced or loaned or invested (either from borrowed funds or share premium or any other sources or kind of funds) by the Company to or in any other person or entity, including foreign entity ("Intermediaries"), with the understanding, whether recorded in writing or otherwise, that the Intermediary shall, whether, directly or indirectly lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the Company ("Ultimate Beneficiaries") or provide any guarantee, security or the like on behalf of the Ultimate Beneficiaries;
- (b) The Management has represented, that, to the best of its knowledge and belief, no funds (which are material either individually or in the aggregate) have been received by the Company from any person or entity, including foreign entity ("Funding Parties"), with the understanding, whether recorded in writing or otherwise, that the Company shall, whether, directly or indirectly, lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the Funding Party ("Ultimate Beneficiaries") or provide any guarantee, security or the like on behalf of the Ultimate Beneficiaries;
- (c) Based on the audit procedures that have been considered reasonable and appropriate in the circumstances, nothing has come to our notice that has caused us to believe that the representations under sub-clause (i) and (ii) of Rule 11(e), as provided under (a) and (b) above, contain any material misstatement.

- v. As stated in Note 13 to the financial statements
- (a) The final dividend proposed in the previous year, declared and paid by the Company during the year is in accordance with Section 123 of the Act, as applicable.
 - (b) The Board of Directors of the Company have proposed 45 percent dividend for the year which is subject to the approval of the members at the ensuing Annual General Meeting. The amount of dividend proposed is in accordance with section 123 of the Act, as applicable.
- vi. Proviso to Rule 3(1) of the Companies (Accounts) Rules,2014 for maintaining books of account using accounting software which has a feature of recording audit trail (edit log) facility is applicable to the company with effect from April 1,2023 , and accordingly, reporting under Rule 11(g) of Companies (Audit and Auditors) Rules,2014 is not applicable for the financial year ended March 31,2023.

For **Brahmayya & Co**
Chartered Accountants
Firm Registration No: 00513S

Place: TANUKU
Date: 25.05.2023

(T.V.Ramana)
Partner
Membership No: 200523
UDIN:23200523BGSVPJ6217

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 2023.

We report that:

- (i) (a) In respect of the Company's Property, Plant and Equipment and Intangible Assets
 - (A) The company has maintained proper records showing full particulars including quantitative details and situation of Property, Plant & Equipment.
 - (B) The company does not have any intangible assets and hence reporting under this clause is not applicable to that extent.
 - (b) The Property, Plant & Equipment are physically verified by the management according to a phased program designed to cover all the items over a period of three years which, in our opinion, is reasonable having regard to the size of the company and the nature of its assets. Pursuant to the program, during the year under report the management has physically verified its Property, Plant and Equipment and no material discrepancies were noticed on such verification.
 - (c) Based on our examination of the property tax receipts, land on which building is constructed, registered sale deed / transfer deed / conveyance deed provided to us, we report that, the title in respect of self-constructed buildings and title deeds of all other immovable properties (other than properties where the company is the lessee and the lease agreements are duly executed in favour of the lessee), disclosed in the financial statements included under Property, Plant and Equipment are held in the name of the Company as at the balance sheet date.
 - (d) The company has not revalued any Property, Plant & Equipment and intangible assets during the year and hence reporting under this clause is not applicable to that extent.
 - (e) No proceedings have been initiated during the year or are pending against the Company as at March 31, 2023 for holding any benami property under the Benami Transactions (Prohibition) Act, 1988 (as amended in 2016) and rules made thereunder.
- (ii). (a) The inventory has been physically verified by the management at reasonable intervals. The coverage and procedure of such verification is appropriate and the discrepancies noticed during such physical verification of inventories as compared to books have been properly dealt with in the books of account. The discrepancies in each

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 2023.

We report that:

- (i) (a) In respect of the Company's Property, Plant and Equipment and Intangible Assets
 - (A) The company has maintained proper records showing full particulars including quantitative details and situation of Property, Plant & Equipment.
 - (B) The company does not have any intangible assets and hence reporting under this clause is not applicable to that extent.
 - (b) The Property, Plant & Equipment are physically verified by the management according to a phased program designed to cover all the items over a period of three years which, in our opinion, is reasonable having regard to the size of the company and the nature of its assets. Pursuant to the program, during the year under report the management has physically verified its Property, Plant and Equipment and no material discrepancies were noticed on such verification.
 - (c) Based on our examination of the property tax receipts, land on which building is constructed, registered sale deed / transfer deed / conveyance deed provided to us, we report that, the title in respect of self-constructed buildings and title deeds of all other immovable properties (other than properties where the company is the lessee and the lease agreements are duly executed in favour of the lessee), disclosed in the financial statements included under Property, Plant and Equipment are held in the name of the Company as at the balance sheet date.
 - (d) The company has not revalued any Property, Plant & Equipment and intangible assets during the year and hence reporting under this clause is not applicable to that extent.
 - (e) No proceedings have been initiated during the year or are pending against the Company as at March 31, 2023 for holding any benami property under the Benami Transactions (Prohibition) Act, 1988 (as amended in 2016) and rules made thereunder.
- (ii). (a) The inventory has been physically verified by the management at reasonable intervals. The coverage and procedure of such verification is appropriate and the discrepancies noticed during such physical verification of inventories as compared to books have been properly dealt with in the books of account. The discrepancies in each

class of inventory does not exceed 10% of the aggregate of each class of inventory.

(b) The company has been sanctioned working capital limits in excess of Rs. 5 crores, in aggregate from banks or financial institutions on the basis of security of current assets and the quarterly returns filed by the company are in agreement with the books of accounts except (Refer Note No. 18) in respect of inventory where there are certain variances as disclosed in note referred above.

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

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

(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 and amounts which are deemed to be deposits. According to the information furnished to us, no order has been passed on the company by the Company Law Board or National Company Law Tribunal or Reserve Bank of India or any Court or any other Tribunal for non-compliance with the provisions of Sections 73 to 76 of the Companies Act 2013..

(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. However, we have not made a detailed examination of the records.

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

According to the information and explanations given to us, no undisputed amounts payable in respect of Provident Fund, Income Tax, Sales Tax, Goods and Service Tax, Service Tax, duty of customs, duty of Excise, value added tax, cess and other statutory dues were in arrears as at 31st March 2023 for a period of more than six months from the date they became payable.

- (b) According to the information and explanations given to us, there were no amounts of Sales Tax, duty of Customs, Goods and Service Tax, duty of Excise, Cess, Income Tax, Service Tax, Provident fund, Employee State Insurance, Value added tax and other statutory dues applicable to it that have been disputed by the company at the date of the balance sheet under report. Hence, reporting under clause 3(vii)(b) is not applicable.
- (viii). There were no transactions relating to previously unrecorded income that have been surrendered or disclosed as income during the year in the tax assessments under the Income Tax Act, 1961. Hence, reporting under clause 3(viii) is not applicable.
- (ix). (a) According to the records of the company examined by us, and the information and explanations given to us, there were no defaults in repayment of loans or other borrowings or in the payment of interest thereon to any lender during the year under report.
- (b) The Company has not been declared wilful defaulter by any bank or financial institution or government or any government authority.
- (c) The Company has not taken any term loan during the year and there are no outstanding term loans at the beginning of the year and hence, reporting under clause 3(ix)(c) of the Order is not applicable.
- (d) On an overall examination of the financial statements of the Company, funds raised on short-term basis have, prima facie, not been used during the year for long-term purposes by the Company.
- (e) The company does not have any subsidiaries, associates or joint ventures and hence, reporting under clauses 3(ix)(e) and 3(ix)(f) are not applicable.
- (x). (a) The Company has not raised moneys by way of initial public offer or further public offer (including debt instruments) during the year and hence reporting under clause 3(x)(a) of the Order is not applicable.
- (b) During the year, the Company has not made any preferential allotment or private placement of shares or convertible debentures (fully or partly or optionally) and hence reporting under clause 3(x)(b) of the Order is not applicable.

- (xi) (a) No fraud by the Company and no material fraud on the Company has been noticed or reported during the year.
- (b) No report under sub-section (12) of section 143 of the Companies Act has been filed in Form ADT-4 as prescribed under rule 13 of Companies (Audit and Auditors) Rules, 2014 with the Central Government, during the year and upto the date of this report.
- (c) According to the information and explanations given to us, the company has not received any whistle blower complaints during the year.
- (xii). The company is not a Nidhi company and hence reporting under clause 3(xii) of the Order is not applicable.
- (xiii). In our opinion, the Company is in compliance with section 177 and 188 of the Companies Act, 2013 with respect to applicable transactions with the related parties and the details of related party transactions have been disclosed in the Ind AS financial statements as required by the applicable accounting standards.
- (xiv). Considering the requirements of section 138 of the Companies Act, the company Sree Satyanarayana Spinning Mills Limited is not required to appoint an internal auditor. Hence, reporting under the clause 3(xiv) of the Order is not applicable.
- (xv). In our opinion during the year the company has not entered into non-cash transactions with directors or persons connected with its directors, and hence provisions of section 192 of the Companies Act, 2013 are not applicable to the Company.
- (xvi). (a) In our opinion, the Company is not required to be registered under section 45-IA of the Reserve Bank of India Act, 1934. Hence, reporting under clause 3(xvi)(a), (b) and (c) of the Order is not applicable.
- (b) In our opinion, there is no core investment company within the Group (as defined in the Core Investment Companies (Reserve Bank) Directions, 2016 and accordingly reporting under 3(xvi)(d) of the Order is not applicable.
- (xvii). The Company has incurred cash losses during the financial year which amounts to Rs.3,80,69,778/- covered by our audit and the Company has not incurred any cash loss during immediately preceding financial year.
- (xviii). There has been no resignation of the statutory auditors of the Company during the year.
- (xix). On the basis of the financial ratios, ageing and expected dates of realisation of financial assets and payment of financial liabilities, other information accompanying the financial statements, the auditor's knowledge of the Board of Directors and management plans and based on our examination of the evidence supporting the assumptions, nothing has come to our attention,

which causes us to believe that any material uncertainty exists as on the date of the audit report indicating that company is not capable of meeting its liabilities existing at the date of balance sheet as and when they fall due within a period of one year from the balance sheet date. We, however, state that this is not an assurance as to the future viability of the Company. We further state that our reporting is based on the facts up to the date of the audit report and we neither give any guarantee nor any assurance that all liabilities falling due within a period of one year from the balance sheet date, will get discharged by the Company as and when they fall due.

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

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

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

Place: TANUKU
Date: 25.05.2023

(T.V. Ramana)
Partner
(ICAI Membership. No. 200523)
UDIN: 23200523BGSVPJ6217

Annexure - B to the Independent Auditors' Report

(Refereed to in paragraph 2(f) under “Report on Other Legal and Regulatory Requirements” section of our report to the Members of Sree Satyanarayana Spinning Limited of even date)

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

We have audited the internal financial controls with reference to financial statements of **Sree Satyanarayana Spinning Limited** (“the Company, which is in the process of listing with the stock exchange”), as of 31st March 2023 in conjunction with our audit of the Ind AS financial statements of the Company for the year ended on that date.

Management's Responsibility for Internal Financial Controls

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

Auditors' Responsibility

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

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

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

Meaning of Internal Financial Controls with reference to financial statements

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

- (1) pertain to the maintenance of records that, in reasonable detail, accurately and fairly reflect the transactions and dispositions of the assets of the company;
- (2) provide reasonable assurance that transactions are recorded as necessary to permit preparation of financial statements in accordance with generally accepted accounting principles, and that receipts and expenditures of the company are being made only in accordance with authorizations of management and directors of the company; and
- (3) Provide reasonable assurance regarding prevention or timely detection of unauthorized acquisition, use, or disposition of the company's assets that could have a material effect on the financial statements.

Inherent Limitations of Internal Financial Controls with reference to financial statements

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

Opinion

In our opinion, to the best of our information and according to the explanations given to us, the Company has, in all material respects, an adequate internal financial controls system with reference to financial statements and such internal financial controls with reference to financial statements were operating effectively as at 31st March 2023, based on the internal control with reference to financial statements criteria established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls over Financial Reporting issued by the Institute of Chartered Accountants of India.

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

(T.V. Ramana)
Partner
(ICAI Membership. No. 200523)
UDIN: 23200523BGSVPJ6217

Place: TANUKU
Date: 25-05-2023

<u>Particulars</u>	Notes	As At 31st March 2023 Rs.	As At 31st March 2022 Rs.
Non current Assets			
Property, Plant and Equipment	2	2,985.17	3,227.75
Capital Work in Progress			
Investment property			
Other Intangible Assets			
Financial assets:			
(i) Investments	3	-	524.88
(ii) Trade receivables			
(iii) Loans		-	-
(iv) Others (To be specified)	4	112.69	93.05
Deferred Tax Assets (net)			
Other Non Current assets	4A	75.53	88.22
Current Assets			
Inventories	5	2,653.83	1,389.47
Financial assets:			
(i) Investments	6	817.32	2,103.69
(ii) Trade Receivables	7	654.98	1,477.15
(iii) Cash and Cash Equivalents	8.1	30.08	13.91
(iv) Bank balances other than (iii) above	8.2	92.00	-
(v) Loans			
(vi) Others (to be specified)	9	4.47	2.90
Current tax asset(Net)	10	37.30	-
Other Current Assets	11	148.24	68.35
TOTAL		7,611.61	8,989.36
<u>EQUITY AND LIABILITIES</u>			
<u>Equity</u>			
Equity Share Capital	12	105.01	105.01
Other Equity	13	5,974.08	7,088.53
<u>LIABILITIES</u>			
<u>Non-Current Liabilities</u>			
<u>Financial Liability</u>			
(i) Borrowings	14	-	-
(ia) Lease Liabilities		-	-
(ii) Trade Payables			
Due to Micro & Small Enterprises		-	-
Due to Others		-	-
(iii) Other Financial liabilities			
Provisions	15	82.21	55.67
Deferred Tax Liability (Net)	16	170.19	348.75
Other non-current liabilities		-	-
<u>Current Liabilities</u>			
<u>Financial liabilities:</u>			
(i) Borrowings	18	-	378.29
(ia) Lease Liabilities		-	-
(ii) Trade Payables	19		
Due to Micro & Small Enterprises		16.45	5.37
Due to Others		1,010.59	656.91
(iii) Other Financial liabilities	20	218.57	305.11
Other Current Liabilities	21	22.49	22.88
Provisions	17	12.03	11.06
Current Tax Liabilities (Net)	10	-	11.78
TOTAL		7,611.61	8,989.36
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: Tanuku

Date: 25th May 2023

For and on behalf of the Board of Directors

E.Sathyannarayana
Managing Director & C.E.O.

E.Rajeswari
Director

PARTICULARS	Notes	Current Reporting Period 2022-23 Rs.	Current Reporting Period 2021-22 Rs.
Revenue from operations	22	5,472.51	9,314.77
Other Income	23	130.75	230.90
Total Income (I)		5,603.26	9,545.67
Expenses			
Cost of raw materials consumed	24	3,553.95	4,057.25
Changes in Inventories of finished goods and Work-in-progress	25	-	(193.91)
Employee benefits expense	26	833.15	950.15
Finance Costs	27	3.47	6.22
Depreciation and amortization expense	28	355.64	344.52
Power and fuel		915.47	979.31
Other expenses	29	729.66	854.65
Total Expenses (II)		6,391.80	6,998.19
Profit/(loss) before exceptional items and tax (I-II)		(788.54)	2,547.49
Add: Exceptional items		52.20	-
Profit/(loss) before tax		(736.34)	2,547.49
Less : Tax expenses			
Current tax		-	657.00
Deferred tax		(178.97)	1.58
Short/(Excess) Provision of Income tax of earlier years		(13.84)	0.93
Total tax expense		(192.81)	659.51
Profit/(loss) for the year from continuing operations		(543.53)	1,887.97
Profit (loss) from discontinued operations		-	-
Tax expenses of discontinued operations		-	-
Profit/(loss) from Discontinued operations (after tax)		-	-
Profit (loss) for the period		(543.53)	1,887.97
Other comprehensive income			
A (i) Items that will not be reclassified to profit or loss	30	(523.26)	69.49
(ii) Income tax relating to items that will not be reclassified to profit or loss		(0.41)	(5.17)
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)		(1,067.19)	1,952.29
Earning per share:-			
Basic /Diluted/Restated		(51.76)	179.79
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

For and on behalf of the board of directors

E.Sathyanarayana
Managing Director & C.E.O.

(T.V.RAMANA)
Partner
Membership No: 200523

E.Rajeswari
Director

Camp: Tanuku
Date: 25th May 2023

Sree Satyanarayana Spinning Mills Ltd., Tanuku

STATEMENT OF CHANGES IN EQUITY FOR THE YEAR ENDED 31ST MARCH 2023

A. Equity share capital

(1) Current reporting period

(Rs. In lakhs)

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

(2) Previous reporting period

(Rs. In lakhs)

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

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

As per our report of even date

for BRAHMAYYA & CO. For and on behalf of the Board of Directors

Chartered Accountants

Firm Regn. No.000513S

(T.V.RAMANA)

Partner

Membership No: 200523

Camp: Tanuku

Date: 25th May 2023

E.Sathyanarayana
Managing Director & C.E.O.

E.Rajeswari
Director

Sree Satyanarayana Spinning Mills Ltd., Tanuku

STATEMENT OF CHANGES IN EQUITY FOR THE YEAR ENDED 31ST MARCH 2023

B. Other Equity

(1) Current reporting period

(Rs. In lakhs)

Particulars	Capital Redemption Reserve	Capital Reserve	General reserve	Retained Earnings	Equity instruments through Other Comprehensive Income	Deferred tax impact on related items	Actuarial Gains/losses reserve	Total
Balance at the beginning of reporting period	3.00	28.31	4,102.40	3,169.76	(214.94)	-	-	7,088.53
Changes in accounting policy or prior period errors								
Total Comprehensive Income for the year				(543.53)	(524.88)	(0.41)	1.62	(1,067.19)
Transfer from/to General Reserve								-
Transfer to FVTOCI reserve						0.41	(1.62)	(1.21)
Transfer from Retained Earnings				1.21				1.21
Final Dividends				(47.25)				(47.25)
Balance at the beginning of reporting period	3.00	28.31	4,102.40	2,580.18	(739.82)	-	-	5,974.08

(2) Previous reporting period

(Rs. In lakhs)

Particulars	Capital Redemption Reserve	Capital Reserve	General reserve	Retained Earnings	Equity instruments through Other Comprehensive Income	Deferred tax impact on related items	Actuarial Gains/losses reserve	Total
Balance at the beginning of reporting period	3.00	28.31	4,102.40	1,360.92	(263.88)	-	-	5,230.75
Changes in accounting policy or prior period errors								
Total Comprehensive Income for the year				1,887.97	48.94	(5.17)	20.55	1,952.29
Transfer from/to General Reserve								-
Transfer to FVTOCI reserve						5.17	(20.55)	(15.38)
Transfer from Retained Earnings				15.38				15.38
Final Dividends				(94.51)				(94.51)
Balance at the end of reporting period	3.00	28.31	4,102.40	3,169.76	(214.94)	-	-	7,088.53

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: Tanuku

Date: 25th May 2023

For and on behalf of the Board of Directors

E.Sathyanarayana
Managing Director & C.E.O.

E.Rajeswari
Director

CASH FLOW STATEMENT FOR THE YEAR ENDED 31ST MARCH 2023

(Rs. In lakhs)

PARTICULARS	31st March 2023 (Rs.)	31st March 2022 (Rs.)
Profit before tax from continuing operations	(736.34)	2,547.49
Adjustments for		
Interest expense	3.47	6.22
Interest income	(5.16)	(4.43)
Dividend income	(98.68)	(43.88)
Depreciation/amortization on continuing operation	355.64	344.52
Loss/[profit] on sale of fixed assets	(10.19)	(86.07)
Remeasurement of defined benefit plans	1.62	20.55
Operating profit before working capital changes	(489.64)	2,784.39
Movements in working capital:		
Increase/[decrease] in trade payables	364.76	374.69
Increase/[decrease] in non-current provisions	26.53	(2.61)
Increase/[decrease] in short-term provisions	0.97	(54.35)
Increase/[decrease] in other liabilities(Current)	(0.39)	(1.15)
Increase/[decrease] in other financial liabilities (current)	(88.53)	144.14
Increase/[decrease] in other financial assets (non-current)	(19.64)	-
Decrease/[increase] in trade receivables	822.17	(1,100.38)
Decrease/[increase] in inventories	(1,264.36)	34.74
Decrease/[increase] in other assets	(67.21)	(102.21)
Decrease/[increase] in other financial assets (current)	-	-
Decrease/[increase] in current investments	1,385.05	(1,535.00)
Decrease/[increase] in margin money deposits	(92.00)	0.47
Cash generated from/[used in] operations	-	-
Direct taxes paid [net of refunds]	(35.24)	(658.47)
Net cash flow from/[used in] operating activities (A)	542.47	(115.73)
Cash flows from investing activities		
Purchase of fixed assets, including intangible assets, CWIP and capital advances	(120.34)	(226.42)
Proceeds from sale of fixed assets	17.48	171.36
Purchase of current investments	-	(150.00)
Proceeds from sale/maturity of current investments	-	-
Interest received	3.59	5.93
Dividends received from Long- Term investments	-	-
Net cash flow from/[used in] investing activities (B)	(99.27)	(199.13)
Cash flows from financing activities		
Proceeds from borrowings	(378.29)	378.29
Proceeds from other non-current financial liabilities	-	-
Interest paid	(3.47)	(0.86)
Dividends paid including Interim Dividend	(45.26)	(85.62)
Tax on equity dividend paid	-	-
Net cash flow from/[used in] in financing activities [C]	(427.03)	291.81
Net increase/[decrease] in cash and cash equivalents (A+B+C)	16.17	(23.05)
Cash and cash equivalents at the beginning of the year	13.91	36.95
Cash and cash equivalents at the end of the year	30.08	13.91
Components of cash and cash equivalents		
Cash on hand	0.09	0.18
With banks Accounts	15.67	1.40
Unpaid dividend accounts*	14.32	12.33
Total cash and cash equivalents (Note 8.1)	30.08	13.91

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: Tanuku
Date: 25th May 2023

For and on behalf of the
Board of Directors

E.Sathyanarayana
Managing Director & C.E.O.

E.Rajeswari
Director

NOTES FORMING PART OF FINANCIAL STATEMENTS

1. CORPORATE INFORMATION

Brief description of the Company

Sree Satyanarayana Spinning Mills Limited (“the company, which is in the process of listing with the Stock Exchange”), focus on raw material selection, operational excellence and 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 the Stock Exchange.

The financial statements for the year ended March 31, 2023 were approved by the Board of Directors and authorize for issue on May 25, 2023.

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.

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

k) Taxes on income:

Tax expense comprises 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.

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.

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. g.

1) Classification of financial assets

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

- the asset is held within a business model whose objective is to hold assets 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.
- 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 borrowing's costs. All other borrowing costs are charged to revenue.

q) Current and Non-current classification

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

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

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

All other assets are classified as non-current.

A liability is treated as current when:

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

All other liabilities are classified as non-current.

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

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

r) Dividend:

Final dividends on shares are recorded as 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 Research and Development Programme:

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

v) Non-current assets held for sale:

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

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

Notes - 2.1 : Property, Plant and Equipment

(Rs. In lakhs)

Description	GROSS BLOCK				DEPRECIATION BLOCK				NET BLOCK	
	Cost as at 01.04.2022 Rs.	Additions During the year Rs.	Deductions During the year Rs.	Cost as at 31.03.2023 Rs.	Depreciation up to 31.03.2022 Rs.	Depreciation for the year Rs.	Depreciation on Deductions	Depreciation up to 31.03.2023 Rs.	As at 31.03.2023 Rs.	As at 31.03.2022 Rs.
Land	18.45	56.12	0.00	74.57	0.00	0.00	0.00	0.00	74.57	18.45
Buildings	511.44	0.00	0.00	511.44	118.72	17.81	0.00	136.53	374.91	392.71
Plant & Machinery	3942.68	64.22	10.58	3996.32	1378.40	272.36	3.30	1647.47	2348.85	2564.27
Furniture & Fittings	1.02	0.00	0.00	1.02	0.50	0.14	0.00	0.63	0.39	0.53
Office Equipment	1.87	0.00	0.00	1.87	1.39	0.19	0.00	1.58	0.29	0.48
Vehicles & Material Handling Equipment	21.16	0.00	0.00	21.16	18.30	0.82	0.00	19.12	2.05	2.86
Electrical Installations & Equipment	299.11	0.00	0.00	299.11	182.35	29.79	0.00	212.14	86.97	116.75
Laboratory Equipment	204.90	0.00	0.00	204.90	73.98	34.29	0.00	108.27	96.63	130.92
Computers	8.32	0.00	0.00	8.32	7.55	0.25	0.00	7.80	0.52	0.77
TOTAL	5008.95	120.34	10.58	5118.71	1781.20	355.64	3.30	2133.54	2985.17	3227.75
PREVIOUS YEAR	4959.10	226.42	176.57	5008.95	1527.97	344.52	91.29	1781.20	3227.75	3431.13

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

2) The title deeds of all the immovable property are held in the name of the Company.

(Rs. In Lakhs)

3	Non-current Investments	As At 31st March 2023 Rs.	As At 31st March 2022 Rs.
	Trade Investments (valued at cost unless stated otherwise)		
	Investments measured at Fair Value through Other Comprehensive Income		
	Investment in Equity instruments (Unquoted)		
	6,70,000 (31st March 2022: 6,70,000) Equity shares of Rs. 10/- each, fully paid up in Andhra Pradesh Gas Power Corporation Ltd.,	-	524.88
		-	524.88
	Aggregate amount of quoted Investments - Market Value Rs.	NIL	NIL
	- Cost Rs.	NIL	NIL
	Aggregate amount of impairment in value of investments	NIL	NIL
	Aggregate amount of unquoted investments	-	524.88

(Rs. In Lakhs)

4	Other Financial Assets (Non-current)	As At 31st March 2023 Rs.	As At 31st March 2022 Rs.
	Security Deposit	112.69	93.05
	Bank deposits with more than 12 months maturity	-	-
	Others(to be specified)	-	-
	Foreign Currency		
	Total	112.69	93.05

(Rs. In Lakhs)

4A	Other assets (Non-current)	As At 31st March 2023 Rs.	As At 31st March 2022 Rs.
	Capital Advances	53.47	43.96
	Others	22.07	44.26
	Advances other than capital advances		
	Security Deposits;		
	Total	75.53	88.22

(Rs. In Lakhs)

5	Inventories (valued at lower of cost and net realizable value)	As At 31st March 2023 Rs.	As At 31st March 2022 Rs.
	Raw materials and components at Cost	1,977.08	677.12
	Work-in-progress		
	: At Cost	147.32	167.57
	: At Estimated Realisable Value		
	Finished goods		
	: At Cost	75.47	406.73
	: At Estimated Realisable Value	332.58	-
	Stores and spares at Cost	88.16	123.31
	(including in transit Rs.4,01,847/-)		
	(31st March 2022: Rs. 8,63,458/-)		
	Cotton Waste	33.21	14.75
	Total	2,653.83	1,389.47

The cost of inventories recognised as an expense during the year in respect of continuing operations was Rs. 3,712.54 lakhs year ended 31st March 2023 and Rs. 4,075.06 lakhs for the year ended 31st March 2022

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

(Rs. In Lakhs)

Current Investments		As At 31st March 2023 Rs.	As At 31st March 2022 Rs.
6	Quoted mutual funds		
	SBI Mutual Funds.		
	14,62,163.18 (31st March 2022- -NIL) units Saving Fund Regular plan growth mutual funds	517.75	-
	4,175.38 (31st March 2022 - -NIL-) units of Liquid Fund Regular growth plan	145.97	-
	10,01,773 (31st March 2022- -NIL-)units Corporation Bond Fund Regular growth	130.87	-
	2,03,968.99 (31st March 2022- 19807055.52)units Short term Debt fund Regular plan growth	22.72	2,103.69
	817.32	2,103.69	
Aggregate amount of quoted Investments - Market Value Rs.	817.32	2,103.69	
- Cost Rs.			
Aggregate amount of unquoted Investments			
Aggregate amount of impairment in value of investments			

(Rs. In Lakhs)

Trade receivables		As At 31st March 2023 Rs.	As At 31st March 2022 Rs.
7	Secured, considered good		
	Unsecured, considered good	654.98	1,477.15
	Which have significant increase in Credit Risk		
	Credit impaired		
	Total	654.98	1,477.15

Trade Receivables ageing schedule outstanding as on 31st March 2023

(Rs. In Lakhs)

Particulars	Outstanding for following periods from due date of payment#					Total
	Less than 6 months	6 months - 1 year	1-2 years	2-3 years	More than 3 years	
(i) Undisputed Trade receivables – considered good	654.90	-	-	0.08	-	654.98
(ii) Undisputed Trade Receivables – which have significant increase in credit risk						-
(iii) Undisputed Trade Receivables – credit impaired						-
(iv) Disputed Trade Receivables– considered good						-
(v) Disputed Trade Receivables – which have significant increase in credit risk						-
(vi) Disputed Trade Receivables – credit impaired						-

Trade Receivables ageing schedule outstanding as on 31st March 2022

(Rs. In Lakhs)

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

(Rs. In Lakhs)

Cash and bank balances		As At 31st March 2023 Rs.	As At 31st March 2022 Rs.
8.1	<u>Cash and Cash Equivalents :</u>		
	Balances with Banks:		
	On current accounts	15.67	1.40
	Deposits with original maturity of less than 3 months		
	On unclaimed dividend account	14.32	12.33
	Cheques/drafts on hand		
	Cash on hand	0.08	0.18
		30.08	13.91
	<u>Other Bank Balances :</u>		
8.2	Deposits with original maturity for more than 3 months but less than 12 months		
	Margin money deposit Letter of Credit	92.00	-
	Margin money deposit FD	-	-
		92.00	-
	Amount disclosed under non-current assets		
	Total	122.08	13.91

(Rs. In Lakhs)

Other Financial Assets (Current)		As At 31st March 2023 Rs.	As At 31st March 2022 Rs.
9	Interest accrued on fixed deposits/security deposits	4.47	2.90
	Total	4.47	2.90

(Rs. In Lakhs)

Current Tax Assets (net)		As At 31st March 2023 Rs.	As At 31st March 2022 Rs.
10	Advance Income-tax / TDS (net)	37.30	822.22
	Less: Provision for Income tax	-	(834.00)
		37.30	(11.78)

(Rs. In Lakhs)

Other Current assets		As At 31st March 2023 Rs.	As At 31st March 2022 Rs.
11	Prepaid expenses	22.98	24.68
	Balances with Statutory / government authorities	103.47	20.87
	Advance for purchases and expenses		
	Unsecured, considered good	21.79	22.80
		148.24	68.35

(Rs. In Lakhs)

Share Capital	As At 31st March 2023	As At 31st March 2022
	Rs.	Rs.
Authorised Shares :		
1,09,50,000 (31 March 2022 : 1,09,50,000) equity shares of Rs.10/- each	1,095.00	1,095.00
5,000(31 March 2022 :5,000) 9.30% Taxable Redeemable cumulative preference shares of Rs.100/- each	5.00	5.00
	1,100.00	1,100.00
Issued Shares :		
10,50,100(31 March 2022 :10,50,100) equity shares of Rs.10/- each	105.01	105.01
	105.01	105.01
Subscribed and fully paid-up shares :		
10,50,100 (31 March 2022 :10,50,100) equity shares of Rs.10/- each	105.01	105.01
Total issued, subscribed and fully paid-up capital	105.01	105.01

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

(Rs. In Lakhs)

Equity Shares	As At 31st March 2023 Rs.		As At 31st March 2022 Rs.	
	No.	Rs.	No.	Rs.
At the beginning of the period	10,50,100	105.01	10,50,100	105.01
Issued during the period - Bonus issue				
Outstanding at the end of the period	10,50,100	105.01	10,50,100	105.01

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

Equity shares of Rs.10/- each fully paid	As At 31st March 2023		As At 31st March 2022	
	No.	% holding in the class	No.	% holding in the class
1) Sri E.Satyanarayana	1,79,140	17.06%	1,79,140	17.06%
2) Sri E.Rangarao	55,310	5.27%	55,310	5.27%
3) Sri B.Ramesh Kumar	72,280	6.88%	72,280	6.88%
Total	3,06,730	29.21%	3,06,730	29.21%

c.Equity shares movement during the 5 years preceding March 31, 2023

There is no movement in the equity shares during the last 5 years.

d.Disclosure of Shareholding of Promoters as at 31st March 2023

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

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

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

OTHER EQUITY	As At 31st March 2023 Rs.	As At 31st March 2022 Rs.
13 Capital Reserve	28.31	28.31
Capital Redemption Reserve	3.00	3.00
	31.31	31.31
<u>Surplus in Other Comprehensive Income</u>		
Balance as per last Financial Statements	(214.94)	(263.88)
Add: Other Comprehensive Income for the year	(523.66)	64.32
Add: Amount transferred from retained earnings	(1.21)	(15.38)
Closing Balance	(739.82)	(214.94)
<u>General Reserve</u>		
Balance as per the last Financial Statements	4,102.40	4,102.40
Add : Amount transferred from Surplus Balance in the Statement Of Profit and Loss	-	-
Closing Balance	4,102.40	4,102.40
<u>Surplus/(Deficit) In The Statement Of Profit And Loss</u>		
Balance as per the last Financial Statements	3,169.76	1,360.92
Profit/(loss) for the year	(543.53)	1,887.97
Add: Transfer to FVTOCI Reserve	1.21	15.38
	2,627.44	3,264.26
Less :		
Equity Dividend paid	47.25	94.51
Transfer to FVTOCI Reserve	-	-
Transfer to General Reserve	-	-
Total Deductions	47.25	94.51
Net Surplus In Statement Of Profit And Loss	2,580.18	3,169.76
Total Other Equity taken To Balance Sheet	5,974.08	7,088.53

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.

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

2. For the year ended March 31st, 2023 the Board of Directors declared a Final dividend of Rs. 4.50 per Share.

(Rs. In Lakhs)

14	Borrowings (Non-current)	As At 31st March 2023 Rs.	As At 31st March 2022 Rs.
	Term Loans		
	Indian rupee loan from banks (secured)	-	-
		-	-
	Deposits (unsecured)		
	Deposits from share holders		
	Deposits from Public		
		-	-
	Total Amount	-	-
	The above amount includes		
	Secured borrowings		
	Unsecured borrowings	-	-
		-	-
	Net Amount	-	-

(Rs. In Lakhs)

15	Provisions (Non-current)	As At 31st March 2023 Rs.	As At 31st March 2022 Rs.
	Provision for employee benefits:		
	Provision for gratuity	36.15	11.24
	Provision for leave benefits	46.06	44.43
		82.21	55.67

(Rs. In Lakhs)

16	Deferred Tax Liability (Net)	As At 31st March 2023 Rs.	As At 31st March 2022 Rs.
	Deferred Tax Liability		
	Property, Plant & Equipment	358.16	383.80
	Others		
	Gross deferred tax liability	358.16	383.80
	Deferred tax asset		
	Impact of expenditure charged to the statement of profit and loss in the current year but allowed for tax purposes on payment basis	42.33	35.05
	Provision for dimunition in the value of investments		
	Unabsorbed losses	145.64	-
	Others		
	Gross deferred tax asset	187.98	35.05
	Net Deferred Tax Liability	170.19	348.75

(Rs. In Lakhs)

Provisions (Current)		As At 31st March 2023 Rs.	As At 31st March 2022 Rs.
17	Provision for employee benefits:		
	Provision for gratuity	-	-
	Provision for leave benefits	12.03	11.06
		12.03	11.06

(Rs. In Lakhs)

Borrowings (Current)		As At 31st March 2023 Rs.	As At 31st March 2022 Rs.
18	Cash credit from Banks		
	: Secured	-	378.29
	: Unsecured		
	Loan Repayable on Demand (Unsecured)		
	:from Directors		
	Interest free loan and advances from related parties repayable on demand (unsecured)		
	Current maturities of long term borrowings		
		-	378.29
	The above amount includes		
	Secured borrowings	-	378.29
	Unsecured borrowings		

Working capital loans from State Bank Of India (Secured by Hypothecation of entire current assets and movable assets of the Company). The above loans are further collaterally secured by first charge on the entire fixed assets of the company. The rate of interest 2% above MCLR for 1 year being 10.15% (@7.65%).

The Company has submitted the Quarterly returns to bank showing the particulars of Stocks and Debtors. The company is submitting stock statements to the banks without considering value of saleable and usable waste as per the terms of sanction letter. On account of this, the stock statements are varied for the quarter ending 30th June 2022, 30th September 2022, 31st December 2022 & 31st March 2023 in respect of valuation of inventory of Rs. 26.15 Lakhs, Rs. 65.42 Lakhs, Rs. 65.32 Lakhs & Rs. 72.00 Lakhs respectively.

(Rs. In Lakhs)

19

Trade payables	As At 31st March 2023 Rs.	As At 31st March 2022 Rs.
Due to Micro & Small Enterprises	16.45	5.37
Due to Others	1,010.59	656.91
	1,027.04	662.29

Trade Payables ageing schedule outstanding as at 31st March 2023

(Rs. In Lakhs)

Particulars	Outstanding for following periods from due date of payment				Total
	Less than 1 year	1-2 years	2-3 years	More than 3 years	
(i) MSME	16.45	-	-	-	16.45
(ii) Others	539.83	-	-	-	539.83
(iii) Disputed dues – MSME	-	-	-	-	-
(iv) Disputed dues - Others	38.57	194.55	83.26	64.64	381.02
Billed					937.31
Trade payables - unbilled					89.74
					1,027.04

Trade Payables ageing schedule outstanding as at 31st March 2022

(Rs. In Lakhs)

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

(Rs. In Lakhs)

20	Other Financial Liabilities (Current)	As At 31st March 2023 Rs.	As At 31st March 2022 Rs.
	Project related payables	77.50	44.05
	Unclaimed dividend	14.31	12.32
	Accrued Salaries and Benefits	123.01	121.52
	Directors Remuneration Payable	-	123.47
	Others	3.75	3.75
		218.57	305.11

(Rs. In Lakhs)

21	Other Current Liabilities	As At 31st March 2023 Rs.	As At 31st March 2022 Rs.
	Advance from customers	0.09	1.68
	Statutory Dues	19.42	17.71
	Others	2.98	3.48
		22.49	22.88

(Rs. In lakhs)

22	Revenue from operations	This year	Previous year
	Sale of products:		
	Finished goods	5,008.10	8,809.67
	Sale of Cotton Waste	464.41	505.10
		5,472.51	9,314.77
	Other operating revenue		
	Duty draw back		
	Revenue from operations	5,472.51	9,314.77

(Rs. In lakhs)

23	Other Income	This year	Previous year
	Interest income on		
	Bank deposits	0.99	1.21
	Others	4.17	3.22
	Dividend income on		
	Short-term investments	98.68	43.88
	Other non-operating income #	26.91	182.59
		130.75	230.90

Note :

(Rs. In lakhs)

# Other non-operating income includes :	This year	Previous year
Profit on Sale of Asset	10.19	86.07
Miscellaneous Receipts	13.91	93.55
Claims Received	2.80	2.97
Total	26.91	182.59

(Rs. In lakhs)

24	Cost of raw material consumed	This year	Previous year
	Inventory at the beginning of the year	677.12	916.28
	Add:Purchases	4,853.91	3,818.09
		5,531.03	4,734.36
	Less: Inventory at the end of the year	1,977.08	677.12
	Cost of raw material consumed	3,553.95	4,057.25

(Rs. In lakhs)

25	(Increase)/decrease in inventories	This year	Previous year
	Inventories at the end of the year		
	Work in progress	147.32	167.57
	Finished goods	408.06	406.73
	Cotton waste	33.21	14.75
		588.58	589.04
	Inventories at the beginning of the year		
	Work in progress	167.57	133.99
	Finished goods	406.73	195.90
	Cotton waste	14.75	65.25
		589.04	395.14
	(Increase)/Decrease of inventories	0.46	(193.91)

(Rs. In lakhs)

26	Employee benefit expense	This year	Previous year
	Salaries, wages and bonus	709.73	823.97
	Contribution to provident and other fund	80.74	81.03
	Gratuity expense	31.72	31.94
	Staff welfare expenses	10.95	13.20
		833.15	950.15

(Rs. In lakhs)

27	Finance Costs	This year	Previous year
	Interest	3.46	0.85
	Other borrowing Cost	0.01	0.01
	Finance cost - APGPCL	-	5.36
		3.47	6.22

(Rs. In lakhs)

28	Depreciation and amortization expense	This year	Previous year
	Depreciation of tangible assets	355.64	344.52
		355.64	344.52

(Rs. In lakhs)

29	Other expenses	This year	Previous year
	Consumption of stores and spares	158.13	211.72
	Processing Charges	15.48	-
	Freight and forwarding charges	6.32	25.38
	Rates and taxes	4.49	3.79
	Insurance	20.82	19.68
	Repairs and maintenance		
	Plant and machinery	230.60	323.07
	Buildings	190.30	133.27
	Others	8.97	7.54
	Advertising	0.64	1.57
	Sales commission	24.36	54.62
	Travelling and conveyance	2.60	1.34
	Communication costs	0.31	0.46
	Hank Yarn Obligation charges	0.86	1.63
	Legal and professional fees	12.31	24.66
	Directors' sitting fees	1.95	2.70
	Payment to Auditors (Refer details below)	5.64	5.75
	Tools written off	0.25	1.03
	Bank Charges	5.77	6.49
	Corporate Social Responsibility Expenses	25.24	8.40
	Miscellaneous expenses	14.63	21.54
		729.66	854.65

(Rs. In lakhs)

Payment to Auditors	This year	Previous year
As Auditor:		
Audit fee	2.75	2.75
Tax audit fee	0.40	0.40
GST audit fee	0.30	0.30
Other services (certification fees)	0.86	1.01
Out of pocket expenses	0.33	0.30
Cost Auditors Fee	1.00	1.00
Total	5.64	5.75

(Rs. In lakhs)

30	Other Comprehensive income	This year	Previous year
	Items that will not be reclassified to profit & loss account		
	Revaluation gain/(loss) of investments	(524.88)	48.94
	Actuarial Gain / Loss (OCI)-Gratuity	3.36	18.75
	Actuarial Gain / Loss (OCI)-Leave	(1.74)	1.80
	Deferred Tax relating to		
	Employee defined benefit obligations	(0.41)	(5.17)
		(523.66)	64.32

31. CONTINGENT LIABILITIES NOT PROVIDED FOR IN RESPECT OF:

(Rs. In lakhs)

Particulars	As at	
	31.03.2023 Rs.	31.03.2022 Rs.
a) Disputed Electrical Charges Arrears Eastern Power Distribution Company of Andhra Pradesh Ltd since 2020-2021	1,130.30	743.65
GRAND TOTAL	1,130.30	743.65

32. Sale Commitments

(Rs. In lakhs)

Particulars	As at	
	31.03.2023 Rs.	31.03.2022 Rs.
Commitments in respect of sale contracts	621.71	595.74
GRAND TOTAL	621.71	595.74

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

(Rs. In lakhs)

Particulars	2022-23		2021-22	
	Value		Value	
	Rs.	%	Rs.	%
Imported	68.72	1.93	458.54	11.30
Indigenous	3,485.23	98.07	3,598.70	88.70
	3,553.95	100.00	4,057.25	100.00

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

(Rs. In lakhs)

Particulars	2022-23		2021-22	
	Value		Value	
	Rs.	%	Rs.	%
Imported	9.23	2.10	24.21	5.55
Indigenous	430.09	97.90	411.97	94.45
	439.32	100.00	436.18	100.00

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

Summary of Results:

Highlights of the results as at 31st March, 2023 are given below:

(Rs. In lakhs)

Particulars	Gratuity		Leave Encashment	
	Financial Year Ending	Financial Year Ending	Financial Year Ending	Financial Year Ending
	31/03/2023	31/03/2022	31/03/2023	31/03/2022
Defined Benefit Cost included in P & L *	31.72	31.94	10.39	12.97
Other Comprehensive (Income) / Loss	(3.36)	(18.75)	1.74	(1.80)
Total Defined Benefit Cost recognized in P&L and OCI	28.36	13.19	12.13	11.17
Defined Benefit Obligation at the end	421.96	387.19	58.09	55.49
Fair Value of Plan Assets at the end	385.81	375.95	-	-
Net Defined Benefit Liability / (Asset)	36.15	11.24	58.09	55.49
Discount Rate	7.50.%	7.32.%	7.50.%	7.32.%

Summary Of Financial Assumptions

Particulars	Gratuity		Leave encashment	
	31/03/2023	31/03/2022	31/03/2023	31/03/2022
Discount Rate	7.50.%	7.32.%	7.50.%	7.32.%
Salary Escalation	7.00.%	7.00.%	7.00.%	7.00.%

Summary of Demographic Assumptions-Gratuity

Particulars	31/03/2023	31/03/2022
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	23.52.	24.17.

Summary of Demographic Assumptions-Leave encashment

Particulars	31/03/2023	31/03/2022
Mortality Rate (as % of IALM (2012-14) (Mod.) Ult. Mortality Table)	100.00%	100.00%
Disability Rate (as % of above mortality rate)	0.00%	0.00%
Attrition Rate	8.00%	8.00%
Normal Retirement Age	58 Years	58 Years
Leave Encashment Rate during employment	10.00%	10.00%
Leave Availment Rate	2.00%	2.00%

Change in Defined Benefit Obligation

(Rs. In lakhs)

Particulars	Gratuity		Leave Encashment	
	Financial Year Ending 31/03/2023	Financial Year Ending 31/03/2022	Financial Year Ending 31/03/2023	Financial Year Ending 31/03/2022
Defined Benefit Obligation at the beginning	387.19	388.30	55.49	55.96
Current Service Cost	31.02	29.70	6.68	9.51
Past Service Cost	-	-	-	-
(Gain) / Loss on settlements	-	-	-	-
Interest Expense	27.62	25.54	3.71	3.46
Benefit Payments from Plan Assets	(19.63)	(37.29)	-	-
Benefit Payments from Employer	-	-	(9.52)	(11.64)
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 Remeasurements - Due to Experience Adjustments	(5.37)	(11.88)	(0.39)	(0.89)
Due to Experience Adjustments	1.12	(7.19)	2.13	(0.91)
Defined Benefit Obligation at the end	421.96	387.19	58.09	55.49
Discount Rate	7.50.%	7.32.%	7.50.%	7.32.%
Salary Escalation Rate	7.00.%	7.00.%	7.00.%	7.00.%

Change in Fair Value of Plan Assets

(Rs. In lakhs)

Particulars	Gratuity		Leave Encashment	
	Financial Year Ending 31/03/2023	Financial Year Ending 31/03/2022	Financial Year Ending 31/03/2023	Financial Year Ending 31/03/2022
Fair Value of Plan Assets at the beginning	375.95	320.57	-	-
Interest Income	26.93	23.30	-	-
Employer Contributions	3.45	70.51	-	-
Employer Direct Benefit Payments Employer Direct Settlement Payments	-	-	9.52	11.64
Benefit Payments from Plan Assets	(19.63)	(37.29)	-	-
Benefit Payments from Employer	-	-	(9.52)	(11.64)
Settlement Payments from Plan Assets	-	-	-	-
Settlement Payments from Employer	-	-	-	-
Other (Employee Contribution, Taxes, Expenses)	-	(0.83)	-	-
Increase / (Decrease) due to effect of any business combination / divestiture / transfer)	-	-	-	-
Increase / (Decrease) due to Plan combination	-	-	-	-
Remeasurements - Return on Assets (Excluding Interest Income)	(0.89)	(0.32)	-	-
Fair Value of Plan Assets at the end	385.81	375.95	-	-

Weighted Average Asset Allocations at end of Year

Particulars	Gratuity		Leave Encashment	
	Financial Year ending 31.03.2023	Financial Year ending 31.03.2022	Financial Year ending 31.03.2023	Financial Year ending 31.03.2022
Equities	0%	0%	0%	0%
Bonds	0%	0%	0%	0%
Gilts	0%	0%	0%	0%
Insurance Policies	100%	100%	0%	0%
Total	100%	100%	0%	0%

Components of Defined Benefit Cost

(Rs. In lakhs)

Particulars	Gratuity		Leave Encashment	
	Financial Year Ending 31/03/2023	Financial Year Ending 31/03/2022	Financial Year Ending 31/03/2023	Financial Year Ending 31/03/2022
Current Service Cost	31.02	29.70	6.68	9.51
Past Service Cost	-	-	-	-
(Gain) / Loss on Settlements Reimbursement Service Cost	-	-	-	-
Total Service Cost	31.02	29.70	6.68	9.51
Interest Expense on DBO	27.62	25.54	3.71	3.46
Interest (Income) on Plan Assets	(26.93)	(23.30)	-	-
Interest (Income) on Reimbursement Rights	-	-	-	-
Interest Expense on (Asset Ceiling) / Onerous Liability	-	-	-	-
Total Net Interest Cost	0.70	2.24	3.71	3.46
Reimbursement of Other Long Term Benefits	-	-	-	-
Defined Benefit Cost included in P & L	31.72	31.94	10.39	12.97
Remeasurements - Due to Demographic Assumptions	-	-	-	-
Remeasurements - Due to Financial Assumptions Remeasurements - Due to Experience Adjustments (Return) on Plan Assets (Excluding Interest Income) (Return) on Reimbursement Rights	(5.37)	(11.88)	(0.39)	(0.89)
Changes in Asset Ceiling / Onerous Liability	1.12	(7.19)	2.13	(0.91)
	0.89	0.32	-	-
	-	-	-	-
	-	-	-	-
Total Remeasurements in OCI	(3.36)	(18.75)	1.74	(1.80)
Total Defined Benefit Cost recognized in P&L and OCI	28.36	13.19	12.13	11.17
Discount Rate	7.50.%	7.32.%	7.50.%	7.32.%
Salary Escalation Rate	7.00.%	7.00.%	7.00.%	7.00.%

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

(Rs. In lakhs)

Particulars	Gratuity		Leave encashment	
	Financial Year Ending 31/03/2023	Financial Year Ending 31/03/2022	Financial Year Ending 31/03/2023	Financial Year Ending 31/03/2022
Current Liabilities	52.14	35.64	12.03	11.06
Non- current Liabilities	369.82	351.55	46.06	44.43

Amounts recognized in the Statement of Financial Position

(Rs. In lakhs)

Particulars	Gratuity		Leave encashment	
	Financial Year	Financial Year	Financial Year	Financial Year
	Ending 31/03/2023	Ending 31/03/2022	Ending 31/03/2023	Ending 31/03/2022
Defined Benefit Obligation	421.96	387.19	58.09	55.49
Fair Value of Plan Assets	385.81	375.95	-	-
Funded Status	36.15	11.24	58.09	55.49
Effect of Asset Ceiling / Onerous Liability	-	-	-	-
Net Defined Benefit Liability / (Asset)	36.15	11.24	58.09	55.49
Of which, Short term Liability	52.14	35.64	12.03	11.06

Net Defined Benefit Liability / (Asset) reconciliation

(Rs. In lakhs)

Particulars	Gratuity		Leave Encashment	
	Financial Year	Financial Year	Financial Year	Financial Year
	Ending 31/03/2023	Ending 31/03/2022	Ending 31/03/2023	Ending 31/03/2022
Net Defined Benefit Liability / (Asset) at the beginning	11.24	67.06	55.49	55.96
Defined Benefit Cost included in P & L	31.72	31.94	10.39	12.97
Total Remeasurements included in OCI	(3.36)	(18.75)	1.74	(1.80)
Net Transfer In / (Out) (Including the effect of any business combination / divesture)	-	-	-	-
Amount recognized due to Plan Combinations	-	-	-	-
Employer Contributions	(3.45)	(70.51)	-	-
Employer Direct Benefit Payments Employer Direct Settlement Payments	-	-	(9.52)	(11.64)
Credit to Reimbursements	-	-	-	-
Net Defined Benefit Liability / (Asset) at the end	36.15	9.74	58.09	55.49

Experience Adjustments on Present Value of DBO and Plan Assets

(Rs. In lakhs)

Particulars	Gratuity		Leave Encashment	
	Financial Year	Financial Year	Financial Year	Financial Year
	Ending 31/03/2023	Ending 31/03/2022	Ending 31/03/2023	Ending 31/03/2022
(Gain) / Loss on Plan Liabilities % of Opening Plan Liabilities	1.12	(7.19)	2.13	(0.91)
	0.29%	1.85%	3.85%	(1.62%)
Gain / (Loss) on Plan Assets % of Opening Plan Assets	(0.89)	(0.32)	--	--
	(0.24%)	(0.10%)		

Maturity Profile of Defined Benefit Obligations:

(Rs. In lakhs)

Particulars	31st March 2023		31st March 2022	
	Gratuity	Leave Encashment	Gratuity	Leave Encashment
Expected Cash flow in year 1	52.81	12.03	35.64	11.06
Expected Cash flow in year 2	44.24	10.07	46.97	9.93
Expected Cash flow in year 3	45.44	8.97	39.38	8.27
Expected Cash flow in year 4	42.59	9.32	40.49	7.59
Expected Cash flow in year 5	39.74	7.87	39.49	7.67
Expected Cash flow in year 6	38.52	5.10	35.05	6.24
Expected Cash flow in year 7	42.48	6.07	33.93	4.17
Expected Cash flow in year 8	38.17	3.67	37.44	5.36
Expected Cash flow in year 9	37.27	3.17	33.47	2.80
Expected Cash flow in year 10	32.96	3.24	32.81	3.21

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:

(Rs. In lakhs)

Particulars	Effect on Gratuity valuation		Effect on Gratuity valuation	
	31st March 2023	% change	31st March 2022	% change
Impact on Present value of Defined obligation if salary escalation rate increases by 1%	33.85	8.02%	32.13	8.30%
Impact on Present value of Defined obligation if salary escalation rate decreases by 1%	(30.07)	-7.13%	(28.48)	-7.36%
Impact on Present value of Defined obligation if withdrawal rate increases by 1%	0.75	0.18%	0.39	0.10%
Impact on Present value of Defined obligation if withdrawal rate decreases by 1%	(0.85)	-0.20%	(0.44)	-0.11%
Impact on Present value of Defined obligation if discount rate increases by 1%	(27.60)	-6.54%	(26.33)	-6.80%
Impact on Present value of Defined obligation if discount rate decreases by 1%	31.63	7.50%	30.22	7.81%

(Rs. In lakhs)

Particulars	Effect on Leave Encashment		Effect on Leave Encashment	
	31st March 2023	% change	31st March 2022	% change
Impact on Present value of Defined obligation if salary escalation rate increases by 1%	2.59	4.45%	2.53	4.56%
Impact on Present value of Defined obligation if salary escalation rate decreases by 1%	(2.43)	-4.18%	(2.37)	-4.28%
Impact on Present value of Defined obligation if withdrawal rate increases by 1%	0.04	0.07%	0.03	0.05%
Impact on Present value of Defined obligation if withdrawal rate decreases by 1%	(0.04)	-0.08%	(0.03)	-0.05%
Impact on Present value of Defined obligation if discount rate increases by 1%	(2.09)	-3.59%	(2.06)	-3.70%
Impact on Present value of Defined obligation if discount rate decreases by 1%	2.26	3.90%	2.23	4.03%

41. Earning Per Share - Numerators and Denominators used to calculate Basic and Diluted Earnings Per Share for the year 2022-23

(Rs. In lakhs)

Particulars	2022-23 Rs.	2021-22 Rs.
Profit attributable to the Share Holders	(543.53)	1,887.97
Basic/weighted average number of equity shares outstanding during the year	10.50	10.50
Nominal Value of Equity Shares	10.00	10.00
Basic/Diluted earning per share	(51.76)	179.79

42. Related party disclosures pursuant to Ind AS 24

List of related parties:

Key Managerial Personnel

Sri. E. Sathyanarayana, Managing Director & C.E.O.

Sri P. Narendranath Chowdary, Director till 25th March,2023

Sri A. Dharmaraju, Independent Director upto 3rd April, 2023

Sri Sunkavally Parvatha Rao, Independent Director till 05th August,2022

Sri Chevuturi Murali Krishna, Independent Director till 30th March,2023

Smt. E Rajeswari, Director w.e.f. 31st March,2023

Relatives of Key Managerial Personnel

Sri. E.Sidhaarth, Son of Sri.E.Sathyanarayana, Managing Director & C.E.O.

Kum. E.Shilpa, Daughter of Sri.E.Sathyanarayana, Managing Director & C.E.O.

Smt. E.Rajeswari, Wife of Sri.E.Sathyanarayana, Managing Director & C.E.O.

Sri. E.Ranga Rao, Brother of Sri.E.Sathyanarayana, Managing Director & C.E.O.

Sri. E.Sailesh, Brother of Sri.E.Sathyanarayana, Managing Director & C.E.O.

Smt. E.Rama Lakshmi, Mother of Sri.E.Sathyanarayana, Managing Director & C.E.O.

Smt. L.Nagaswarna, Sister of Sri.E.Sathyanarayana, Managing Director & C.E.O.

Enterprises in which key management personnel have significant influence:

M/s. Sidhaarth Cotton Yarn Processors Pvt.Ltd.

M/s. Sidhaarth Exports Pvt Ltd

M/s. Sree Dinakar Fabrics Pvt Ltd

(Rs. In lakhs)

Transactions during the year	Key Managerial personnel Rs.	Relatives of Key Managerial Personnel Rs.	Enterprises in which key Managerial personnel have significant influence Rs.
a) Purchase of Goods From Sree Dinakar fabrics Pvt Ltd			7.08 (0.08)
b) Sale of Goods to Sree Dinakar fabrics Pvt Ltd			6.49 (--)
c) Services rendered to			
d) Services rendered by Sree Dinakar fabrics Pvt Ltd			16.09 (--)
e) Remuneration (including Commission) paid to Sri E.Sathyanarayana	14.47 (134.08)		
f) Interest paid to			
g) Dividend paid to Sri E.Sathyanarayana	8.06 (16.12)		
Smt. E.Rajeswari		2.20 (4.39)	
Sri E.Sidhaarth		0.66 (1.31)	
Smt. E.Ramalakshmi		0.23 (0.45)	

Sri. E.Ranga Rao		2.49	
		(4.98)	
Sri. E.Sailesh		1.92	
		(3.83)	
Smt. L.Nagaswarna		0.20	
		(0.40)	
h) Directors sitting fee			
Sri A. Dharma Raju	0.90		
	(1.00)		
Sri Sunkavally Parvatha Rao	0.25		
	(0.85)		
Sri Chevuturi Murali Krishna	0.80		
	(0.85)		
g) Reimbursement of expenses paid by Sidhaarth Exports Pvt Ltd			--
			(0.05)
Balances as at 31st March 2023			
i. Share capital held by			
Sri E.Sathyanarayana	17.91		
	(17.91)		
Smt. E.Rajeswari		4.88	
		(4.88)	
Sri E.Sidhaarth		1.46	
		(1.46)	
Smt. E.Ramalakshmi		0.50	
		(0.50)	
Sri. E.Ranga Rao		5.53	
		(5.53)	

Sri. E.Sailesh		4.26	
		(4.26)	
Smt. L.Nagaswarna		0.44	
		(0.44)	
ii. Amount due to Sree Dinakar Fabrics Pvt Ltd			-
iii. Remuneration Payable - Sri E.Sathyanarayana	- (123.47)		(0.08)

43. Corporate Social Responsibility (CSR)

(Rs. In lakhs)

Particulars	Year ended March 31,2023	Year ended March 31,2022
(i) amount required to be spent by the company during the year,	25.23	8.38
(ii) amount of expenditure incurred,	25.24	8.40
(iii) shortfall at the end of the year,	-	-
(iv) total of previous years shortfall,	-	-
(v) reason for shortfall,	NA	NA
(vi) nature of CSR activities,	Promoting education, Health care, eradication of hunger and malnutrition, Art and Culture, destitute care and rehabilitation and Rural development projects.	Promoting education, Health care, eradication of hunger and malnutrition, Art and Culture, destitute care and rehabilitation and Rural development projects.
(vii) details of related party transactions - contribution to a trust controlled by the company in relation to CSR expenditure.	No related parties involved	No related parties involved
(viii) where a provision is made with respect to a liability incurred by entering into a contractual obligation, the movements in the provision during the year shall be shown separately.	Nil	Nil

Sree Satyanarayana Spinning Mills Ltd., Tanuku

44. Financial Instruments

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

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

Level 2: The fair value of financial instruments that are not traded in an active market (for example over-the-counter 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. In Lakhs)

Financial Assets	31st March 2023			31st March 2022		
	Level 1	Level 2	Level 3	Level 1	Level 2	Level 3
Unquoted instruments	-	-	-	524.88	-	-
Quoted Mutual funds	817.32	-	-	2,103.69	-	-

As at 31st March,2023

(Rs. In Lakhs)

	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	-				-
Current investments	6	-	817.32	-	-	817.32
Financial assets not measured at fair value						
Trade receivables	7	-	-	654.98	-	654.98
Cash and Cash Equivalents	8.1	-	-	30.08	-	30.08
Bank balances other than above	8.2	-	-	92.00	-	92.00
Other Financial assets						
Security Deposits	4	-	-	112.69	-	112.69
Interest accrued on fixed deposits/security deposits	9	-	-	4.47	-	4.47
		-	817.32	894.23	-	1,711.55
Financial liabilities not measured at fair value						
Borrowings	14 & 18	-	-	-	-	-
Trade payables	19	-	-	-	1,027.04	1,027.04
Other financial liabilities						
Project related payables		-	-	-	-	-
Unclaimed dividend	20	-	-	-	77.50	77.50
Accrued Salaries and Benefits	20	-	-	-	14.31	14.31
Directors Remuneration Payable	20	-	-	-	123.01	123.01
Others		-	-	-	-	-
		-	-	-	3.75	3.75
		-	-	-	-	-
		-	-	-	1,245.61	1,245.61

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	524.88	-	-	-	524.88
Current investments	6	-	2,103.69	-	-	2,103.69
Financial assets not measured at fair value						
Trade receivables	7	-	-	1,477.15	-	1,477.15
Cash and Cash Equivalents	8.1	-	-	13.91	-	13.91
Bank balances other than above	8.2	-	-	-	-	-
Other Financial assets						
Security Deposits	4	-	-	93.05	-	93.05
Interest accrued on fixed deposits/security deposits	9	-	-	2.90	-	2.90
		524.88	2,103.69	1,587.01	-	4,215.57
Financial liabilities not measured at fair value						
Borrowings	14 & 18	-	-	-	378.29	378.29
Trade payables	19	-	-	-	662.29	662.29
Other financial liabilities						
Project related payables		-	-	-	44.05	44.05
Unclaimed dividend	20	-	-	-	12.32	12.32
Accrued Salaries and Benefits	20	-	-	-	121.52	121.52
Directors Remuneration Payable	20	-	-	-	123.47	123.47
Others		-	-	-	3.75	3.75
		-	-	-	-	-
		-	-	-	1,345.69	1,345.69

Sree Satyanarayana Spinning Mills Ltd., Tanuku

Financial Instruments

a) Management of Credit Risk

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

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

b) Management of market risk

- i) Commercial risk
- ii) Fair value risk

The above risks may affect income and expenses, or the value of its financial instruments of the Company. The objective of the Management of the Company for market risk is to maintain this risk within 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. In Lakhs)

Particulars	Impact on profit			
	2022-23		2021-22	
	Increase by 5%	Decrease by 5%	Increase by 5%	Decrease by 5%
Product name				
Cotton yarn	250.40	(250.40)	440.48	(440.48)
Cotton waste	23.22	(23.22)	25.25	(25.25)

Raw material price risk

(Rs. In Lakhs)

Particulars	Impact on profit			
	2022-23		2021-22	
	Increase by 5%	Decrease by 5%	Increase by 5%	Decrease by 5%
Product name				
Cotton	177.70	(177.70)	202.86	(202.86)

ii) Fair value risk

Potential impact of risk	Management policy	Sensitivity to risk
The Company is mainly exposed to the Fair value risk due to its investments in equity instruments. The Fair value risk arises due to uncertainties about the future market. In general, these securities are not held for trading purposes. These investments are not subject to changes in the market price of securities. The fair value of equity instruments classified as fair value through Other Comprehensive Income as at March 31, 2023 of amount Rs. Nil. (Rs. 5,2487.73 lakhs on March 31, 2022).	In order to manage its Fair value risk arising from investments in equity instruments, the Company maintains its portfolio in accordance with the framework set by the Risk Management policies. Any new investment or divestment must be approved by the Board of Directors, Chief Financial Officer.	As an estimation of the approximate impact of Fair value risk, with respect to investments in equity instruments, the Company has calculated the impact as follows.

Sensitivity analysis

(Rs. In Lakhs)

Particulars	Impact in Other Comprehensive Income			
	2022-23		2021-22	
	Increase by 5%	Decrease by 5%	Increase by 5%	Decrease by 5%
Andhra Pradesh Gas Power Corporation Ltd.,	-	-	26.24	(26.24)

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 2023

(Rs. In Lakhs)

Particulars	Carrying value	Contractual cash flows		
		Less than 1 year	1-2 years	More than 2 years
Borrowings	-	-	-	-
Trade payables (Current)	1,027.04	1,027.04	-	-
Other financial liabilities (Current)	218.57	218.57	-	-
	1,245.61	1,245.61	-	-

As at 31st March 2022

(Rs. In Lakhs)

Particulars	Carrying value	Contractual cash flows		
		Less than 1 year	1-2 years	More than 2 years
Borrowings	378.29	378.29	-	-
Trade payables (Current)	662.29	662.29	-	-
Other financial liabilities (Current)	305.11	305.11	-	-
	1,345.69	1,345.69	-	-

Additional Regulatory Information**45. Relationship with Struck off Companies**

Relationship with struck off companies as at March 31,2023

(Rs. In Lakhs)

Name of struck off Company	Nature of transactions with struck-off Company	Balance outstanding as at March 31,2023	Relationship with the Struck off company, if
-NIL-			

Relationship with struck off companies as at March 31,2022

(Rs. In Lakhs)

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

46. Satisfaction of charges with Registrar of Companies

(Rs. In Lakhs)

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

47.Ratios

Ratio	Numerator	Denominator	Current year	Previous year	% Variance	Reasons for variance more than 25%
Current Ratio (in times)	Current assets	Current liabilities	3.37	3.63	(7.36)	
Debt-Equity Ratio (in times)	Total Debt	Shareholder's Equity	-	0.05	(100.00)	There is no debt at the end of current year
Debt Service Coverage Ratio (in times)*	Earnings available for debt service	Debt service	(56.06)	5.60	(1,101.45)	
Return on Equity Ratio (in %)*	Net profit after taxes - Preference dividend(If any)	Average shareholders equity	-8%	30%	(127.18)	
Inventory turnover ratio (in times)	Cost of goods sold or sales	Average inventory	2.71	6.62	(59.12)	Reduction due to increased inventory
Trade Receivables turnover ratio (in times)	Net credit sales	Average Accounts receivable	5.13	10.05	(48.92)	Reduction in sales due to yarn prices
Trade payables turnover ratio (in times)	Net credit purchases	Average trade payables	5.75	8.04	(28.52)	Increase in trade payables
Net capital turnover ratio (in times)	Net sales	Working capital	1.81	2.54	(28.93)	Reduction in sales due to yarn prices
Net profit ratio (in %)*	Net profit	Net sales	-10%	20%	(149.00)	
Return on Capital employed (in %)*	Earning before interest and taxes	Capital employed	-12%	32%	(136.37)	
Return on investment (in %)** (in equity shares)	Net profit after taxes	Equity share capital	-100%	10%	(1,072.55)	-

* The Company has incurred loss in the current year as against profit in the previous year. Hence, profit related ratios i.e. Debt Service Coverage ratio, Return on Equity, Net Profit ratio and Return on Capital Employed ratio were not comparable with the previous year.

** The company APGPCL has suspended their operations during the year 2022-23 due to non-availability of Gas and other legal issues and hence the investment in shares is fair valued

48. Income Tax Reconciliation

Taxation

a) Profit and loss section

(Rs. In Lakhs)

Particulars	For the year ended	
	31st March 2023	31st March 2022
Current Income tax		
Current tax charges	-	657.00
Short/(Excess) Provision of Income tax of earlier years	(13.84)	0.93
Deferred Tax		
Relating to origination and reversal of temporary differences	(178.97)	1.58
Tax Expense reported in the Statement of Profit and Loss	(192.81)	659.51

Other Comprehensive Income ('OCI') Section

(Rs. In Lakhs)

Particulars	For the year ended	
	31st March 2023	31st March 2022
Deferred tax related to items recognised in OCI during the year		
Employee defined benefit obligations	0.41	5.17
Unrealised Loss/ (Gain) on FVTOCI Equity Securities		
Tax Expense in the OCI Section	0.41	5.17

b) Balance sheet section

(Rs. In Lakhs)

Particulars	31st March 2023	31st March 2022
Tax recoverable	37.30	822.22
Provision for Tax	-	(834.00)
Net of advance tax recoverable	37.30	(11.78)

Reconciliation of tax expenses and the accounting profit multiplied by India's domestic tax rate for the year ended March 31, 2023 and March 31, 2022

(Rs. In Lakhs)

Particulars	31st March 2023	31st March 2022
Accounting profit/(loss) before Income tax	(736.34)	2,547.49
At India's Statutory income tax rate	(185.32)	641.15
Increase/(Decrease) of tax expense on account of Non-taxable income/Exempt income		
Reduction in depreciation/(accelerated depreciation)	25.64	(1.50)
Expenses not allowed under income tax act	6.35	8.63
Expenses that are allowed under payment basis	7.69	5.16
Provisions no longer required credited back		
Carry forward of current year loss	145.64	-
Income tax relating to earlier years	(13.84)	0.93
Other adjustments	-	3.55
Deferred tax liability recognised	(178.97)	1.58
Total		
Tax expense reported in Statement of profit and Loss	(192.81)	659.51

Reconciliation of Deferred tax liabilities (net)

(Rs. In Lakhs)

Particulars	31st March 2023	31st March 2022
Deferred Tax income / (expenses) during the period recognised in Statement of Profit and Loss	(178.97)	1.58
Deferred Tax income / (expenses) during the period recognised in OCI	0.41	5.17
Total	(178.56)	6.75

Income tax expense

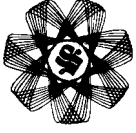
(Rs. In Lakhs)

Particulars	31st March 2023	31st March 2022
Current tax expense		
Current year	-	657.00
Short/(Excess) Provision of Income tax of earlier years	(13.84)	0.93
(A)	(13.84)	657.93
Deferred tax expense		
Decrease/(Increase) in deferred tax asset	(152.93)	6.60
Increase/(Decrease) in deferred tax liability	(25.64)	0.15
(B)	(178.56)	6.75
Tax expense recognised in the income statement (A+B)	(192.40)	664.69

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

50. Previous year figures have been regrouped wherever necessary.

51. Figures in brackets denote those for previous year.



SREE SATYANARAYANA SPINNING MILLS LTD.

Regd. Office: Venkatarayapuram, Tanuku – 534215

CIN: U18101AP1962PLC000919 :: Ph : 08819-224166

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

Form No. MGT-11

Proxy form

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

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

(1) Name..... Address:

E-mail ID: Signature or failing him

(2) Name..... Address:

E-mail ID: Signature

as my/our proxy to attend and vote (on a poll) for me/us and on my/our behalf at the **60th Annual General Meeting** of the Company to be held **on Friday, 29th September, 2023 at 10.00 A.M** through **Physical mode** at the Registered Office of the Company situated at Venkatarayapuram, Tanuku and at any adjournment thereof in respect of such Resolutions as are indicated below:

Resolution No.	RESOLUTION	Optional	
		For	Against
1.	Adoption of Financial Statements for the year ended 31st March, 2023		
2.	To declare dividend on equity shares for the financial year 2022-23.		
Special Resolution:			
3.	Appointment of Smt E.Rajeswari (DIN 01720295) as Non-Executive Director.of the Company		
4.	Appointment of Sri Joga Rao Chintha (DIN 10130864) as Executive Director of the Company		

Signed this..... day of2023

Signature of Shareholders

Signature of Proxy holder(s)

Affix
Revenue
Stamp
Rs.1/-

Note:

1. This form of proxy in order to be effective should be duly completed and deposited at the Registered Office of the Company not less than 48 hours before the commencement of the Meeting.
2. For the Resolutions, Explanatory Statement and Notes, please refer to the Notice of the **60th 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.

