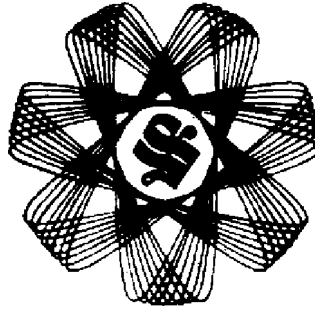




**62nd Annual Report 2024 - 2025**

**SREE  
SATYANARAYANA SPINNING MILLS  
LIMITED**

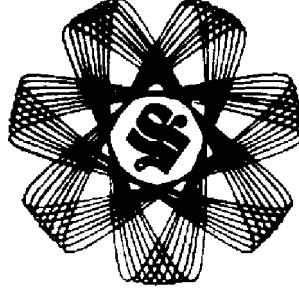
# **SREE SATYANARAYANA SPINNING MILLS LTD.**

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.Rajeshwari, B.A

Sri Ch.Joga Rao, DTT

## **Auditors:**

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

## **Cost Auditors:**

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

## **Bankers:**

State Bank of India

## **Registrars & Share Transfer Agents:**

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

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## SREE SATYANARAYANA SPINNING MILLS LTD.

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e-Mail: sssmills.tanuku@gmail.com, website : <http://www.sssmills.com>

### NOTICE TO SHAREHOLDERS

Notice is hereby given that the 62<sup>nd</sup> Annual General Meeting of Sree Satyanarayana Spinning Mills Ltd. will be held on **Saturday, the 27<sup>th</sup> September, 2025 at 10.00 A.M** 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, 2025, Statement of Profit and Loss, Statement of Cash flows, and Statement of Changes in Equity for the year ended 31st March, 2025 together with the reports of the Board of Directors and Auditors thereon.
- 2) To declare dividends on equity shares for the financial year 2024-25.
- 3) To appoint a director in place of Sri Chintha Joga Rao (DIN: 10130864) who retires by rotation and, being eligible, offers himself for re-appointment.

/By order of the Board//

**Sree Satyanarayana Spinning Mills Ltd.**

Registered Office:  
Venkatarayapuram,

TANUKU – 534 215.  
Date: 9<sup>th</sup> May, 2025

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

#### Notes:

- 1) 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. A person can act as proxy on behalf of members not exceeding fifty (50) and holding in the aggregate not more than 10% of the total share capital of the Company. Proxy Form is enclosed. Proxies in order to be effective must be received at the Registered Office of the Company not less than 48 hours before the commencement of the Meeting. Proxies submitted on behalf of the companies, societies, etc., must be supported by an appropriate resolution/authority, as applicable;
- 2) 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 **19-09-2025 to 27-09-2025** (both days inclusive)
- 3) 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 27-09-2025**.

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 **18-09-2025** as per the details furnished by the Depositories for this purpose.

**4) TDS on Dividend:**

Pursuant to Finance Act, 2020, dividend income will be taxable in the hands of Shareholders w.e.f. 1<sup>st</sup> 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](mailto:sssmills.tanuku@gmail.com) **on or before 17<sup>th</sup> September, 2025.**

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%.

- 5) **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 2020-21, 2021-22, 2022-23 and 2023-24 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](http://www.sssmills.com). The Shareholders can also visit the website of IEPF viz. [www.iepf.gov.in](http://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.

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

**Request to Shareholders:**

- 7) 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](mailto: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.

- 8) 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.
- 9) 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.

- 10) 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.

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.

**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 Saturday, the 27th September, 2025 at 10 A.M at Venkatarayapuram, Tanuku – 534 215, West Godavari Dist., Andhra Pradesh.

**Name of the Attending Member (in Block Letters):** \_\_\_\_\_

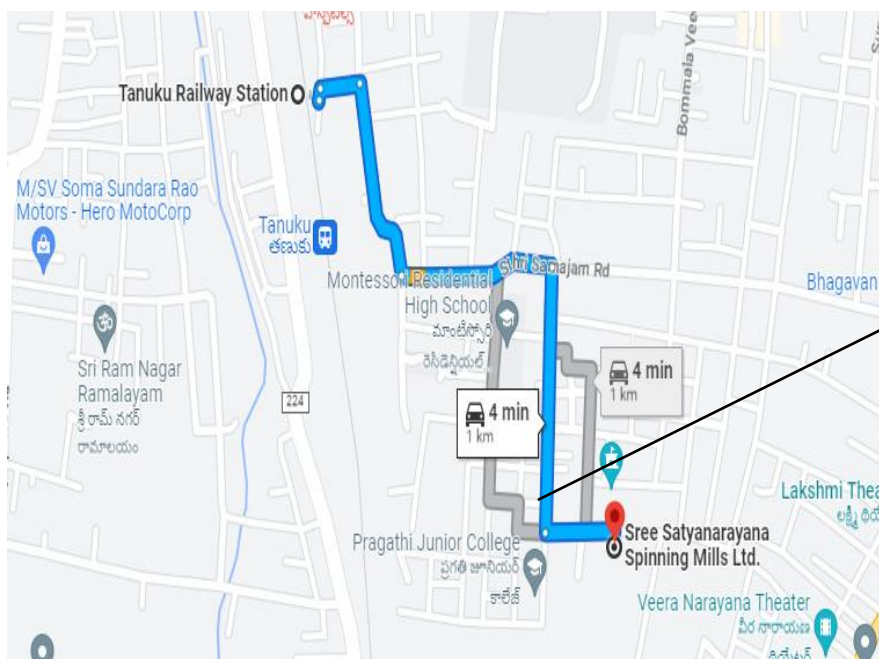
**Name of the Proxy:** \_\_\_\_\_  
(To be filled in if the proxy attends instead of the member)

**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 62<sup>nd</sup> Annual Report of the Company together with the Audited Statements of Accounts for the year ended 31<sup>st</sup> March 2025.

**FINANCIAL RESULTS:**

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

| Particulars                                          | For the year<br>ended 31 <sup>st</sup> March,<br>2025 (Rs.) | For the year<br>ended 31 <sup>st</sup> March,<br>2024 (Rs.) |
|------------------------------------------------------|-------------------------------------------------------------|-------------------------------------------------------------|
| Income from Business Operations                      | 57,75,25,780                                                | 62,86,70,407                                                |
| Add: Other Income                                    | 92,55,811                                                   | 79,48,920                                                   |
| Less: Expenditure                                    | 55,33,49,052                                                | 59,35,75,175                                                |
| <b>Operating Profit</b>                              | <b>3,34,32,539</b>                                          | <b>4,30,44,152</b>                                          |
| Less: Depreciation & Finance costs                   | 3,52,63,902                                                 | 3,55,53,710                                                 |
| <b>Gross Profit</b>                                  | <b>(18,31,363)</b>                                          | <b>74,90,442</b>                                            |
| Add: Exceptional items                               | (1,92,46,576)                                               | 10,80,000                                                   |
| Add: Excess Provision of Income Tax of earlier Years | -                                                           | -                                                           |
| Current, Deferred taxes & Short Provision of I.T     | (53,04,897)                                                 | 21,59,463                                                   |
| <b>Net Profit after Tax</b>                          | <b>(1,57,73,043)</b>                                        | <b>64,10,979</b>                                            |
| Add balance in profit & loss a/c. brought forward    | 26,04,68,082                                                | 25,80,18,436                                                |
| Add Transfer to FVTOCI Reserve                       | 3,85,063                                                    | 64,751                                                      |
| Available for Appropriation                          | 24,50,80,102                                                | 26,44,94,165                                                |
| Deductions:                                          |                                                             |                                                             |
| Dividend paid                                        | 40,26,083                                                   | 40,26,083                                                   |
| <b>Balance carried forward to next year</b>          | <b>24,10,54,019</b>                                         | <b>26,04,68,082</b>                                         |
| <b>Earnings per share (Basic /diluted)</b>           | <b>(17.63)</b>                                              | <b>7.17</b>                                                 |

## REVIEW OF BUSINESS OPERATIONS AND FUTURE PROSPECTS:

### I. Segment-wise position of business and its operations:

During the year under review, the mill worked for 356 days in the triple shift. The turnover during the year is Rs.57.75 Crores as against Rs.62.87 Crores in the previous year showing a decrease of 8.14%. The Company achieved a Loss of Rs.1.58 Crores as against a profit of Rs. 0.64 Crores in the previous year.

### II. Change in status of the company:

There is no change in the status of the company during the financial year

### III. Key business developments:

There are no key business developments during the year.

### IV. Change in the financial year:

There is no change in the financial year during the year.

### V. Capital expenditure programs:

There are no major capital expenditure programs except purchase of office equipment's and furniture's etc.

### VI. Details and status of acquisition, merger, expansion, modernization and diversification:

There were no major events like acquisition, merger, expansion, modernization and diversification happened during the financial year.

### VII. Developments, acquisition and assignment of material Intellectual Property Rights:

There were no major developments, acquisition and assignment of material Intellectual Property Rights

### VIII. Any other material event having an impact on the affairs of the company:

No other material event having an impact on the affairs of the company.

## OUTLOOK:

India's cotton yarn spinning industry will see revenue growth in the current fiscal on rebounding exports to countries such as China and a favourable domestic demand.

Uptick in volumes will primarily drive this growth, supported by a modest increase in yarn prices. Yarn exports had seen a modest growth of 2-4 per cent last fiscal.

The operating margins are expected to see an uptick this fiscal, owing to stable cotton yarn spreads and better availability of cotton through the Cotton Corporation of India (CCI).

Exports account for around 30 per cent of the industry's revenue. This is likely to benefit Indian spinners as they will leverage steady domestic cotton yarn production in the current cotton season and regain their market position. Moreover, India's position in textile exports to the US remains competitive given the higher tariff on China (key competing nation in home textile exports), which is expected to support the 6-8 per cent revenue growth for downstream industries (home textiles and readymade garments). The FTA agreement with UK will also improve the scope for export of textiles from India,

SSSML remains committed to implement its asset right strategy, focus on sweating existing assets, create additional revenue streams and pursue alternative structures in line with industry recovery dynamics towards engendering the next horizon of growth as also enhancing value creation.

#### **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:**

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

#### **CHANGE IN THE NATURE OF BUSINESS, IF ANY:**

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

#### **DIVIDEND:**

Your Directors are pleased to recommend a final dividend of Rs.4.50/- (Rupees Four and Fifty Paise only) per equity share of Rs.10/- each (Previous Year – 4.50/-) for the financial year 2024-25. The dividend if approved and declared in the forthcoming Annual General Meeting would result in a cash outflow of Rs.40,26,083/-, (Rupees Forty Lakhs Twenty Six Thousand Eighty Three 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 2025 is Rs. 89,46,850/- comprising 8,94,685 shares of Rs.10/- each.

### **a) Issue of shares or other convertible securities**

Your Company has not issued any shares or convertible securities during the year under review

### **b) Issue of equity shares with differential rights**

Your Company has not issued any equity shares with differential rights during the year under review

### **c) Issue of Sweat Equity shares**

Your Company has not issued any Sweat Equity Shares during the year under review.

### **d) Details of Employees Stock Option Plan**

Your Company has not provided any Stock Option Scheme to the employees.

### **e) Shares held in trust for the benefit of employees where the voting rights are not exercised directly by the employees**

Since the company has not provided any option to employees, none of the Shares held in trust for the benefit of employees where the voting rights are not exercised directly by the employees

### **f) Buy Back of Securities**

Your Company has not issued any exit offer to public shareholders through buyback offer during the year under review.

### **g) Bonus Shares**

Your Company has not issued any Bonus Shares during the year under review.

### **h) Issue of debentures, bonds or any non- Convertible securities.**

Your Company has not issued any debentures, bonds or any non-convertible securities during the year under review.

### **i) Issue of warrants**

Your Company has not issued any warrants during the year under review.

**SUBSIDIARIES, JOINT VENTURES, AND ASSOCIATE COMPANIES:**

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

**DIRECTORS AND KEY MANAGERIAL PERSONNEL:**

The Board of Directors consists of Sri.Ethirajulu Sathyanarayana, Managing Director and Chief Executive Officer, Smt. E.Rajeshwari, Director and Sri Joga Rao Chintha, Director.

Sri Joga Rao Chintha (DIN 10130864) retires by rotation at this Annual General Meeting and being eligible, offers himself for re-appointment.

Your Company is not required to appoint Key Managerial Personnel or Independent Directors since your Company does not fall under the category of class of companies which have to appoint Key Managerial Personnel or Independent Directors.

**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 provisions of Section 149 pertaining to the appointment of Independent Directors do not apply to our Company.

**BOARD MEETINGS:**

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

| <b>Sl. No</b> | <b>Date of Board meeting</b>    | <b>Board Strength</b> | <b>No. of Directors Present</b> |
|---------------|---------------------------------|-----------------------|---------------------------------|
| 1.            | 1 <sup>st</sup> June, 2024      | 3                     | 3                               |
| 2.            | 10 <sup>th</sup> August, 2024   | 3                     | 3                               |
| 3.            | 29 <sup>th</sup> November, 2024 | 3                     | 3                               |
| 4.            | 8 <sup>th</sup> February, 2025  | 3                     | 3                               |

**Attendance of Directors in Board Meetings:**

| Sl. No. | Name of the Director | Board Meetings                                     |                             |
|---------|----------------------|----------------------------------------------------|-----------------------------|
|         |                      | Number of Meetings director was entitled to attend | Number of Meetings attended |
| 1.      | E.Sathyanarayana     | 4                                                  | 4                           |
| 2.      | E.Rajeshwari         | 4                                                  | 4                           |
| 3.      | Joga Rao Chintha     | 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,

**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 59<sup>th</sup> Annual General Meeting held on 22-09-2022. Their Term of appointment is ending after the close of 64<sup>th</sup> 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.

During the year under review, the Statutory Auditors of the Company have not reported any fraud as required under Section 143(12) of the Companies Act, 2013

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 2024-25 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 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.27.22 Lakhs.

## **RISK MANAGEMENT POLICY:**

The Company does not have any Risk Management Policy.

## **CORPORATE SOCIAL RESPONSIBILITY (CSR) INITIATIVES:**

The provisions U/s 135 of the Companies Act 2013 read with the Companies (Corporate Social Responsibilities) Rules 2014 are not applicable to the company as your company net profit under section 198 has not crossed Rs.5 Crores during the previous financial year ended 31.03.2024.

## **NOMINATION AND REMUNERATION COMMITTEE AND POLICY**

The provisions of Section 178(1) relating to constitution of Nomination and Remuneration Committee are not applicable to the Company and hence the Company has not devised any policy relating to appointment of Directors, payment of Managerial remuneration, Directors qualifications, positive attributes, independence of Directors and other related matters as provided under Section 178(3) of the Companies Act, 2013.

## **DISCLOSURE OF COMPOSITION OF AUDIT COMMITTEE AND PROVIDING VIGIL MECHANISM:**

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 are not applicable to the Company.

During the year, your company's total borrowings did not cross Rs,50 Crores, hence the provisions of Section 177(9) read with rule 7 of the Companies (Meetings of Board and its Powers) Rules, 2014 are not applicable to your company.

#### **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](http://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 2024-25.

#### **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

## **INTERNAL AUDIT UNDER SECTION 138 OF THE COMPANIES ACT:**

During the year under the review, your company's total turnover did not cross Rs.200 Crores and hence the provisions of sub-section (1) of section 138 of the Companies Act, 2013 are not applicable to your company.

## **CREDIT RATING OF SECURITIES:**

Your company has not obtained any credit rating from any credit rating agency during the year under review either for the financial position of the Company or in respect of any securities of the Company.

## **PARTICULARS OF EMPLOYEES:**

The information required under Section 197(12) of the Companies Act 2013 read with Rule 5 of the Companies (Appointment and Remuneration of Managerial Personnel) Rules 2014 is not applicable.

## **DETAILS OF REVISION OF FINANCIAL STATEMENT OR THE REPORT:**

The Board of Directors of your company has not revised any reports or financial statements of your company in respect of any of the three preceding financial years either voluntarily or pursuant to the order of a judicial authority.

## **DEMATERIALIZATION OF SHARES:**

Equity shares of the Company are dematerialized and the ISIN is INE563E01011 in order to comply with the Rule 9A(4) of the Companies (Prospectus and Allotment of Securities) Rules, 2014.

## **ACKNOWLEDGEMENTS:**

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

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

Registered Office:  
Venkatarayapuram,

TANUKU – 534 215.  
Date: 9<sup>th</sup> May, 2025

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

## **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.**, which comprise the Balance sheet as at 31<sup>st</sup> March, 2025, 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 Material 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 31<sup>st</sup> March , 2025, 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 31<sup>st</sup> March, 2025 taken on record by the Board of Directors, none of the directors is disqualified as on 31<sup>st</sup> March, 2025 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. Based on our observation, which included test checks, the company has accounting software for maintaining its books of account for the financial year ended March 31, 2025 which has a feature of recording audit trail (edit log) facility and the same has operated throughout the year for all relevant transactions recorded in the software. Further, during the course of our audit we did not come across any instance of the audit trail feature being tampered with and the audit trail has been preserved by the Company as per the statutory requirements for record retention.

Place: Tanuku

Date: 09.05.2025

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

**(T.V. Ramana)**  
Partner  
Membership No: 200523  
**UDIN: 25200523BMLEXS7270**

## 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 31<sup>st</sup> March, 2025.

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, 2024 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 granted loans, guarantees and security in accordance with the provisions of section 185 of the Companies Act 2013. During the year, the company has provided loan of Rs. 23.34 lakhs being the conversion charges for doubling process to a company in which the directors are interested. The company has complied with the provisions of section 186 of the Companies Act 2013, in respect of loans provided and 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 2025 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 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). According to the information and explanations given to us and based on our examination of the records of the Company, transactions with the related parties are in compliance with Section 188 of the Act where applicable and the details of such transactions have been disclosed in the financial statements as required by the applicable Ind AS. Further, the Company is not required to constitute an audit committee under Section 177 of the Act, and accordingly to the extent of paragraph 3(xviii) of the Order is not applicable to the Company.
- (xiv). Considering the requirements of section 138 of the Companies Act, the company Sree Satyanarayana Spinning Mills Limited is not required to appoint an internal auditor. Hence, reporting under the clause 3(xiv) of the Order is not applicable.
- (xv). In our opinion during the year the company has not entered into non-cash transactions with directors or persons connected with its directors, and hence provisions of section 192 of the Companies Act, 2013 are not applicable to the Company.
- (xvi). (a) In our opinion, the Company is not required to be registered under section 45-IA of the Reserve Bank of India Act, 1934. Hence, reporting under clause 3(xvi)(a), (b) and (c) of the Order is not applicable.
- (b) In our opinion, there is no core investment company within the Group (as defined in the Core Investment Companies (Reserve Bank) Directions, 2016 and accordingly reporting under 3(xvi)(d) of the Order is not applicable.
- (xvii). The Company has not incurred cash losses during the financial year covered by our audit and also 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.

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: 09th May 2025.

**(T.V. Ramana)**  
Partner  
(ICAI Membership. No. 200523)  
**UDIN: 25200523BMLEXS7270**

## **Annexure - B to the Independent Auditors' Report**

(Referred 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**, as of 31st March 2025 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 31<sup>st</sup> March 2025, 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

Place: Tanuku  
Date: 09<sup>th</sup> May, 2025.

**(T.V. Ramana)**  
Partner  
(ICAI Membership. No. 200523)  
**UDIN: 25200523BMLEXS7270**

## BALANCE SHEET AS AT 31ST MARCH, 2025

(Rs. In Lakhs)

| Particulars                                | Notes | As At 31st March<br>2025 Rs. | As At 31st March<br>2024 Rs. |
|--------------------------------------------|-------|------------------------------|------------------------------|
| <b><u>NON-CURRENT ASSETS</u></b>           |       |                              |                              |
| <b>Property, Plant and Equipment</b>       | 2     | 2,450.35                     | 2,776.25                     |
| Capital Work in Progress                   |       |                              |                              |
| Investment property                        |       |                              |                              |
| Other Intangible Assets                    |       |                              |                              |
| <b>Financial assets:</b>                   |       |                              |                              |
| (i) Investments                            | 3     | -                            | -                            |
| (ii) Trade receivables                     |       |                              |                              |
| (iii) Loans                                |       | -                            | -                            |
| (iv) Others (To be specified)              | 4     | 159.63                       | 159.63                       |
| Deferred Tax Assets (net)                  |       |                              |                              |
| Other Non Current assets                   | 4A    | 45.22                        | 67.29                        |
| <b><u>Current Assets</u></b>               |       |                              |                              |
| Inventories                                | 5     | 1,342.32                     | 1,693.41                     |
| <b>Financial assets:</b>                   |       |                              |                              |
| (i) Investments                            | 6     | 1,901.80                     | 1,050.04                     |
| (ii) Trade Receivables                     | 7     | 306.36                       | 978.49                       |
| (iii) Cash and Cash Equivalents            | 8.1   | 89.43                        | 19.35                        |
| (iv) Bank balances other than (iii) above  | 8.2   | -                            | -                            |
| (v) Loans                                  |       |                              |                              |
| (vi) Others (to be specified)              | 9     | 9.51                         | 7.74                         |
| Current tax asset(Net)                     | 10    | 8.85                         | 8.46                         |
| Other Current Assets                       | 11    | 54.88                        | 59.77                        |
| <b>TOTAL</b>                               |       | <b>6,368.34</b>              | <b>6,820.42</b>              |
| <b><u>EQUITY AND LIABILITIES</u></b>       |       |                              |                              |
| <b><u>Equity</u></b>                       |       |                              |                              |
| Equity Share Capital                       | 12    | 89.47                        | 89.47                        |
| Other Equity                               | 13    | 4,978.26                     | 5,172.40                     |
| <b><u>LIABILITIES</u></b>                  |       |                              |                              |
| <b><u>Non-Current Liabilities</u></b>      |       |                              |                              |
| <b>Financial Liability</b>                 |       |                              |                              |
| (i) Borrowings                             | 14    | -                            | -                            |
| (ia) Lease Liabilities                     |       | -                            | -                            |
| (ii) Trade Payables                        |       |                              |                              |
| Due to Micro & Small Enterprises           |       | -                            | -                            |
| Due to Others                              |       | -                            | -                            |
| (iii) Other Financial liabilities          |       |                              |                              |
| Provisions                                 | 15    | 153.39                       | 117.94                       |
| Deferred Tax Liability (Net)               | 16    | 140.24                       | 192.00                       |
| Other non-current liabilities              |       | -                            | -                            |
| <b><u>Current Liabilities</u></b>          |       |                              |                              |
| <b>Financial liabilities:</b>              |       |                              |                              |
| (i) Borrowings                             | 18    | -                            | -                            |
| (ia) Lease Liabilities                     |       | -                            | -                            |
| (ii) Trade Payables                        | 19    |                              |                              |
| Due to Micro & Small Enterprises           |       | 11.67                        | 10.16                        |
| Due to Others                              |       | 831.05                       | 975.29                       |
| (iii) Other Financial liabilities          | 20    | 122.38                       | 229.07                       |
| Other Current Liabilities                  | 21    | 27.43                        | 21.33                        |
| Provisions                                 | 17    | 14.43                        | 12.76                        |
| Current Tax Liabilities (Net)              | 10    | -                            | -                            |
| <b>TOTAL</b>                               |       | <b>6,368.34</b>              | <b>6,820.42</b>              |
| 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.  
(DIN.01285696)

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

E.Rajeshwari  
Director  
(DIN.01720295)

Camp: Tanuku  
Date: 09th May 2025  
UDIN:25200523BMLEXS7270

| PARTICULARS                                                                                                        | Notes      | Current Reporting Period 2024-25 Rs. | Current Reporting Period 2023-24 Rs. |
|--------------------------------------------------------------------------------------------------------------------|------------|--------------------------------------|--------------------------------------|
| Revenue from operations                                                                                            | <u>22</u>  | 5,775.26                             | 6,286.70                             |
| Other Income                                                                                                       | <u>23</u>  | 92.56                                | 79.49                                |
| <b>Total Income (I)</b>                                                                                            |            | <b>5,867.82</b>                      | <b>6,366.19</b>                      |
| <b><u>Expenses</u></b>                                                                                             |            |                                      |                                      |
| Cost of raw materials consumed                                                                                     | <u>24</u>  | 2,972.08                             | 3,648.62                             |
| Changes in Inventories of finished goods and Work-in-progress                                                      | <u>25</u>  | 182.97                               | (244.16)                             |
| Employee benefits expense                                                                                          | <u>26</u>  | 882.57                               | 894.28                               |
| Finance Costs                                                                                                      | <u>27</u>  | 3.07                                 | 1.25                                 |
| Depreciation and amortization expense                                                                              | <u>28</u>  | 349.57                               | 354.29                               |
| Power and fuel                                                                                                     |            | 932.14                               | 1,066.92                             |
| Other expenses                                                                                                     | <u>29</u>  | 563.72                               | 570.09                               |
| <b>Total Expenses (II)</b>                                                                                         |            | <b>5,886.13</b>                      | <b>6,291.29</b>                      |
| <b>Profit/(loss) before exceptional items and tax (I-II)</b>                                                       |            | <b>(18.31)</b>                       | <b>74.90</b>                         |
| Add/Less : Exceptional items                                                                                       | <u>30A</u> | (192.47)                             | 10.80                                |
| <b>Profit/(loss) before tax</b>                                                                                    |            | <b>(210.78)</b>                      | <b>85.70</b>                         |
| <b>Less : Tax expenses</b>                                                                                         |            |                                      |                                      |
| Current tax                                                                                                        |            | -                                    | -                                    |
| Deferred tax                                                                                                       |            | (53.05)                              | 21.59                                |
| <b>Total tax expense</b>                                                                                           |            | <b>(53.05)</b>                       | <b>21.59</b>                         |
| <b>Profit/(loss) for the year from continuing operations</b>                                                       |            | <b>(157.73)</b>                      | <b>64.11</b>                         |
| Profit (loss) from discontinued operations                                                                         |            | -                                    | -                                    |
| Tax expenses of discontinued operations                                                                            |            | -                                    | -                                    |
| Profit/(loss) from Discontinued operations (after tax)                                                             |            | -                                    | -                                    |
| Profit (loss) for the period                                                                                       |            | <b>(157.73)</b>                      | 64.11                                |
| Other comprehensive income                                                                                         |            | -                                    | -                                    |
| A (i) Items that will not be reclassified to profit or loss to profit or loss                                      | 30         | 5.15                                 | 0.87                                 |
| B (i) Items that will be reclassified to profit or loss                                                            |            | (1.30)                               | (0.22)                               |
| (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) |            | <b>(153.88)</b>                      | 64.76                                |
| <b>Earning per share:-</b>                                                                                         |            |                                      |                                      |
| <b>Basic / Diluted</b>                                                                                             |            | <b>(17.63)</b>                       | <b>7.17</b>                          |
| 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

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

E.Sathyanarayana  
Managing Director & C.E.O.  
(DIN.01285696)

Camp: Tanuku  
Date: 09th May 2025  
UDIN:25200523BMLEXS7270

E.Rajeshwari  
Director  
(DIN.01720295)

Sree Satyanarayana Spinning Mills Ltd., Tanuku

STATEMENT OF CHANGES IN EQUITY FOR THE YEAR ENDED 31ST MARCH 2025

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 |
|----------------------------------------------------------|------------------------------------------------------------|-------------------------------------------------------------------|---------------------------------------------------------|----------------------------------------------------|
| 89.47                                                    | -                                                          | -                                                                 | -                                                       | 89.47                                              |

(2) Previous reporting period

| 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                                                    | -                                                          | -                                                                  | 15.54                                                    | 89.47                                               |

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: 09th May 2025

UDIN:25200523BMLEXS7270

For and on behalf of the Board of Directors

E.Sathyanarayana  
Managing Director & C.E.O.  
(DIN.01285696)

E.Rajeshwari  
Director  
(DIN.01720295)

E.Rajeshwari

## STATEMENT OF CHANGES IN EQUITY FOR THE YEAR ENDED 31ST MARCH 2025

## 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          | 18.54                      | 28.31           | 3,260.68        | 2,604.68          | (739.82)                                              | -                                    | -                              | 5,172.40        |
| Changes in accounting policy or prior period errors   |                            |                 |                 |                   |                                                       |                                      |                                |                 |
| <b>Total Comprehensive Income for the year</b>        |                            |                 |                 | (157.73)          | -                                                     | (1.30)                               | 5.15                           | (153.88)        |
| Payment for buy back of shares                        |                            |                 | -               |                   |                                                       |                                      |                                | -               |
| Tax on Buy back of shares                             |                            |                 | -               |                   |                                                       |                                      |                                | -               |
| Transfer from General Reserve upon buy back of shares | -                          |                 | -               |                   |                                                       |                                      |                                | -               |
| Transfer from Retained Earnings to FVTOCI reserve     |                            |                 |                 | 3.85              |                                                       | 1.30                                 | (5.15)                         | -               |
| Final Dividends                                       |                            |                 |                 | (40.26)           |                                                       |                                      |                                | (40.26)         |
| <b>Balance at the beginning of reporting period</b>   | <b>18.54</b>               | <b>28.31</b>    | <b>3,260.68</b> | <b>2,410.54</b>   | <b>(739.82)</b>                                       | <b>-</b>                             | <b>-</b>                       | <b>4,978.26</b> |

## (2) Previous reporting period

| 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        | 2,580.18          | (739.82)                                              | -                                    | -                              | 5,974.08        |
| Changes in accounting policy or prior period errors   |                            |                 |                 |                   |                                                       |                                      |                                |                 |
| <b>Total Comprehensive Income for the year</b>        |                            |                 |                 | 64.11             | -                                                     | (0.22)                               | 0.87                           | 64.76           |
| Payment for buy back of shares                        |                            |                 | (667.13)        |                   |                                                       |                                      |                                | (667.13)        |
| Tax on Buy back of shares                             |                            |                 | (159.04)        |                   |                                                       |                                      |                                | (159.04)        |
| Transfer from General Reserve upon buy back of shares | 15.54                      |                 | (15.54)         |                   |                                                       |                                      |                                | -               |
| Transfer from Retained Earnings to FVTOCI reserve     |                            |                 |                 | 0.65              |                                                       | 0.22                                 | -0.87                          | -               |
| Final Dividends                                       |                            |                 |                 | (40.26)           |                                                       |                                      |                                | (40.26)         |
| <b>Balance at the beginning of reporting period</b>   | <b>18.54</b>               | <b>28.31</b>    | <b>3,260.68</b> | <b>2,604.68</b>   | <b>(739.82)</b>                                       | <b>-</b>                             | <b>-</b>                       | <b>5,172.40</b> |

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

As per our report of even date

for BRAHMAYYA &amp; CO.

Chartered Accountants

Firm Regn. No.000513S

(T.V.RAMANA )

Partner

Membership No: 200523

Camp: Tanuku

Date: 09th May 2025

UDIN:25200523BMLEXS7270

For and on behalf of the Board of Directors

E.Sathyanarayana  
Managing Director & C.E.O.  
(DIN.01285696)

E.Rajeshwari  
Director  
(DIN.01720295)

## CASH FLOW STATEMENT FOR THE YEAR ENDED 31ST MARCH 2025

(Rs. In Lakhs)

| PARTICULARS                                                                      | 31st March 2025<br>(Rs.) | 31st March 2024 (Rs.) |
|----------------------------------------------------------------------------------|--------------------------|-----------------------|
| Profit before tax from continuing operations                                     | (210.78)                 | 85.70                 |
| <b>Adjustments for</b>                                                           |                          |                       |
| Interest expense                                                                 | 3.07                     | 1.25                  |
| Interest income                                                                  | (18.55)                  | (10.11)               |
| Dividend income                                                                  | -                        | (4.47)                |
| Depreciation/amortization on continuing operation                                | 349.57                   | 354.29                |
| Profit on sale of current investments                                            | (46.28)                  | -                     |
| Profit on revaluation of current investments                                     | (25.48)                  | -                     |
| <b>Operating profit before working capital changes</b>                           | <b>51.55</b>             | <b>426.67</b>         |
| <b>Movements in working capital:</b>                                             |                          |                       |
| Increase/[decrease] in trade payables                                            | (142.73)                 | (41.59)               |
| Increase/[decrease] in non-current provisions                                    | 40.60                    | 36.59                 |
| Increase/[decrease] in short-term provisions                                     | 1.67                     | 0.73                  |
| Increase/[decrease] in other liabilities(Current)                                | 6.10                     | (1.15)                |
| Increase/[decrease] in other financial liabilities (current)                     | (107.39)                 | 22.00                 |
| Increase/[decrease] in other financial assets (non-current)                      | -                        | (46.93)               |
| Decrease/[increase] in trade receivables                                         | 672.13                   | (323.50)              |
| Decrease/[increase] in inventories                                               | 351.09                   | 960.42                |
| Decrease/[increase] in other assets                                              | 26.95                    | 88.47                 |
| Decrease/[increase] in other financial assets (current)                          | -                        | -                     |
| Decrease/[increase] in current investments                                       | -                        | (228.25)              |
| Decrease/[increase] in margin money deposits                                     | -                        | 92.00                 |
| Cash generated from/[used in] operations                                         |                          |                       |
| Direct taxes paid [net of refunds]                                               | (0.39)                   | 28.84                 |
| <b>Net cash flow from/[used in] operating activities (A)</b>                     | <b>899.58</b>            | <b>1,014.29</b>       |
| <b>Cash flows from investing activities</b>                                      |                          |                       |
| Purchase of fixed assets, including intangible assets, CWIP and capital advances | (23.67)                  | (137.12)              |
| Proceeds from sale of fixed assets                                               | -                        | -                     |
| Purchase of current investments                                                  | (5,413.91)               | -                     |
| Proceeds from sale/maturity of current investments                               | 4,633.91                 | -                     |
| Interest received                                                                | 16.79                    | 6.84                  |
| Dividends received from Long- Term investments                                   |                          |                       |
| <b>Net cash flow from/[used in] investing activities (B)</b>                     | <b>(786.88)</b>          | <b>(130.29)</b>       |
| <b>Cash flows from financing activities</b>                                      |                          |                       |
| Proceeds from borrowings                                                         | -                        | -                     |
| Payment for buy back of shares                                                   | -                        | (682.68)              |
| Tax on Buy Back of Shares                                                        | -                        | (159.04)              |
| Interest paid                                                                    | (3.07)                   | (1.25)                |
| Dividends paid including Interim Dividend                                        | (39.56)                  | (51.77)               |
| Tax on equity dividend paid                                                      | -                        | -                     |
| <b>Net cash flow from/[used in] in financing activities [C]</b>                  | <b>(42.63)</b>           | <b>(894.73)</b>       |
| Net increase/[decrease] in cash and cash equivalents (A+B+C)                     | 70.08                    | (10.72)               |
| Cash and cash equivalents at the beginning of the year                           | 19.35                    | 30.08                 |
| Cash and cash equivalents at the end of the year                                 | 89.43                    | 19.35                 |
| <b>Components of cash and cash equivalents</b>                                   |                          |                       |
| Cash on hand                                                                     | 0.40                     | 0.03                  |
| With banks Accounts                                                              | 85.51                    | 16.51                 |
| Unpaid dividend accounts*                                                        | 3.52                     | 2.82                  |
| <b>Total cash and cash equivalents (Note 8.1)</b>                                | <b>89.43</b>             | <b>19.35</b>          |

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.  
(DIN.01285696)

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

E.Rajeshwari  
Director  
(DIN.01720295)

Camp: Tanuku  
Date: 09th May 2025  
UDIN:25200523BMLEXS7270

## **NOTES FORMING PART OF FINANCIAL STATEMENTS**

### **1. CORPORATE INFORMATION**

#### **Brief description of the Company**

Sree Satyanarayana Spinning Mills Limited will 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 financial statements for the year ended March 31, 2025 were approved by the Board of Directors and authorize for issue on 9th May, 2025.

#### **1.1 MATERIAL ACCOUNTING POLICIES**

The accounting policies mentioned herein are relating to the 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, labour cost and directly attributable overheads incurred up to the date the asset is ready for its intended use. However, cost excludes Goods 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 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 First In First Out (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.

## **I) 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 FVOCI 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**

Property, Plant and Equipment for the year ended March 31, 2025 consist of the following

(Rs. In Lakhs)

| Description                            | GROSS BLOCK                        |                                        |                                         |                                    | DEPRECIATION BLOCK                         |                                        |                               |                                            | NET BLOCK                  |                            |
|----------------------------------------|------------------------------------|----------------------------------------|-----------------------------------------|------------------------------------|--------------------------------------------|----------------------------------------|-------------------------------|--------------------------------------------|----------------------------|----------------------------|
|                                        | Cost<br>as at<br>01.04.2024<br>Rs. | Additions<br>During<br>the year<br>Rs. | Deductions<br>During<br>the year<br>Rs. | Cost<br>as at<br>31.03.2025<br>Rs. | Depreciation<br>up to<br>31.03.2024<br>Rs. | Depreciation<br>for the<br>year<br>Rs. | Depreciation<br>on Deductions | Depreciation<br>up to<br>31.03.2025<br>Rs. | As at<br>31.03.2025<br>Rs. | As at<br>31.03.2024<br>Rs. |
| Land                                   | 86.19                              | -                                      | -                                       | 86.19                              | -                                          | -                                      | -                             | -                                          | 86.19                      | 86.19                      |
| Buildings                              | 511.44                             | -                                      | -                                       | 511.44                             | 154.02                                     | 17.14                                  | -                             | 171.16                                     | 340.27                     | 357.42                     |
| Plant & Machinery                      | 4129.33                            | 22.07                                  | -                                       | 4151.40                            | 1929.22                                    | 284.52                                 | -                             | 2213.75                                    | 1937.65                    | 2200.11                    |
| Furniture & Fittings                   | 1.02                               | -                                      | -                                       | 1.02                               | 0.73                                       | 0.07                                   | -                             | 0.81                                       | 0.21                       | 0.29                       |
| Office Equipment                       | 2.16                               | 0.92                                   | -                                       | 3.08                               | 1.73                                       | 0.36                                   | -                             | 2.09                                       | 0.98                       | 0.43                       |
| Vehicles & Material Handling Equipment | 21.16                              | -                                      | -                                       | 21.16                              | 19.68                                      | 0.33                                   | -                             | 20.01                                      | 1.16                       | 1.48                       |
| Electrical Installations & Equipment   | 299.11                             | -                                      | -                                       | 299.11                             | 241.13                                     | 28.91                                  | -                             | 270.04                                     | 29.07                      | 57.98                      |
| Laboratory Equipment                   | 204.90                             | -                                      | -                                       | 204.90                             | 133.27                                     | 17.91                                  | -                             | 151.18                                     | 53.73                      | 71.64                      |
| Computers                              | 8.77                               | 0.68                                   | -                                       | 9.45                               | 8.05                                       | 0.32                                   | -                             | 8.36                                       | 1.09                       | 0.72                       |
| <b>TOTAL</b>                           | <b>5264.08</b>                     | <b>23.67</b>                           | <b>0.00</b>                             | <b>5287.75</b>                     | <b>2487.83</b>                             | <b>349.57</b>                          | <b>0.00</b>                   | <b>2837.40</b>                             | <b>2450.35</b>             | <b>2776.25</b>             |

**Note:2.1****Property, Plant and Equipment for the year ended March 31, 2024 consist of the following****(Rs. In Lakhs)**

| Description                            | GROSS BLOCK                        |                                        |                                         |                                    | DEPRECIATION BLOCK                         |                                        |                               |                                            | NET BLOCK                  |                            |
|----------------------------------------|------------------------------------|----------------------------------------|-----------------------------------------|------------------------------------|--------------------------------------------|----------------------------------------|-------------------------------|--------------------------------------------|----------------------------|----------------------------|
|                                        | Cost<br>as at<br>01.04.2023<br>Rs. | Additions<br>During<br>the year<br>Rs. | Deductions<br>During<br>the year<br>Rs. | Cost<br>as at<br>31.03.2024<br>Rs. | Depreciation<br>up to<br>31.03.2023<br>Rs. | Depreciation<br>for the<br>year<br>Rs. | Depreciation<br>on Deductions | Depreciation<br>up to<br>31.03.2024<br>Rs. | As at<br>31.03.2024<br>Rs. | As at<br>31.03.2023<br>Rs. |
| Land                                   | 74.57                              | 11.62                                  | -                                       | 86.19                              | -                                          | -                                      | -                             | -                                          | 86.19                      | 74.57                      |
| Buildings                              | 511.44                             | -                                      | -                                       | 511.44                             | 136.53                                     | 17.49                                  | -                             | 154.02                                     | 357.42                     | 374.91                     |
| Plant & Machinery                      | 3996.32                            | 133.02                                 | -                                       | 4129.33                            | 1647.47                                    | 281.75                                 | -                             | 1929.22                                    | 2200.11                    | 2348.85                    |
| Furniture & Fittings                   | 1.02                               | -                                      | -                                       | 1.02                               | 0.63                                       | 0.10                                   | -                             | 0.73                                       | 0.29                       | 0.39                       |
| Office Equipment                       | 1.87                               | 0.29                                   | -                                       | 2.16                               | 1.58                                       | 0.15                                   | -                             | 1.73                                       | 0.43                       | 0.29                       |
| Vehicles & Material Handling Equipment | 21.16                              | -                                      | -                                       | 21.16                              | 19.12                                      | 0.56                                   | -                             | 19.68                                      | 1.48                       | 2.05                       |
| Electrical Installations & Equipment   | 299.11                             | -                                      | -                                       | 299.11                             | 212.14                                     | 28.99                                  | -                             | 241.13                                     | 57.98                      | 86.97                      |
| Laboratory Equipment                   | 204.90                             | -                                      | -                                       | 204.90                             | 108.27                                     | 24.99                                  | -                             | 133.27                                     | 71.64                      | 96.63                      |
| Computers                              | 8.32                               | 0.45                                   | -                                       | 8.77                               | 7.80                                       | 0.25                                   | -                             | 8.05                                       | 0.72                       | 0.52                       |
| <b>TOTAL</b>                           | <b>5118.71</b>                     | <b>145.37</b>                          | <b>-</b>                                | <b>5264.08</b>                     | <b>2133.54</b>                             | <b>354.29</b>                          | <b>-</b>                      | <b>2487.83</b>                             | <b>2776.25</b>             | <b>2985.17</b>             |

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<br>March 2025<br>Rs. | As At 31st<br>March 2024<br>Rs. |
|---|---------------------------------------------------------------------------------------------|---------------------------------|---------------------------------|
|   | <b>Investments measured at Fair Value through Other Comprehensive Income</b>                |                                 |                                 |
|   | <b>Investment in Equity instruments (Unquoted )</b>                                         |                                 |                                 |
|   | Equity shares of Rs. 10/- each, fully paid up in Andhra Pradesh Gas Power Corporation Ltd., | 739.82                          | 739.82                          |
|   | Less: Provision for Dimunition in Value of Investments                                      | (739.82)                        | (739.82)                        |
|   |                                                                                             | -                               | -                               |
|   | Aggregate amount of quoted Investments - Market Value Rs.                                   | NIL                             | NIL                             |
|   | - Cost Rs.                                                                                  | 739.82                          | 739.82                          |
|   | Aggregate amount of impairment in value of investments                                      | 739.82                          | 739.82                          |
|   | Aggregate amount of unquoted investments                                                    | -                               | -                               |

(Rs. In Lakhs)

| 4 | Other Financial Assets (Non-current) | As At 31st<br>March 2025<br>Rs. | As At 31st<br>March 2024<br>Rs. |
|---|--------------------------------------|---------------------------------|---------------------------------|
|   | Security Deposit                     | 159.63                          | 159.63                          |
|   | <b>Total</b>                         | <b>159.63</b>                   | <b>159.63</b>                   |

(Rs. In Lakhs)

| 4A | Other assets (Non-current) | As At 31st<br>March 2025<br>Rs. | As At 31st<br>March 2024<br>Rs. |
|----|----------------------------|---------------------------------|---------------------------------|
|    | Capital Advances           | 45.22                           | 45.22                           |
|    | Others                     | -                               | 22.07                           |
|    | <b>Total</b>               | <b>45.22</b>                    | <b>67.29</b>                    |

(Rs. In Lakhs)

| 5 | Inventories (valued at lower of cost and net realizable value) | As At 31st<br>March 2025<br>Rs. | As At 31st<br>March 2024<br>Rs. |
|---|----------------------------------------------------------------|---------------------------------|---------------------------------|
|   | Raw materials and components at Cost                           | 614.52                          | 772.52                          |
|   | Work-in-progress                                               |                                 |                                 |
|   | : At Cost                                                      | 209.50                          | 318.30                          |
|   | : At Estimated Realisable Value                                |                                 |                                 |
|   | Finished goods                                                 |                                 |                                 |
|   | : At Cost                                                      | 99.36                           | 86.65                           |
|   | : At Estimated Realisable Value                                | 179.24                          | 80.56                           |
|   | Stores and spares at Cost                                      | 78.03                           | 88.14                           |
|   | (including in transit Rs.5.32 lakhs)                           |                                 |                                 |
|   | (31st March 2024: Rs. 4.55 lakhs)                              |                                 |                                 |
|   | Cotton Waste                                                   | 161.68                          | 347.24                          |
|   | <b>Total</b>                                                   | <b>1,342.32</b>                 | <b>1,693.41</b>                 |

The cost of inventories recognised as an expense during the year in respect of continuing operations was Rs. 3,316.82 lakhs year ended 31st March 2025 and Rs. 3,572.67 lakhs for the year ended 31st March 2024

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

(Rs. In Lakhs)

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| Current Investments                                                                                | As At 31st March 2025<br>Rs. | As At 31st March 2024<br>Rs. |
|----------------------------------------------------------------------------------------------------|------------------------------|------------------------------|
| <b>Quoted mutual funds</b>                                                                         |                              |                              |
| <b>Axis &amp; Aditya Birla Capital, SBI Mutual Funds.</b>                                          |                              |                              |
| 24,911.006 (31st March 2024- -Nil-) units of Axis Liquid Fund Regular plan growth mutual funds     | 712.43                       | -                            |
| 93,494.112 (31st March 2024 - -Nil-) units of ABSL Savings Fund Regular growth plan                | 502.37                       | -                            |
| 2,002.299(31st March 2024 - -Nil-) units of SBI Liquid Fund Regular growth plan                    | 80.41                        | -                            |
| 8,71,263.536(31st March 2024- 47,26,009.71)units of SBI Corporation Bond Fund Regular growth       | 99.43                        | 661.77                       |
| 15,24,991.856(31st March 2024- 12,52,948.814)units SBI Arbitrage Opportunities Fund Regular growth | 507.15                       | 388.27                       |
|                                                                                                    | <b>1,901.80</b>              | <b>1,050.04</b>              |
| Aggregate amount of quoted Investments - Market Value Rs.                                          | <b>1,901.80</b>              | <b>1,050.04</b>              |
| - Cost Rs.                                                                                         | <b>1,876.32</b>              | <b>1,020.47</b>              |
| Aggregate amount of unquoted Investments                                                           | -Nil-                        | -Nil-                        |
| Aggregate amount of impairment in value of investments                                             | -Nil-                        | -Nil-                        |

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| Trade receivables                              | As At 31st March 2025<br>Rs. | As At 31st March 2024<br>Rs. |
|------------------------------------------------|------------------------------|------------------------------|
| Secured, considered good                       |                              |                              |
| Unsecured, considered good                     | 306.36                       | 978.49                       |
| Which have significant increase in Credit Risk |                              |                              |
| Credit impaired                                |                              |                              |
| <b>Total</b>                                   | <b>306.36</b>                | <b>978.49</b>                |

**Trade Receivables ageing schedule outstanding as on 31st March 2025**

(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                                 | 306.36                                                      | -                 | -         | -         | -                 | 306.36 |
| (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 2024**

(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                                 | 978.49                                                      | -                 | -         | -         | -                 | 978.49 |
| (ii) Undisputed Trade Receivables – which have significant increase in credit risk |                                                             |                   |           |           |                   | -      |
| (iii) Undisputed Trade Receivables – credit impaired                               |                                                             |                   |           |           |                   | -      |
| (iv) Disputed Trade Receivables– considered good                                   |                                                             |                   |           |           |                   | -      |
| (v) Disputed Trade Receivables – which have significant increase in credit risk    |                                                             |                   |           |           |                   | -      |
| (vi) Disputed Trade Receivables – credit impaired                                  |                                                             |                   |           |           |                   | -      |

(Rs. In Lakhs)

| 8.1 | Cash and bank balances                                                         | As At 31st March<br>2025<br>Rs. | As At 31st March<br>2024<br>Rs. |
|-----|--------------------------------------------------------------------------------|---------------------------------|---------------------------------|
|     | <b>Cash and Cash Equivalents :</b>                                             |                                 |                                 |
|     | Balances with Banks:                                                           |                                 |                                 |
|     | On current accounts                                                            | 85.51                           | 16.51                           |
|     | Deposits with original maturity of less than 3 months                          |                                 |                                 |
|     | On unclaimed dividend account                                                  | 3.52                            | 2.82                            |
|     | Cheques/drafts on hand                                                         |                                 |                                 |
|     | Cash on hand                                                                   | 0.40                            | 0.03                            |
|     |                                                                                | <b>89.43</b>                    | <b>19.35</b>                    |
| 8.2 | <b>Other Bank Balances :</b>                                                   |                                 |                                 |
|     | Deposits with original maturity for more than 3 months but less than 12 months |                                 |                                 |
|     | Margin money deposit Letter of Credit                                          | -                               | -                               |
|     |                                                                                | -                               | -                               |
|     | Amount disclosed under non-current assets                                      |                                 |                                 |
|     | <b>Total</b>                                                                   | <b>89.43</b>                    | <b>19.35</b>                    |

(Rs. In Lakhs)

| 9 | Other Financial Assets (Current)                     | As At 31st March<br>2025<br>Rs. | As At 31st March<br>2024<br>Rs. |
|---|------------------------------------------------------|---------------------------------|---------------------------------|
|   | Interest accrued on fixed deposits/security deposits | 9.51                            | 7.74                            |
|   | <b>Total</b>                                         | <b>9.51</b>                     | <b>7.74</b>                     |

(Rs. In Lakhs)

| 10 | Current Tax Assets (net)       | As At 31st March<br>2025<br>Rs. | As At 31st March<br>2024<br>Rs. |
|----|--------------------------------|---------------------------------|---------------------------------|
|    | Advance Income-tax / TDS (net) | 8.85                            | 8.46                            |
|    | Less: Provision for Income tax | -                               | -                               |
|    |                                | <b>8.85</b>                     | <b>8.46</b>                     |

(Rs. In Lakhs)

| 11 | Other Current assets                             | As At 31st March<br>2025<br>Rs. | As At 31st March<br>2024<br>Rs. |
|----|--------------------------------------------------|---------------------------------|---------------------------------|
|    | Prepaid expenses                                 | 16.33                           | 18.41                           |
|    | Balances with Statutory / government authorities | 1.19                            | 1.19                            |
|    | <b>Advance for purchases and expenses</b>        |                                 |                                 |
|    | Unsecured, considered good to Others             | 13.02                           | 4.81                            |
|    | <b>Advance to Related Party</b>                  |                                 |                                 |
|    | - Sree Dinakar Fabric Private Limited            | 24.34                           | 35.36                           |
|    |                                                  | <b>54.88</b>                    | <b>59.77</b>                    |

(Rs. In Lakhs)

| Share Capital                                                                                      | March 2025 Rs.  | March 2024 Rs.  |
|----------------------------------------------------------------------------------------------------|-----------------|-----------------|
| <b><u>Authorised Shares :</u></b>                                                                  |                 |                 |
| 1,09,50,000 (31 March 2024 : 1,09,50,000) equity shares of Rs.10/- each                            | 1,095.00        | 1,095.00        |
| 5,000(31 March 2024 :5,000) 9.30% Taxable Redeemable cumulative preference shares of Rs.100/- each | 5.00            | 5.00            |
|                                                                                                    | <b>1,100.00</b> | <b>1,100.00</b> |
| <b><u>Issued Shares :</u></b>                                                                      |                 |                 |
| 8,94,685(31 March 2024 :8,94,685) equity shares of Rs.10/- each                                    | 89.47           | 89.47           |
|                                                                                                    | <b>89.47</b>    | <b>89.47</b>    |
| <b><u>Subscribed and fully paid-up shares :</u></b>                                                |                 |                 |
| 8,94,685 (31 March 2024 :8,94,685) equity shares of Rs.10/- each                                   | 89.47           | 89.47           |
|                                                                                                    | <b>89.47</b>    | <b>89.47</b>    |
| <b>Total issued, subscribed and fully paid-up capital</b>                                          | <b>89.47</b>    | <b>89.47</b>    |

**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 2025 Rs. |              | As At 31st March 2024 Rs. |              |
|---------------------------------------------------|---------------------------|--------------|---------------------------|--------------|
|                                                   | No.                       | Rs.          | No.                       | Rs.          |
| At the beginning of the period                    | 8.95                      | 89.47        | 10.50                     | 105.01       |
| Less: Exit offer Buyback Shares during the period | -                         | -            | (1.55)                    | (15.54)      |
| <b>Outstanding at the end of the period</b>       | <b>8.95</b>               | <b>89.47</b> | <b>8.95</b>               | <b>89.47</b> |

| <b>b.Details of shareholders holding more than 5% shares in the company</b> |                              |                               |                              |                               |
|-----------------------------------------------------------------------------|------------------------------|-------------------------------|------------------------------|-------------------------------|
| <b>Equity shares of Rs.10/- each fully paid</b>                             | <b>As At 31st March 2025</b> |                               | <b>As At 31st March 2024</b> |                               |
|                                                                             | <b>No.</b>                   | <b>% holding in the class</b> | <b>No.</b>                   | <b>% holding in the class</b> |
| 1) Sri E.Satyanarayana                                                      | 1,79,240                     | 20.03%                        | 1,79,140                     | 20.02%                        |
| 2) Sri E.Rangarao                                                           | 55,310                       | 6.18%                         | 55,310                       | 6.18%                         |
| 3) Sri E.Sailesh                                                            | 47,570                       | 5.32%                         | -                            | -                             |
| 4) Sri B.Ramesh Kumar                                                       | 72,280                       | 8.08%                         | 72,280                       | 8.08%                         |
| 5) Sri E Rajeshwari                                                         | 48,800                       | 5.45%                         | 48,800                       | 5.45%                         |
| 6) Sri Y Narayanamma                                                        | 61,440                       | 6.87%                         | 61,440                       | 6.87%                         |
| <b>Total</b>                                                                | <b>4,64,640</b>              | <b>51.93%</b>                 | <b>4,16,970</b>              | <b>46.61%</b>                 |

**c.Equity shares movement during the 5 years preceding March 31, 2025**

The Board, at its meeting held on 27-05-2023, approved the buyback of equity shares from the existing shareholders through tenders for the exit offer amounting to Rs.682.67 lakhs (maximum buyback size, excluding tax on buyback) at a price not exceeding Rs.439.26/- per share (maximum buyback price).

The shareholders approved the buyback of equity shares recommended by its Board of Directors in Extraordinary General Meeting held on 09-08-2023.

The buyback resulted in cash outflow of Rs.682.67 lakhs (excluding tax on buyback). The Company funded the buyback from its free reserves.

**d.Disclosure of Shareholding of Promoters as at 31st March 2025**

| Shares held by promoters at the end of the year |                                   |               |                   | % Change during the year |
|-------------------------------------------------|-----------------------------------|---------------|-------------------|--------------------------|
| S.no                                            | Promoter name                     | No. of shares | % of total shares |                          |
| 1                                               | E.Sathyanarayana                  | 179240        | 20.03             | 0.01                     |
| 2                                               | Sri. E Ranga Rao                  | 55310         | 6.18              | -                        |
| 3                                               | E.Rajeswari                       | 48800         | 5.45              | -                        |
| 4                                               | Sri. E Sailesh                    | 47570         | 5.32              | 0.56                     |
| 5                                               | E.Sidhaarth                       | 14600         | 1.63              | -                        |
| 6                                               | Smt. E Rama Lakshmi               | 0             | 0.00              | (0.56)                   |
| 7                                               | Smt. L Nagaswarna                 | 4420          | 0.49              | -                        |
| 8                                               | M/s. Ramalakshmi Spinners Pvt Ltd | 10000         | 1.12              | -                        |
| Total                                           |                                   | 359940        | 40.23             | 0.01                     |

**d.Disclosure of Shareholding of Promoters as at 31st March 2024**

| Shares held by promoters at the end of the year |                                   |               |                   | % Change during the year |
|-------------------------------------------------|-----------------------------------|---------------|-------------------|--------------------------|
| S.no                                            | Promoter name                     | No. of shares | % of total shares |                          |
| 1                                               | E.Sathyanarayana                  | 179140        | 20.02             | 2.96                     |
| 2                                               | Sri. E Ranga Rao                  | 55310         | 6.18              | 0.92                     |
| 3                                               | E.Rajeswari                       | 48800         | 5.45              | 0.81                     |
| 4                                               | Sri. E Sailesh                    | 42570         | 4.76              | 0.70                     |
| 5                                               | E.Sidhaarth                       | 14600         | 1.63              | 0.24                     |
| 6                                               | Smt. E Rama Lakshmi               | 5000          | 0.56              | 0.08                     |
| 7                                               | Smt. L Nagaswarna                 | 4420          | 0.49              | 0.07                     |
| 8                                               | M/s. Ramalakshmi Spinners Pvt Ltd | 10000         | 1.12              | 0.17                     |
| Total                                           |                                   | 359840        | 40.22             | 5.95                     |

The percentage of change during the year is due to Buyback of Equity shares of 1,55,415

13

| OTHER EQUITY                                                                      | As At 31st March<br>2025 Rs. | As At 31st March<br>2024 Rs. |
|-----------------------------------------------------------------------------------|------------------------------|------------------------------|
| Capital Reserve                                                                   | 28.31                        | 28.31                        |
| <b>Capital Redemption Reserve</b>                                                 |                              |                              |
| Balance as per last Financial Statements                                          | 18.54                        | 3.00                         |
| Add: Transfer from Retained Earnings upon Buyback                                 | -                            | 15.54                        |
| Closing Balance                                                                   | <b>18.54</b>                 | <b>18.54</b>                 |
| <b>Surplus in Other Comprehensive Income</b>                                      |                              |                              |
| Balance as per last Financial Statements                                          | (739.82)                     | (739.82)                     |
| Add: Other Comprehensive Income for the year                                      | 3.85                         | 0.65                         |
| Add: Amount transferred from retained earnings                                    | (3.85)                       | (0.65)                       |
| Closing Balance                                                                   | <b>(739.82)</b>              | <b>(739.82)</b>              |
| <b>General Reserve</b>                                                            |                              |                              |
| Balance as per the last Financial Statements                                      | 3,260.68                     | 4,102.40                     |
| Add : Amount transferred from Surplus Balance in the Statement Of Profit and Loss | -                            | -                            |
| Less: Exit offer Buyback shares to Shareholders                                   | -                            | 667.13                       |
| Less: Tax on Buy back of shares                                                   | -                            | 159.04                       |
| Less: Transfer to Capital Redemption Reserve upon Buyback                         | -                            | 15.54                        |
| <b>Closing Balance</b>                                                            | <b>3,260.68</b>              | <b>3,260.68</b>              |
| <b>Surplus/(Deficit) In The Statement Of Profit And Loss</b>                      |                              |                              |
| Balance as per the last Financial Statements                                      | 2,604.68                     | 2,580.18                     |
| Profit/(loss) for the year                                                        | (157.73)                     | 64.11                        |
| Add: Transfer to FVTOCI Reserve                                                   | 3.85                         | 0.65                         |
|                                                                                   | <b>2,450.80</b>              | <b>2,644.94</b>              |
| <b>Less : Deductions</b>                                                          |                              |                              |
| Equity Dividend paid                                                              | 40.26                        | 40.26                        |
| Total Deductions                                                                  | <b>40.26</b>                 | <b>40.26</b>                 |
| <b>Net Surplus In Statement Of Profit And Loss</b>                                | <b>2,410.54</b>              | <b>2,604.68</b>              |
| <b>Total Other Equity taken To Balance Sheet</b>                                  | <b>4,978.26</b>              | <b>5,172.40</b>              |

**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 and Buy- back of Equity Shares from its reservers. This can be utilised for issuing fully paid bonus shares in accordance with the provisions of Companies Act, 2013

**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, 2025 the Board of Directors declared a Final dividend of Rs. 4.50 per Share.

(Rs. In Lakhs)

14

| <b>Borrowings (Non-current)</b>        | <b>As At 31st March<br/>2025 Rs.</b> | <b>As At 31st March<br/>2024 Rs.</b> |
|----------------------------------------|--------------------------------------|--------------------------------------|
| <b>Term Loans</b>                      |                                      |                                      |
| Indian rupee loan from banks (secured) | -                                    | -                                    |
|                                        | -                                    | -                                    |
| Deposits from share holders            |                                      |                                      |
| Deposits from Public                   |                                      |                                      |
|                                        | -                                    | -                                    |
| <b>Total Amount</b>                    | -                                    | -                                    |
| <b>The above amount includes</b>       |                                      |                                      |
| Secured borrowings                     |                                      |                                      |
| Unsecured borrowings                   | -                                    | -                                    |
| <b>Net Amount</b>                      | -                                    | -                                    |

(Rs. In Lakhs)

15

| <b>Provisions (Non-current)</b>         | <b>As At 31st March<br/>2025 Rs.</b> | <b>As At 31st March<br/>2024 Rs.</b> |
|-----------------------------------------|--------------------------------------|--------------------------------------|
| <b>Provision for employee benefits:</b> |                                      |                                      |
| Provision for gratuity                  | 96.43                                | 67.17                                |
| Provision for leave benefits            | 56.96                                | 50.77                                |
|                                         | <b>153.39</b>                        | <b>117.94</b>                        |

(Rs. In Lakhs)

16

| <b>Deferred Tax Liability (Net)</b>                                                                                                 | <b>As At 31st March<br/>2025 Rs.</b> | <b>As At 31st March<br/>2024 Rs.</b> |
|-------------------------------------------------------------------------------------------------------------------------------------|--------------------------------------|--------------------------------------|
| <b>Deferred Tax Liability</b>                                                                                                       |                                      |                                      |
| Property, Plant & Equipment                                                                                                         | 289.03                               | 326.03                               |
| Current investments                                                                                                                 | 6.41                                 |                                      |
| Others                                                                                                                              | 1.95                                 |                                      |
| <b>Gross deferred tax liability</b>                                                                                                 | <b>297.39</b>                        | <b>326.03</b>                        |
| <b>Deferred tax asset</b>                                                                                                           |                                      |                                      |
| Impact of expenditure charged to the statement of profit and loss in the current year but allowed for tax purposes on payment basis | 54.16                                | 52.06                                |
| Unabsorbed losses                                                                                                                   | 102.99                               | 81.97                                |
| Others                                                                                                                              |                                      |                                      |
| <b>Gross deferred tax asset</b>                                                                                                     | <b>157.15</b>                        | <b>134.03</b>                        |
| <b>Net Deferred Tax Liability</b>                                                                                                   | <b>140.24</b>                        | <b>192.00</b>                        |

|    |                                         |                                      |                                      |
|----|-----------------------------------------|--------------------------------------|--------------------------------------|
| 17 | <b>Provisions (Current)</b>             | <b>As At 31st March<br/>2025 Rs.</b> | <b>As At 31st March<br/>2024 Rs.</b> |
|    | <b>Provision for employee benefits:</b> |                                      |                                      |
|    | Provision for gratuity                  | -                                    | -                                    |
|    | Provision for leave benefits            | 14.43                                | 12.76                                |
|    |                                         | <b>14.43</b>                         | <b>12.76</b>                         |

(Rs. In Lakhs)

|    |                                                                                      |                                      |                                      |
|----|--------------------------------------------------------------------------------------|--------------------------------------|--------------------------------------|
| 18 | <b>Borrowings (Current)</b>                                                          | <b>As At 31st March<br/>2025 Rs.</b> | <b>As At 31st March<br/>2024 Rs.</b> |
|    | Cash credit from Banks                                                               |                                      |                                      |
|    | : Secured                                                                            | -                                    | -                                    |
|    | : Unsecured                                                                          |                                      |                                      |
|    | Loan Repayable on Demand (Unsecured)                                                 |                                      |                                      |
|    | :from Directors                                                                      |                                      |                                      |
|    | Interest free loan and advances from related parties repayable on demand (unsecured) |                                      |                                      |
|    | Current maturities of long term borrowings                                           | -                                    | -                                    |
|    |                                                                                      | -                                    | -                                    |
|    | <b>The above amount includes</b>                                                     |                                      |                                      |
|    | Secured borrowings                                                                   | -                                    | -                                    |
|    | 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 9.40% (@10.50%).

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 upto 3rd Quarter and from 4th Quarter saleable waste included in Bank stock statements . On account of this, the stock statements are varied for the quarter ending 30th June 2024, 30th September 2024, 31st December 2024 in respect of valuation of inventory to the extent of Rs. 1.36 Lakhs, Rs. 0.85 Lakhs, Rs.2.36 Lakhs respectively. And the stock statements are varied for the quarter ending 31st March 2025 in respect of valuation of inventory of Rs.20.97 Lakhs due to not considering the Goods in transit and change in value of working in process.

(Rs. In Lakhs)

19

| Trade payables                   | As At 31st March 2025<br>Rs. | As At 31st March 2024<br>Rs. |
|----------------------------------|------------------------------|------------------------------|
| Due to Micro & Small Enterprises | 11.67                        | 10.16                        |
| Due to Others                    | 831.05                       | 975.29                       |
|                                  | <b>842.72</b>                | <b>985.45</b>                |

Trade Payables ageing schedule outstanding as at 31st March 2025

(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                    | 11.67                                                      | -         | -         | -                 | 11.67         |
| (ii) Others                 | 426.73                                                     | -         | -         | -                 | 426.73        |
| (iii) Disputed dues – MSME  | -                                                          | -         | -         | -                 | -             |
| (iv) Disputed dues - Others | 4.65                                                       | 25.90     | 36.57     | 337.21            | 404.33        |
| Billed                      |                                                            |           |           |                   | <b>842.72</b> |
| Trade payables - unbilled   |                                                            |           |           |                   | -             |
|                             |                                                            |           |           |                   | <b>842.72</b> |

Trade Payables ageing schedule outstanding as at 31st March 2024

(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                    | 6.89                                                       | -         | -         | -                 | 6.89          |
| (ii) Others                 | 562.34                                                     | -         | -         | -                 | 562.34        |
| (iii) Disputed dues – MSME  | 3.26                                                       | -         | -         | -                 | 3.26          |
| (iv) Disputed dues - Others | 19.65                                                      | 50.86     | 194.55    | 147.90            | 412.96        |
| Billed                      |                                                            |           |           |                   | <b>985.45</b> |
| Trade payables - unbilled   |                                                            |           |           |                   | -             |
|                             |                                                            |           |           |                   | <b>985.45</b> |

(Rs. In Lakhs)

20

| <b>Other Financial Liabilities (Current)</b> | <b>As At 31st March 2025<br/>Rs.</b> | <b>As At 31st March 2024<br/>Rs.</b> |
|----------------------------------------------|--------------------------------------|--------------------------------------|
| Project related payables                     | 13.93                                | 93.68                                |
| Unclaimed dividend                           | 3.51                                 | 2.81                                 |
| Accrued Salaries and Benefits                | 101.09                               | 128.73                               |
| Directors Remuneration Payable               | -                                    | -                                    |
| Others                                       | 3.85                                 | 3.85                                 |
|                                              | <b>122.38</b>                        | <b>229.07</b>                        |

(Rs. In Lakhs)

21

| <b>Other Current Liabilities</b> | <b>As At 31st March 2025<br/>Rs.</b> | <b>As At 31st March 2024<br/>Rs.</b> |
|----------------------------------|--------------------------------------|--------------------------------------|
| Advance from customers           | 0.71                                 | 0.32                                 |
| Statutory Dues                   | 24.10                                | 17.35                                |
| Others                           | 2.62                                 | 3.66                                 |
|                                  | <b>27.43</b>                         | <b>21.33</b>                         |

(Rs. In Lakhs)

|    |                                |                  |                      |
|----|--------------------------------|------------------|----------------------|
| 22 | <b>Revenue from operations</b> | <b>This year</b> | <b>Previous year</b> |
|    | <b>Sale of products:</b>       |                  |                      |
|    | Finished goods                 | 5,069.93         | 6,126.06             |
|    | Sale of Cotton Waste           | 542.25           | 160.64               |
|    |                                | <b>5,612.18</b>  | <b>6,286.70</b>      |
|    | <b>Other operating revenue</b> |                  |                      |
|    | Others                         | 163.07           | -                    |
|    | <b>Revenue from operations</b> | <b>5,775.26</b>  | <b>6,286.70</b>      |

(Rs. In Lakhs)

|    |                                      |                  |                      |
|----|--------------------------------------|------------------|----------------------|
| 23 | <b>Other Income</b>                  | <b>This year</b> | <b>Previous year</b> |
|    | <b>Interest income on</b>            |                  |                      |
|    | FPPCA Discounting Charges            | 7.75             | -                    |
|    | Others                               | 10.80            | 10.11                |
|    | <b>Dividend income on</b>            |                  |                      |
|    | Short-term investments               | -                | 4.47                 |
|    | profit on sale of investments        | 46.28            | 60.93                |
|    | profit on revaluation of investments | 25.48            | -                    |
|    | Other non-operating income           | 2.25             | 3.99                 |
|    |                                      | <b>92.56</b>     | <b>79.49</b>         |

**Note :**

(Rs. In Lakhs)

|                                                |                  |                      |
|------------------------------------------------|------------------|----------------------|
| <b># Other non-operating income includes :</b> | <b>This year</b> | <b>Previous year</b> |
| Miscellaneous Receipts                         | -                | 0                    |
| Claims Received                                | 2.25             | 3.69                 |
| <b>Total</b>                                   | <b>2.25</b>      | <b>3.99</b>          |

(Rs. In Lakhs)

|    |                                        |                  |                      |
|----|----------------------------------------|------------------|----------------------|
| 24 | <b>Cost of raw material consumed</b>   | <b>This year</b> | <b>Previous year</b> |
|    | Inventory at the beginning of the year | 772.52           | 1,977.08             |
|    | Add:Purchases                          | 2,814.07         | 2,444.06             |
|    |                                        | 3,586.60         | 4,421.15             |
|    | Less: Inventory at the end of the year | 614.52           | 772.52               |
|    | <b>Cost of raw material consumed</b>   | <b>2,972.08</b>  | <b>3,648.62</b>      |

(Rs. In Lakhs)

|    |                                                 |                  |                      |
|----|-------------------------------------------------|------------------|----------------------|
| 25 | <b>(Increase)/decrease in inventories</b>       | <b>This year</b> | <b>Previous year</b> |
|    | <b>Inventories at the end of the year</b>       |                  |                      |
|    | Work in progress                                | 209.50           | 318.30               |
|    | Finished goods                                  | 278.60           | 167.21               |
|    | Cotton waste                                    | 161.68           | 347.24               |
|    |                                                 | <b>649.77</b>    | <b>832.74</b>        |
|    | <b>Inventories at the beginning of the year</b> |                  |                      |
|    | Work in progress                                | 318.30           | 147.32               |
|    | Finished goods                                  | 167.21           | 408.06               |
|    | Cotton waste                                    | 347.24           | 33.21                |
|    |                                                 | <b>832.74</b>    | <b>588.58</b>        |
|    | <b>(Increase)/Decrease of inventories</b>       | <b>182.97</b>    | <b>(244.16)</b>      |

(Rs. In Lakhs)

|    |                                          |                  |                      |
|----|------------------------------------------|------------------|----------------------|
| 26 | <b>Employee benefit expense</b>          | <b>This year</b> | <b>Previous year</b> |
|    | Salaries, wages and bonus                | 748.82           | 761.23               |
|    | Contribution to provident and other fund | 83.53            | 84.16                |
|    | Gratuity expense                         | 38.87            | 35.36                |
|    | Staff welfare expenses                   | 11.36            | 13.53                |
|    |                                          | <b>882.57</b>    | <b>894.28</b>        |

(Rs. In Lakhs)

|    |                      |                  |                      |
|----|----------------------|------------------|----------------------|
| 27 | <b>Finance Costs</b> | <b>This year</b> | <b>Previous year</b> |
|    | Interest             | 3.07             | 1.25                 |
|    |                      | <b>3.07</b>      | <b>1.25</b>          |

(Rs. In Lakhs)

|    |                                              |                  |                      |
|----|----------------------------------------------|------------------|----------------------|
| 28 | <b>Depreciation and amortization expense</b> | <b>This year</b> | <b>Previous year</b> |
|    | Depreciation of tangible assets              | 349.57           | 354.29               |
|    |                                              | <b>349.57</b>    | <b>354.29</b>        |

(Rs. In Lakhs)

| 29 | Other expenses                            | This year     | Previous year |
|----|-------------------------------------------|---------------|---------------|
|    | Consumption of stores and spares          | 161.78        | 168.21        |
|    | Processing Charges                        | 59.97         | 83.60         |
|    | Freight and forwarding charges            | 39.36         | 19.61         |
|    | Rates and taxes                           | 4.28          | 3.91          |
|    | Insurance                                 | 16.93         | 19.51         |
|    | Repairs and maintenance                   |               |               |
|    | Plant and machinery                       | 188.12        | 169.09        |
|    | Buildings                                 | 13.74         | 9.21          |
|    | Others                                    | 5.68          | 7.61          |
|    | Advertising                               | 5.84          | 0.80          |
|    | Sales commission                          | 28.26         | 36.57         |
|    | Travelling and conveyance                 | 2.06          | 2.50          |
|    | Communication costs                       | 0.49          | 0.30          |
|    | Hank Yarn Obligation charges              | 1.40          | 0.52          |
|    | Legal and professional fees               | 6.59          | 22.97         |
|    | Directors' sitting fees                   | 0.10          | -             |
|    | Payment to Auditors (Refer details below) | 5.26          | 5.17          |
|    | Tools written off                         | 0.08          | 0.12          |
|    | Bank Charges                              | 5.52          | 5.54          |
|    | Miscellaneous expenses                    | 18.30         | 14.86         |
|    |                                           | <b>563.72</b> | <b>570.09</b> |

(Rs. In Lakhs)

| Payment to Auditors                 | This year   | Previous year |
|-------------------------------------|-------------|---------------|
| <b>As Auditor:</b>                  |             |               |
| Audit fee                           | 2.75        | 2.75          |
| Tax audit fee                       | 0.50        | 0.50          |
| GST audit fee                       | 0.30        | 0.30          |
| Other services (certification fees) | 0.32        | 0.25          |
| Out of pocket expenses              | 0.29        | 0.27          |
| Cost Auditors Fee                   | 1.10        | 1.10          |
| <b>Total</b>                        | <b>5.26</b> | <b>5.17</b>   |

(Rs. In Lakhs)

| 30 | Other Comprehensive income<br>Items that will not be reclassified to profit & loss account | This year   | Previous year |
|----|--------------------------------------------------------------------------------------------|-------------|---------------|
|    | Revaluation gain/(loss) of investments                                                     | -           | -             |
|    | Acturial Gain / Loss (OCI)-Gratuity                                                        | 6.19        | 0.89          |
|    | Acturial Gain / Loss (OCI)-Leave                                                           | (1.04)      | (0.03)        |
|    | Deferred Tax relating to<br>Employee defined benefit obligations                           | (1.30)      | (0.22)        |
|    |                                                                                            | <b>3.85</b> | <b>0.65</b>   |

(Rs. In Lakhs)

**30A Exceptional Items**

This Year

Previous Year

Fuel and Power purchase cost adjustment for the financial years 2022-23 & 2023-24 Vide its order dated 25-10-2024 and 29-11-2024 respectively.

(192.47)

The company has recovered the registered value of the land from M. Srinivas Rao, who siphoned the funds of the company.

10.80

**31. CONTINGENT LIABILITIES NOT PROVIDED FOR IN RESPECT OF:**

(Rs. In Lakhs)

| Particulars                                                                                                     | As at<br>31.03.2025 Rs. | As at<br>31.03.2024 Rs. |
|-----------------------------------------------------------------------------------------------------------------|-------------------------|-------------------------|
| a) Disputed Electrical Charges Arrears Eastern Power Distribution Company of Andhra Pradesh Ltd since 2020-2021 | 1,168.01                | 1,183.32                |
| <b>GRAND TOTAL</b>                                                                                              | <b>1,168.01</b>         | <b>1,183.32</b>         |

**32.Sale Commitments**

(Rs. In Lakhs)

| Particulars                              | As at<br>31.03.2025 Rs. | As at<br>31.03.2024 Rs. |
|------------------------------------------|-------------------------|-------------------------|
| Commitments in respect of sale contracts | 265.36                  | 671.51                  |
| <b>GRAND TOTAL</b>                       | <b>265.36</b>           | <b>671.51</b>           |

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

(Rs. In Lakhs)

| Particulars                                                                                                                                                                                                                                                              | Current Year(Rs.) | Previous Year(Rs.) |
|--------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|-------------------|--------------------|
| 1. Amount remaining unpaid to any "Supplier" at the end of the year,<br>(a) Principal amount of bills to be paid<br>(b) Interest due thereon                                                                                                                             | 11.67<br>-Nil-    | 10.16<br>-Nil-     |
| 2. Payments made to suppliers, during the year, but beyond appointed/agreed by<br>(a) Payments made to Suppliers.<br>(b)Interest paid along with such payments during the year u/s 16 of the Act.                                                                        | -Nil-<br>-Nil-    | -Nil-<br>-Nil-     |
| 3. The amount of interest due and payable for the period of delay in making payment but without adding the interest specified under MSMED Act,2006                                                                                                                       | -Nil-             | -Nil-              |
| 4. Amount of interest accrued and remaining unpaid, at the end of each accounting year.                                                                                                                                                                                  | -Nil-             | -Nil-              |
| 5. Amount of further interest remaining due and payable even in succeeding years, until such date when the interest dues above are actually paid to the small enterprises, for the purpose of disallowance of deductible expenditure under section 23 of MSMED Act,2006. | -Nil-             | -Nil-              |
| Note: For the purpose of the above details of the Status of the supplier's under the Act has been determined, to the extent of and based on the information furnished by the respective parties, and has accordingly, been relied upon by the company and its auditors.  |                   |                    |

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

### 35. DISCLOSURES REQUIRED BY IND AS-19- EMPLOYEE BENEFITS

#### Summary of Results:

Highlights of the results as at 31st March, 2025 are given below:

(Rs. In Lakhs)

| Particulars                                          | Gratuity                               |                                        | Leave Encashment                       |                                        |
|------------------------------------------------------|----------------------------------------|----------------------------------------|----------------------------------------|----------------------------------------|
|                                                      | Financial Year<br>Ending<br>31/03/2025 | Financial Year<br>Ending<br>31/03/2024 | Financial Year<br>Ending<br>31/03/2025 | Financial Year<br>Ending<br>31/03/2024 |
| Defined Benefit Cost included in P & L *             | 38.87                                  | 35.36                                  | 12.88                                  | 11.74                                  |
| Other Comprehensive (Income) / Loss                  | (6.19)                                 | (0.89)                                 | 1.04                                   | 0.03                                   |
| Total Defined Benefit Cost recognized in P&L and OCI | 32.68                                  | 34.47                                  | 13.93                                  | 11.76                                  |
| Defined Benefit Obligation at the end                | 486.06                                 | 452.76                                 | 71.40                                  | 63.53                                  |
| Fair Value of Plan Assets at the end                 | 389.62                                 | 385.59                                 | -                                      | -                                      |
| Net Defined Benefit Liability / (Asset)              | 96.43                                  | 67.17                                  | 71.40                                  | 63.53                                  |
| Discount Rate                                        | 6.97.%                                 | 7.22.%                                 | 6.97.%                                 | 7.22.%                                 |

#### Summary Of Financial Assumptions

| Particulars       | Gratuity   |            | Leave encashment |            |
|-------------------|------------|------------|------------------|------------|
|                   | 31/03/2025 | 31/03/2024 | 31/03/2025       | 31/03/2024 |
| Discount Rate     | 6.97.%     | 7.22.%     | 6.97.%           | 7.22.%     |
| Salary Escalation | 7.00.%     | 7.00.%     | 7.00.%           | 7.00.%     |

#### Summary of Demographic Assumptions-Gratuity

| Particulars                                                         | 31/03/2025 | 31/03/2024 |
|---------------------------------------------------------------------|------------|------------|
| Mortality Rate (as % of IALM (2012-14) (Mod.) Ult. Mortality Table) | 100.%      | 100.%      |
| Disability Rate (as % of above mortality rate)                      | 0.%        | 0.%        |
| Withdrawal Rate                                                     | 8.%        | 8.%        |
| Normal Retirement Age                                               | 58 Years   | 58 Years   |
| Adjusted Average Future Service                                     | 22.29.     | 22.93.     |

**Summary of Demographic Assumptions-Leave encashment**

| Particulars                                                  | 31/03/2025 | 31/03/2024 |
|--------------------------------------------------------------|------------|------------|
| Mortality Rate (as % of IALM (2012-14) (Mod.) Ult. Mortality | 100.00%    | 100.00%    |
| Disability Rate (as % of above mortality rate)               | 0.00%      | 0.00%      |
| Attrition Rate                                               | 8.00%      | 8.00%      |
| Normal Retirement Age                                        | 58 Years   | 58 Years   |
| Leave Encashment Rate during employment                      | 10.00%     | 10.00%     |
| Leave Availment Rate                                         | 2.00%      | 2.00%      |

**Change in Defined Benefit Obligation**

(Rs. In Lakhs)

| Particulars                                                                                  | Gratuity                               |                                        | Leave Encashment                       |                                        |
|----------------------------------------------------------------------------------------------|----------------------------------------|----------------------------------------|----------------------------------------|----------------------------------------|
|                                                                                              | Financial Year<br>Ending<br>31/03/2025 | Financial Year<br>Ending<br>31/03/2024 | Financial Year<br>Ending<br>31/03/2025 | Financial Year<br>Ending<br>31/03/2024 |
| Defined Benefit Obligation at the beginning                                                  | 452.76                                 | 421.96                                 | 63.53                                  | 58.09                                  |
| Current Service Cost                                                                         | 34.13                                  | 32.78                                  | 8.51                                   | 7.62                                   |
| Past Service Cost                                                                            | -                                      | -                                      | -                                      | -                                      |
| (Gain) / Loss on settlements                                                                 | -                                      | -                                      | -                                      | -                                      |
| Interest Expense                                                                             | 31.72                                  | 30.48                                  | 4.37                                   | 4.12                                   |
| Benefit Payments from Plan Assets                                                            | (26.96)                                | (31.10)                                | -                                      | -                                      |
| Benefit Payments from Employer                                                               | -                                      | -                                      | (6.06)                                 | (6.33)                                 |
| 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                                              | 8.47                                   | -                                      | -                                      | -                                      |
| Remeasurements - Due to Financial Assumptions Remeasurements - Due to Experience Adjustments | (14.07)                                | 8.91                                   | 0.63                                   | 0.64                                   |
| Defined Benefit Obligation at the end                                                        | 486.06                                 | 452.76                                 | 71.40                                  | 63.53                                  |
| Discount Rate                                                                                | 6.97.0%                                | 7.22.0%                                | 6.97.0%                                | 7.22.0%                                |
| Salary Escalation Rate                                                                       | 7.00.0%                                | 7.00.0%                                | 7.00.0%                                | 7.00.0%                                |

**Change in Fair Value of Plan Assets**

(Rs. In Lakhs)

| Particulars                                                                               | Gratuity                               |                                        | Leave Encashment                       |                                        |
|-------------------------------------------------------------------------------------------|----------------------------------------|----------------------------------------|----------------------------------------|----------------------------------------|
|                                                                                           | Financial Year<br>Ending<br>31/03/2025 | Financial Year<br>Ending<br>31/03/2024 | Financial Year<br>Ending<br>31/03/2025 | Financial Year<br>Ending<br>31/03/2024 |
| Fair Value of Plan Assets at the beginning                                                | 385.59                                 | 385.81                                 | -                                      | -                                      |
| Interest Income                                                                           | 26.99                                  | 27.90                                  | -                                      | -                                      |
| Employer Contributions                                                                    | 3.41                                   | 3.45                                   | -                                      | -                                      |
| Employer Direct Benefit Payments                                                          | -                                      | -                                      | 6.06                                   | 6.33                                   |
| Employer Direct Settlement Payments                                                       | -                                      | -                                      | -                                      | -                                      |
| Benefit Payments from Plan Assets                                                         | (26.96)                                | (31.10)                                | -                                      | -                                      |
| Benefit Payments from Employer                                                            | -                                      | -                                      | (6.06)                                 | (6.33)                                 |
| Settlement Payments from Plan Assets                                                      | -                                      | -                                      | -                                      | -                                      |
| Settlement Payments from Employer                                                         | -                                      | -                                      | -                                      | -                                      |
| Other (Employee Contribution, Taxes, Expenses)                                            | -                                      | -                                      | -                                      | -                                      |
| Increase / (Decrease) due to effect of any business combination / divestiture / transfer) | -                                      | -                                      | -                                      | -                                      |
| Increase / (Decrease) due to Plan combination                                             | -                                      | -                                      | -                                      | -                                      |
| Remeasurements - Return on Assets (Excluding Interest Income)                             | (0.59)                                 | (0.47)                                 | -                                      | -                                      |
| Fair Value of Plan Assets at the end                                                      | 389.62                                 | 385.59                                 | -                                      | -                                      |

**Weighted Average Asset Allocations at end of Year**

| Particulars        | Gratuity                         |                                  | Leave Encashment                 |                                  |
|--------------------|----------------------------------|----------------------------------|----------------------------------|----------------------------------|
|                    | Financial Year ending 31.03.2025 | Financial Year ending 31.03.2024 | Financial Year ending 31.03.2025 | Financial Year ending 31.03.2024 |
| 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<br>Ending<br>31/03/2025 | Financial Year<br>Ending<br>31/03/2024 | Financial Year<br>Ending<br>31/03/2025 | Financial Year<br>Ending<br>31/03/2024 |
| Current Service Cost                                             | 34.14                                  | 32.78                                  | 8.51                                   | 7.62                                   |
| Past Service Cost                                                | -                                      | -                                      | -                                      | -                                      |
| (Gain) / Loss on Settlements Reimbursement Service Cost          | -                                      | -                                      | -                                      | -                                      |
| <b>Total Service Cost</b>                                        | <b>34.14</b>                           | <b>32.78</b>                           | <b>8.51</b>                            | <b>7.62</b>                            |
| Interest Expense on DBO                                          | 31.72                                  | 30.48                                  | 4.37                                   | 4.12                                   |
| Interest (Income) on Plan Assets                                 | (26.99)                                | (27.90)                                | -                                      | -                                      |
| Interest (Income) on Reimbursement Rights                        | -                                      | -                                      | -                                      | -                                      |
| Interest Expense on (Asset Ceiling) / Onerous Liability          | -                                      | -                                      | -                                      | -                                      |
| <b>Total Net Interest Cost</b>                                   | <b>4.73</b>                            | <b>2.58</b>                            | <b>4.37</b>                            | <b>4.12</b>                            |
| Reimbursement of Other Long Term Benefits                        | -                                      | -                                      | -                                      | -                                      |
| <b>Defined Benefit Cost included in P &amp; L</b>                | <b>38.87</b>                           | <b>35.36</b>                           | <b>12.88</b>                           | <b>11.74</b>                           |
| Remeasurements - Due to Demographic Assumptions                  | -                                      | -                                      | -                                      | -                                      |
| Remeasurements - Due to Financial Assumptions Remeasurements     | 8.47                                   | 8.91                                   | 0.63                                   | 0.64                                   |
| Due to Experience Adjustments (Return) on Plan Assets (Excluding | (14.07)                                | (10.27)                                | 0.42                                   | (0.62)                                 |
| Interest Income) (Return) on Reimbursement Rights                | (0.59)                                 | 0.47                                   | -                                      | -                                      |
| Changes in Asset Ceiling / Onerous Liability                     | -                                      | -                                      | -                                      | -                                      |
| <b>Total Remeasurements in OCI</b>                               | <b>(6.19)</b>                          | <b>(0.89)</b>                          | <b>1.04</b>                            | <b>0.03</b>                            |
| <b>Total Defined Benefit Cost recognized in P&amp;L and OCI</b>  | <b>32.68</b>                           | <b>34.47</b>                           | <b>13.93</b>                           | <b>11.76</b>                           |
| Discount Rate                                                    | 6.97.0%                                | 7.22.0%                                | 6.97.0%                                | 7.22.0%                                |
| Salary Escalation Rate                                           | 7.00.0%                                | 7.00.0%                                | 7.00.0%                                | 7.00.0%                                |

**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<br>Ending<br>31/03/2025 | Financial Year<br>Ending<br>31/03/2024 | Financial Year<br>Ending<br>31/03/2025 | Financial Year<br>Ending<br>31/03/2024 |
| Current Liabilities      | 61.66                                  | 48.27                                  | 14.43                                  | 12.76                                  |
| Non- current Liabilities | 424.40                                 | 404.49                                 | 56.96                                  | 50.77                                  |

**Amounts recognized in the Statement of Financial Position**

(Rs. In Lakhs)

| Particulars                                 | Gratuity             |                      | Leave encashment     |                      |
|---------------------------------------------|----------------------|----------------------|----------------------|----------------------|
|                                             | Financial Year       | Financial Year       | Financial Year       | Financial Year       |
|                                             | Ending<br>31/03/2025 | Ending<br>31/03/2024 | Ending<br>31/03/2025 | Ending<br>31/03/2024 |
| Defined Benefit Obligation                  | 486.06               | 452.76               | 71.40                | 63.53                |
| Fair Value of Plan Assets                   | 389.62               | 385.59               | -                    | -                    |
| Funded Status                               | 96.43                | 67.17                | 71.40                | 63.53                |
| Effect of Asset Ceiling / Onerous Liability | -                    | -                    | -                    | -                    |
| Net Defined Benefit Liability / (Asset)     | 96.43                | 67.17                | 71.40                | 63.53                |
| Of which, Short term Liability              | 61.66                | 48.27                | 14.43                | 12.76                |

**Net Defined Benefit Liability / (Asset) reconciliation**

(Rs. In Lakhs)

| Particulars                                                                              | Gratuity             |                      | Leave Encashment     |                      |
|------------------------------------------------------------------------------------------|----------------------|----------------------|----------------------|----------------------|
|                                                                                          | Financial Year       | Financial Year       | Financial Year       | Financial Year       |
|                                                                                          | Ending<br>31/03/2025 | Ending<br>31/03/2024 | Ending<br>31/03/2025 | Ending<br>31/03/2024 |
| Net Defined Benefit Liability / (Asset) at the beginning                                 | 67.17                | 36.15                | 63.53                | 58.09                |
| Defined Benefit Cost included in P & L                                                   | 38.87                | 35.36                | 12.88                | 11.74                |
| Total Remeasurements included in OCI                                                     | -6.19                | -0.89                | 1.04                 | 0.03                 |
| Net Transfer In / (Out) (Including the effect of any business combination / divestiture) | -                    | -                    | -                    | -                    |
| Amount recognized due to Plan Combinations                                               | -                    | -                    | -                    | -                    |
| Employer Contributions                                                                   | (3.41)               | (3.45)               | -                    | -                    |
| Employer Direct Benefit Payments Employer Direct Settlement Payments                     | -                    | -                    | (6.06)               | (6.33)               |
| Credit to Reimbursements                                                                 | -                    | -                    | -                    | -                    |
| Net Defined Benefit Liability / (Asset) at the end                                       | 96.43                | 67.17                | 71.40                | 63.53                |

**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<br>31/03/2025 | Ending<br>31/03/2024 | Ending<br>31/03/2025 | Ending<br>31/03/2024 |
| (Gain) / Loss on Plan Liabilities % of Opening Plan Liabilities | (14.07)<br>(3.11%)   | (10.27)<br>(2.43%)   | 0.42<br>0.65%        | (0.62)<br>(1.06%)    |
| Gain / (Loss) on Plan Assets % of Opening Plan Assets           | 0.59<br>0.15%        | (0.47)<br>(0.12%)    | --                   | --                   |

**Maturity Profile of Defined Benefit Obligations:**

(Rs. In Lakhs)

| Particulars                   | 31st March 2025 |                  | 31st March 2024 |                  |
|-------------------------------|-----------------|------------------|-----------------|------------------|
|                               | Gratuity        | Leave Encashment | Gratuity        | Leave Encashment |
| Expected Cash flow in year 1  | 62.49           | 14.43            | 48.69           | 12.76            |
| Expected Cash flow in year 2  | 51.35           | 14.95            | 50.26           | 11.22            |
| Expected Cash flow in year 3  | 44.59           | 13.29            | 47.36           | 11.55            |
| Expected Cash flow in year 4  | 43.69           | 8.05             | 44.20           | 10.15            |
| Expected Cash flow in year 5  | 51.96           | 9.95             | 42.81           | 6.39             |
| Expected Cash flow in year 6  | 46.60           | 5.80             | 47.27           | 7.88             |
| Expected Cash flow in year 7  | 45.73           | 5.08             | 42.45           | 4.51             |
| Expected Cash flow in year 8  | 40.42           | 5.43             | 41.56           | 3.95             |
| Expected Cash flow in year 9  | 49.36           | 3.55             | 36.76           | 4.09             |
| Expected Cash flow in year 10 | 35.82           | 2.49             | 45.02           | 2.78             |

**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 2025              | % change | 31st March 2024              | % change |
| Impact on Present value of Defined obligation if salary escalation rate increases by 1% | 39.44                        | 8.11%    | 37.12                        | 8.20%    |
| Impact on Present value of Defined obligation if salary escalation rate decreases by 1% | (34.97)                      | -7.19%   | (32.91)                      | -7.27%   |
| Impact on Present value of Defined obligation if withdrawal rate increases by 1%        | (0.31)                       | -0.06%   | 0.24                         | 0.05%    |
| Impact on Present value of Defined obligation if withdrawal rate decreases by 1%        | 0.35                         | 0.07%    | (0.28)                       | -0.06%   |
| Impact on Present value of Defined obligation if discount rate increases by 1%          | (32.22)                      | -6.63%   | (30.33)                      | -6.70%   |
| Impact on Present value of Defined obligation if discount rate decreases by 1%          | 37.02                        | 7.62%    | 34.82                        | 7.69%    |

(Rs. In Lakhs)

| Particulars                                                                             | Effect on Leave Encashment |          | Effect on Leave Encashment |          |
|-----------------------------------------------------------------------------------------|----------------------------|----------|----------------------------|----------|
|                                                                                         | 31st March 2025            | % change | 31st March 2024            | % change |
| Impact on Present value of Defined obligation if salary escalation rate increases by 1% | 3.03                       | 4.24%    | 2.77                       | 4.36%    |
| Impact on Present value of Defined obligation if salary escalation rate decreases by 1% | (2.85)                     | -3.99%   | (2.60)                     | -4.10%   |
| Impact on Present value of Defined obligation if withdrawal rate increases by 1%        | (0.01)                     | -0.01%   | 0.02                       | 0.03%    |
| Impact on Present value of Defined obligation if withdrawal rate decreases by 1%        | 0.01                       | 0.01%    | (0.02)                     | -0.03%   |
| Impact on Present value of Defined obligation if discount rate increases by 1%          | (2.43)                     | -3.41%   | (2.23)                     | -3.52%   |
| Impact on Present value of Defined obligation if discount rate decreases by 1%          | 2.64                       | 3.70%    | 2.42                       | 3.81%    |

**36. Earning Per Share - Numerators and Denominators used to calculate Basic and Diluted Earnings Per Share for the year 2024-25**

(Rs. In Lakhs)

| Particulars                                                                | 2024-25 Rs.    | 2023-24 Rs. |
|----------------------------------------------------------------------------|----------------|-------------|
| Profit attributable to the Share Holders                                   | (157.73)       | 64.11       |
| Basic/weighted average number of equity shares outstanding during the year | 8.95           | 8.95        |
| Nominal Value of Equity Shares                                             | 10.00          | 10.00       |
| <b>Basic/Diluted earning per share</b>                                     | <b>(17.63)</b> | <b>7.17</b> |

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

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

Smt. E.Rajeswari, Director

Sri Ch. Joga Rao, Director

**Relatives of Key Managerial Personnel**

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

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

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

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

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

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

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

**Enterprises in which key management personnel have significant influence:**

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

M/s. Sidhaarth Exports Pvt Ltd

M/s. Sree Dinakar Fabrics Pvt Ltd

| (Rs. In Lakhs)                                                         |                          |                                       |                                                                          |
|------------------------------------------------------------------------|--------------------------|---------------------------------------|--------------------------------------------------------------------------|
| Transactions during the year                                           | Key Managerial personnel | Relatives of Key Managerial Personnel | Enterprises in which key Managerial personnel have significant influence |
|                                                                        | Rs.                      | Rs.                                   | Rs.                                                                      |
| a) Purchase of Goods From<br>Sree Dinakar fabrics Pvt Ltd              |                          |                                       | 0.09<br>--                                                               |
| b) Sale of Goods to<br>Sree Dinakar fabrics Pvt Ltd                    |                          |                                       | --<br>--                                                                 |
| c) Services rendered to                                                |                          |                                       |                                                                          |
| d) Services rendered by<br>Sree Dinakar fabrics Pvt Ltd                |                          |                                       | 62.97<br>(87.66)                                                         |
| e) Remuneration (including Commission) paid to<br>Sri E.Sathyanarayana | 14.47<br>(14.47)         |                                       |                                                                          |
| f) Interest paid to                                                    |                          |                                       |                                                                          |

|                                       |         |        |         |
|---------------------------------------|---------|--------|---------|
| g) Dividend paid to                   |         |        |         |
| Sri E.Sathyanarayana                  | 8.06    |        |         |
|                                       | (8.06)  |        |         |
| Smt. E.Rajeswari                      |         | 2.20   |         |
|                                       |         | (2.20) |         |
| Sri E.Sidhaarth                       |         | 0.66   |         |
|                                       |         | (0.66) |         |
| Smt. E.Ramalakshmi                    |         | -      |         |
|                                       |         | (0.23) |         |
| Sri. E.Ranga Rao                      |         | 2.49   |         |
|                                       |         | (2.49) |         |
| Sri. E.Sailesh                        |         | 2.14   |         |
|                                       |         | (1.92) |         |
| Smt. L.Nagaswarna                     |         | 0.20   |         |
|                                       |         | (0.20) |         |
| g) Advance given to                   |         |        |         |
| Sree Dinakar fabrics Pvt Ltd          |         |        | 27.50   |
|                                       |         |        | (69.40) |
| h) Advance Returned                   |         |        |         |
| Sree Dinakar fabrics Pvt Ltd          |         |        | 27.50   |
|                                       |         |        | (29.50) |
| <b>Balances as at 31st March 2024</b> |         |        |         |
| i. Share capital held by              |         |        |         |
| Sri E.Sathyanarayana                  | 17.92   |        |         |
|                                       | (17.91) |        |         |
| Smt. E.Rajeswari                      |         | 4.88   |         |
|                                       |         | (4.88) |         |
| Sri E.Sidhaarth                       |         | 1.46   |         |
|                                       |         | (1.46) |         |
| Smt. E.Ramalakshmi                    |         | -      |         |
|                                       |         | (0.50) |         |
| Sri. E.Ranga Rao                      |         | 5.53   |         |
|                                       |         | (5.53) |         |

|                              |  |        |         |
|------------------------------|--|--------|---------|
| Sri. E.Sailesh               |  | 4.76   |         |
|                              |  | (4.26) |         |
| Smt. L.Nagaswarna            |  | 0.44   |         |
|                              |  | (0.44) |         |
| ii. Amount due to            |  |        |         |
| Sree Dinakar Fabrics Pvt Ltd |  |        | --      |
|                              |  |        | --      |
| iii. Advance recoverable     |  |        |         |
| Sree Dinakar fabrics Pvt Ltd |  |        | 24.34   |
|                              |  |        | (35.36) |

### 38. Corporate Social Responsibility (CSR)

| Particulars                                                                                                                                                                                | Year ended March 31,2025    | Year ended March 31,2024    |
|--------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|-----------------------------|-----------------------------|
| (i) amount required to be spent by the company during the year,                                                                                                                            | --                          | --                          |
| (ii) amount of expenditure incurred,                                                                                                                                                       | --                          | --                          |
| (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,                                                                                                                                                             | NA                          | NA                          |
| (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

### 39. 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 2025 |         |         | 31st March 2024 |         |         |
|----------------------|-----------------|---------|---------|-----------------|---------|---------|
|                      | Level 1         | Level 2 | Level 3 | Level 1         | Level 2 | Level 3 |
| Unquoted instruments | -               |         |         | --              |         |         |
| Quoted Mutual funds  | 1,901.80        |         |         | 1,050.04        |         |         |

Sree Satyanarayana Spinning Mills Ltd., Tanuku

As at 31st March,2025

(Rs. In Lakhs)

|                                                         | Note    | Carrying amount           |                          |                                  |                                       | Total    |
|---------------------------------------------------------|---------|---------------------------|--------------------------|----------------------------------|---------------------------------------|----------|
|                                                         |         | Financial assets - FVTOCI | Financial assets - FVTPL | Financial assets- Amortised cost | Financial Liabilities- Amortised cost |          |
| <b>Financial instruments measured at fair value</b>     |         |                           |                          |                                  |                                       |          |
| Non Current investments                                 | 3       | -                         |                          |                                  |                                       | -        |
| Current investments                                     | 6       |                           | 1,901.80                 |                                  |                                       | 1,901.80 |
| <b>Financial assets not measured at fair value</b>      |         |                           |                          |                                  |                                       |          |
| Trade receivables                                       | 7       |                           |                          | 306.36                           |                                       | 306.36   |
| Cash and Cash Equivalents                               | 8.1     |                           |                          | 89.43                            |                                       | 89.43    |
| Bank balances other than above                          | 8.2     |                           |                          | -                                |                                       | -        |
| <b>Other Financial assets</b>                           |         |                           |                          |                                  |                                       |          |
| Security Deposits                                       | 4       |                           |                          | 159.63                           |                                       | 159.63   |
| Interest accrued on fixed deposits/security deposits    | 9       |                           |                          | 9.51                             |                                       | 9.51     |
|                                                         |         | -                         | 1,901.80                 | 564.93                           | -                                     | 2,466.72 |
| <b>Financial liabilities not measured at fair value</b> |         |                           |                          |                                  |                                       |          |
| Borrowings                                              | 14 & 18 |                           |                          |                                  | -                                     | -        |
| Trade payables                                          | 19      |                           |                          |                                  | 842.72                                | 842.72   |
| <b>Other financial liabilities</b>                      |         |                           |                          |                                  |                                       |          |
| Project related payables                                | 20      |                           |                          |                                  | 13.93                                 | 13.93    |
| Unclaimed dividend                                      | 20      |                           |                          |                                  | 3.51                                  | 3.51     |
| Accrued Salaries and Benefits                           | 20      |                           |                          |                                  | 101.09                                | 101.09   |
| Directors Remuneration Payable                          | 20      |                           |                          |                                  | -                                     | -        |
| Others                                                  |         |                           |                          |                                  | 3.85                                  | 3.85     |
|                                                         |         | -                         | -                        | -                                | 965.10                                | 965.10   |

As at 31st March,2024

(Rs. In Lakhs)

| Particulars                                             | Note    | Carrying amount           |                          |                                  |                                       | Total    |
|---------------------------------------------------------|---------|---------------------------|--------------------------|----------------------------------|---------------------------------------|----------|
|                                                         |         | Financial assets - FVTOCI | Financial assets - FVTPL | Financial assets- Amortised cost | Financial Liabilities- Amortised cost |          |
| <b>Financial instruments measured at fair value</b>     |         |                           |                          |                                  |                                       |          |
| Non Current investments                                 | 3       | -                         |                          |                                  |                                       | -        |
| Current investments                                     | 6       |                           | 1,050.04                 |                                  |                                       | 1,050.04 |
| <b>Financial assets not measured at fair value</b>      |         |                           |                          |                                  |                                       |          |
| Trade receivables                                       | 7       |                           |                          | 978.49                           |                                       | 978.49   |
| Cash and Cash Equivalents                               | 8.1     |                           |                          | 19.35                            |                                       | 19.35    |
| Bank balances other than above                          | 8.2     |                           |                          | -                                |                                       | -        |
| <b>Other Financial assets</b>                           |         |                           |                          |                                  |                                       |          |
| Security Deposits                                       | 4       |                           |                          | 159.63                           |                                       | 159.63   |
| Interest accrued on fixed deposits/security deposits    | 9       |                           |                          | 7.74                             |                                       | 7.74     |
|                                                         |         | -                         | 1,050.04                 | 1,165.21                         | -                                     | 2,215.25 |
| <b>Financial liabilities not measured at fair value</b> |         |                           |                          |                                  |                                       |          |
| Borrowings                                              | 14 & 18 |                           |                          |                                  | -                                     | -        |
| Trade payables                                          | 19      |                           |                          |                                  | 985.45                                | 985.45   |
| <b>Other financial liabilities</b>                      |         |                           |                          |                                  |                                       |          |
| Interest accrued and due on borrowings                  | 20      |                           |                          |                                  | -                                     | -        |
| Project related payables                                | 20      |                           |                          |                                  | 93.68                                 | 93.68    |
| Unclaimed dividend                                      | 20      |                           |                          |                                  | 2.81                                  | 2.81     |
| Accrued Salaries and Benefits                           | 20      |                           |                          |                                  | 128.73                                | 128.73   |
| Directors Remuneration Payable                          | 20      |                           |                          |                                  |                                       |          |
| Others                                                  |         |                           |                          |                                  | 3.85                                  | 3.85     |
|                                                         |         | -                         | -                        | -                                |                                       |          |
|                                                         |         | -                         | -                        | -                                | 1,214.52                              | 1,214.52 |

## 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 |                |                |                |
|---------------------|------------------|----------------|----------------|----------------|
|                     | 2024-25          |                | 2023-24        |                |
|                     | Increase by 5%   | Decrease by 5% | Increase by 5% | Decrease by 5% |
| <b>Product name</b> |                  |                |                |                |
| Cotton yarn         | 253.50           | (253.50)       | 306.30         | (306.30)       |
| Cotton waste        | 27.11            | (27.11)        | 8.03           | (8.03)         |

##### Raw material price risk

(Rs. In Lakhs)

| Particulars         | Impact on profit |                |                |                |
|---------------------|------------------|----------------|----------------|----------------|
|                     | 2024-25          |                | 2023-24        |                |
|                     | Increase by 5%   | Decrease by 5% | Increase by 5% | Decrease by 5% |
| <b>Product name</b> |                  |                |                |                |
| Cotton              | (148.60)         | 148.60         | (182.43)       | 182.43         |

**ii) Fair value risk**

| Potential impact of risk                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                 | Management policy                                                                                                                                                                                                                                                                           | Sensitivity to risk                                                                                                                                                        |
|--------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|---------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|----------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| <p>The Company is mainly exposed to the Fair value risk due to its investments in equity instruments. The Fair value risk arises due to uncertainties about the future market.</p> <p>In general, these securities are not held for trading purposes. These investments are not subject to changes in the market price of securities. The fair value of equity instruments classified as fair value through Profit and Loss as at March 31, 2025 of amount Rs. 1901.80 Lakhs. (Rs. 1050.04 Lakhs on March 31, 2024).</p> | <p>In order to manage its Fair value risk arising from investments in equity instruments, the Company maintains its portfolio in accordance with the framework set by the Risk Management policies.</p> <p>Any new investment or divestment must be approved by the Board of Directors.</p> | <p>As an estimation of the approximate impact of Fair value risk, with respect to investments in equity instruments, the Company has calculated the impact as follows.</p> |

**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 2025**

(Rs. In Lakhs)

| Particulars                           | Contractual cash flows |                  |           |                   |
|---------------------------------------|------------------------|------------------|-----------|-------------------|
|                                       | Carrying value         | Less than 1 year | 1-2 years | More than 2 years |
| Borrowings                            | -                      | -                |           |                   |
| Trade payables (Current)              | 842.72                 | 842.72           |           |                   |
| Other financial liabilities (Current) | 122.38                 | 122.38           |           |                   |
|                                       | <b>965.10</b>          | <b>965.10</b>    | -         | -                 |

**As at 31st March 2024**

(Rs. In Lakhs)

| Particulars                           | Contractual cash flows |                  |           |                   |
|---------------------------------------|------------------------|------------------|-----------|-------------------|
|                                       | Carrying value         | Less than 1 year | 1-2 years | More than 2 years |
| Borrowings                            | -                      | -                | -         |                   |
| Trade payables (Current)              | 985.45                 | 985.45           |           |                   |
| Other financial liabilities (Current) | 229.07                 | 229.07           |           |                   |
|                                       | <b>1,214.52</b>        | <b>1,214.52</b>  | -         | -                 |

**Additional Regulatory Information****40. Relationship with Struck off Companies**

Relationship with struck off companies as at March 31,2025

| Name of struck off Company | Nature of transactions with struck-off Company | Balance outstanding as at March 31,2025 | Relationship with the Struck off company, if any, to be disclosed |
|----------------------------|------------------------------------------------|-----------------------------------------|-------------------------------------------------------------------|
| -NIL-                      |                                                |                                         |                                                                   |

Relationship with struck off companies as at March 31,2024

| Name of struck off Company | Nature of transactions with struck-off Company | Balance outstanding as at March 31,2024 | Relationship with the Struck off company, if any, to be disclosed |
|----------------------------|------------------------------------------------|-----------------------------------------|-------------------------------------------------------------------|
| -NIL-                      |                                                |                                         |                                                                   |

**41. 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           |

#### 42.Ratios

| Ratio                                               | Numerator                                            | Denominator                 | Current year | Previous year | % Variance | Reasons for variance more than 25%                             |
|-----------------------------------------------------|------------------------------------------------------|-----------------------------|--------------|---------------|------------|----------------------------------------------------------------|
| Current Ratio (in times)                            | Current assets                                       | Current liabilities         | 3.70         | 3.06          | 20.64      | Increase due to Reduction of current liabilities.              |
| Debt-Equity Ratio (in times)                        | Total Debt                                           | Shareholder's Equity        | -            | -             | -          | There is no debt at the end of current year                    |
| Debt Service Coverage Ratio (in times)*             | Earnings available for debt service                  | Debt service                | -            | -             | -          | There are no term loans,so debt service coverage ratio is zero |
| Return on Equity Ratio (in %)*                      | Net profit after taxes - Preference dividend(If any) | Average shareholders equity | -3%          | 1%            | (350.66)   | Due to decrease in sales and inventory,                        |
| Inventory turnover ratio (in times)                 | Cost of goods sold or sales                          | Average inventory           | 3.70         | 2.89          | 27.84      | Increase due to Reduction in inventory                         |
| Trade Receivables turnover ratio (in times)         | Net credit sales                                     | Average Accounts receivable | 18.32        | 6.42          | 185.12     | Increase due to reduction in trade receivables.                |
| Trade payables turnover ratio (in times)            | Net credit purchases                                 | Average trade payables      | 3.08         | 2.48          | 24.13      | Due to increase in credit purchases.                           |
| Net capital turnover ratio (in times)               | Net sales                                            | Working capital             | 2.08         | 2.46          | (15.27)    | Reduction of sales due to yarn prices                          |
| Net profit ratio (in %)*                            | Net profit                                           | Net sales                   | -3%          | 1%            | (375.60)   | Due to decrease in sales and inventory,                        |
| Return on Capital employed (in %)*                  | Earning before interest and taxes                    | Capital employed            | -4%          | 2%            | (350.15)   | Losses were due to reduction in yarn prices in previous year   |
| Return on investment (in %)**<br>(in equity shares) | Net profit after taxes                               | Equity share capital        | 0%           | 0%            | -          | There is no investment in current year                         |

\* 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.

43. Income Tax Reconciliation

Taxation

a) Profit and loss section

(Rs. In Lakhs)

| Particulars                                                     | For the year ended |                 |
|-----------------------------------------------------------------|--------------------|-----------------|
|                                                                 | 31st March 2025    | 31st March 2024 |
| <b>Current Income tax</b>                                       |                    |                 |
| Current tax charges                                             | -                  | -               |
| Short/(Excess) Provision of Income tax of earlier years         | -                  | -               |
| <b>Deferred Tax</b>                                             |                    |                 |
| Relating to origination and reversal of temporary differences   | (53.05)            | 21.59           |
| <b>Tax Expense reported in the Statement of Profit and Loss</b> | <b>(53.05)</b>     | <b>21.59</b>    |

Other Comprehensive Income ('OCI') Section

(Rs. In Lakhs)

| Particulars                                                            | For the year ended |                 |
|------------------------------------------------------------------------|--------------------|-----------------|
|                                                                        | 31st March 2025    | 31st March 2024 |
| <b>Deferred tax related to items recognised in OCI during the year</b> |                    |                 |
| Employee defined benefit obligations                                   | 1.30               | 0.22            |
| Unrealised Loss/ (Gain) on FVTOCI Equity Securities                    | -                  | -               |
| <b>Tax Expense in the OCI Section</b>                                  | <b>1.30</b>        | <b>0.22</b>     |

b) Balance sheet section

(Rs. In Lakhs)

| Particulars                           | 31st March 2025 | 31st March 2024 |
|---------------------------------------|-----------------|-----------------|
| Tax recoverable                       | 8.85            | 8.46            |
| Provision for Tax                     | -               | -               |
| <b>Net of advance tax recoverable</b> | <b>8.85</b>     | <b>8.46</b>     |

Reconciliation of tax expenses and the accounting profit multiplied by India's domestic tax rate for the year ended March 31, 2025 and March 31, 2024

(Rs. In Lakhs)

| Particulars                                                 | 31st March 2025 | 31st March 2024 |
|-------------------------------------------------------------|-----------------|-----------------|
| <b>Accounting profit/(loss) before Income tax</b>           | <b>(210.78)</b> | <b>85.70</b>    |
| At India's Statutory income tax rate                        | (53.05)         | 21.57           |
| Increase/(Decrease) of tax expense on account of            |                 |                 |
| Non-taxable income/Exempt income                            |                 | (1.12)          |
| Reduction in depreciation/(accelerated depreciation)        | 37.00           | 15.90           |
| Expenses not allowed under income tax act                   | -               | -               |
| Expenses that are allowed under payment basis               | 3.40            | 10.14           |
| Revaluation of current investments                          | (6.41)          | -               |
| Fair Valuation of financial liabilities                     | (1.95)          | -               |
| Carry forward of current year loss                          | 21.02           | -               |
| Utilisation of carry forward losses                         |                 | (46.49)         |
| Income tax relatng to earlier years                         | -               | -               |
| Other adjustments                                           | -               | -               |
| Deferred tax liability recognised                           | (53.05)         | 21.59           |
| <b>Total</b>                                                |                 |                 |
| <b>Tax expense reported in Statement of profit and Loss</b> | <b>(53.05)</b>  | <b>21.59</b>    |

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

(Rs. In Lakhs)

| Particulars                                                                                   | 31st March 2025 | 31st March 2024 |
|-----------------------------------------------------------------------------------------------|-----------------|-----------------|
| Deferred Tax income / (expenses) during the period recognised in Statement of Profit and Loss | (53.05)         | 21.59           |
| Deferred Tax income / (expenses) during the period recognised in OCI                          | 1.30            | 0.22            |
| <b>Total</b>                                                                                  | <b>(51.75)</b>  | <b>21.81</b>    |

**Income tax expense**

(Rs. In Lakhs)

| Particulars                                                 | 31st March 2025 | 31st March 2024 |
|-------------------------------------------------------------|-----------------|-----------------|
| <b>Current tax expense</b>                                  |                 |                 |
| Current year                                                | -               | -               |
| Short/(Excess) Provision of Income tax of earlier years     | -               | -               |
| <b>(A)</b>                                                  | <b>-</b>        | <b>-</b>        |
| <b>Deferred tax expense</b>                                 |                 |                 |
| Decrease/(Increase) in deferred tax asset                   | (23.12)         | -               |
| Increase/(Decrease) in deferred tax liability               | (28.64)         | -               |
| <b>(B)</b>                                                  | <b>(51.75)</b>  | <b>-</b>        |
| <b>Tax expense recognised in the income statement (A+B)</b> | <b>(51.75)</b>  | <b>-</b>        |

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

45. Previous year figures have been regrouped wherever necessary.

46. Figures in brackets denote those for previous year.

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: 09th May 2025  
UDIN:25200523BMLEXS7270

For and on behalf of the Board of Directors

E.Sathyanarayana  
Managing Director & C.E.O.  
(DIN.01285696)

E.Rajeshwari  
Director  
(DIN.01720295)



# 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 **62<sup>nd</sup> Annual General Meeting** of the Company to be held **on Saturday, 27<sup>th</sup> September, 2025 at 10.00 A.M** 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, 2025                        |          |         |
| 2.             | To declare dividend on equity shares for the financial year 2024-25                         |          |         |
| 3.             | Re-appointment of Sri Chintha Joga Rao (DIN: 10130864), as Director who retires by rotation |          |         |

Signed this..... day of .....2025

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 **62<sup>nd</sup> 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.

