

SAMBANDAM SPINNING MILLS LIMITED
48th Annual Report 2021 - 2022





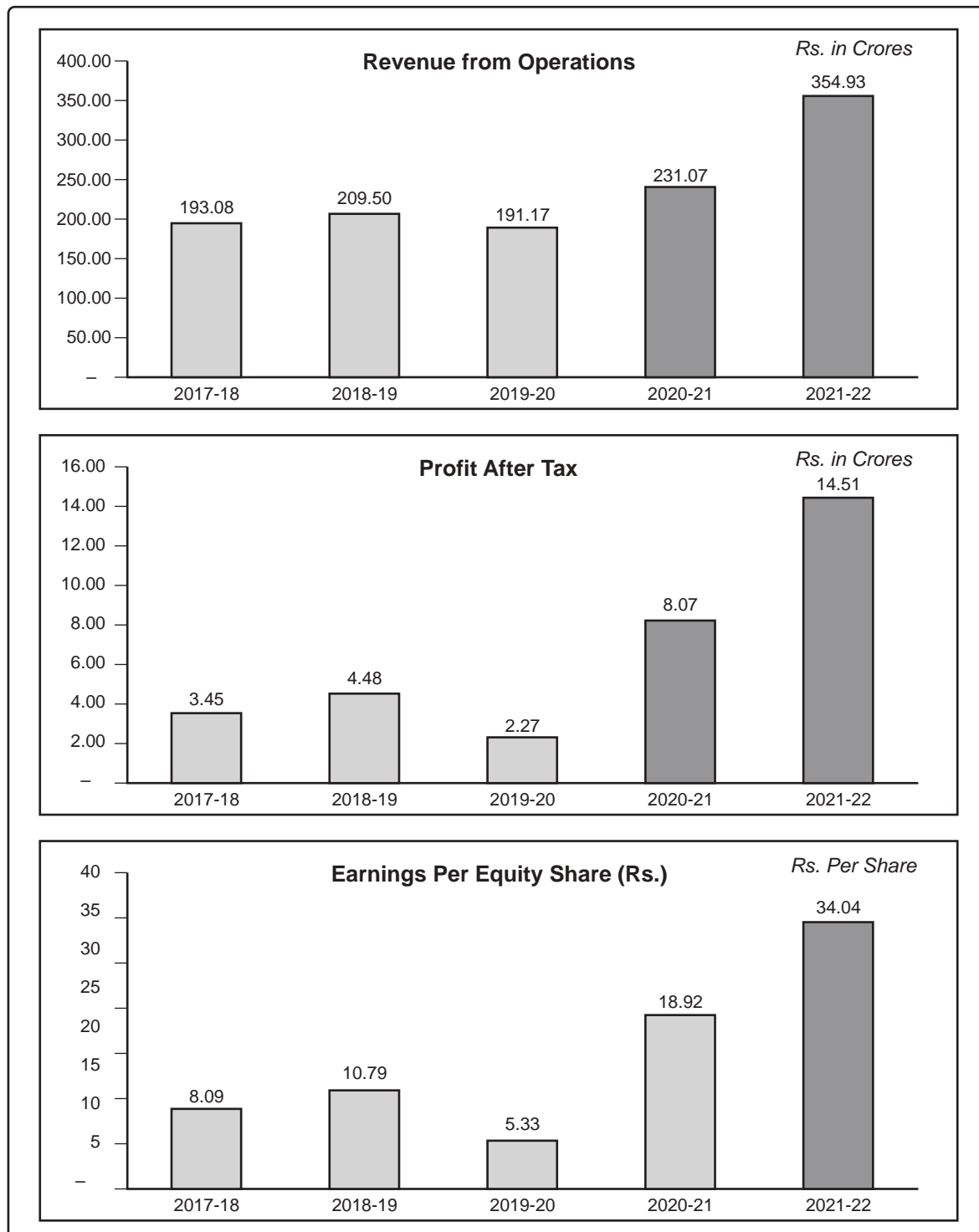
CONTENTS

	Page No.
Corporate Information	01
Notice	03
Directors' Report	16
CEO / CFO Certification	28
Corporate Governance Report	40
Standalone Financial Statements	63
Consolidated Financial Statements	113





Board of Directors as on 06.08.2022	S. Devarajan - Chairman and Managing Director S. Jegarajan - Joint Managing Director S. Dinakaran - Joint Managing Director D. Sudharsan - Non Executive Director J. Sakthivel - Director - Technical D. Niranjana Kumar - Director - Marketing S. Gnanashekar - Independent Director Kameshwar M.Bhat - Independent Director Dr.V Sekar - Independent Director D.Balasundaram - Independent Director V.Annapoorani - Independent Director S.Bhaskaran - Independent Director
Chief Financial Officer	P. Boopalan
Company Secretary	S. Natarajan
Statutory Auditors	R. Sundararajan & Associates
Secretarial Auditors	B.K. Sundaram & Associates
Cost Auditors	K.M. Krishnamurthy & Co.
Bankers	State Bank of India Limited Karnataka Bank Limited The South Indian Bank Limited HDFC Bank Limited CSB Bank Limited Canara Bank Limited
Registered Office	Mill Premises, Kamaraj Nagar Colony, Salem 636 014, Tamil Nadu.
Corporate Identity No.	(CIN) : L17111TZ1973PLC000675
Spinning Plant and Roof Top Solar Energy Plant	Unit I : Kamaraj Nagar Colony, Salem 636 014, Tamil Nadu. Email : corporate@sambandam.com Tel : 0427 2240790 Unit II : Ayeepalayam, Athanur 636 301, Namakkal District, Tamil Nadu. Unit III : Kavarakalpatty, Seshanchavadi Post Salem 636 111, Tamil Nadu. Unit IV : Udayapatti P.O., Salem - 636 140, Tamil Nadu.
Wind Energy Converters	Uthumalai Village, V.K. Pudur Taluk Tirunelveli District, Tamil Nadu. Panangudi, Pazhavor and Parameshwarapuram Villages Radhapuram Taluk, Tirunelveli District, Tamil Nadu. Gudimangalam Village, Udumalpet Taluk, Coimbatore District, Tamil Nadu.
Ground Mounted Solar Energy Plant	Venbavur Village, Veppanthattai Taluk, Perambalur District, Tamil Nadu





SAMBANDAM SPINNING MILLS LIMITED



Registered Office : KAMARAJ NAGAR COLONY, SALEM – 636 014
 Corporate Identity Number (CIN) : L17111TZ1973PLC000675
 Website : www.sambandam.com, Email : corporate@sambandam.com
 Tel : 0427 2240790

NOTICE TO SHAREHOLDERS

NOTICE is hereby given that Forty Eight Annual General Meeting (AGM) of the members of the Company will be held at **11.30 AM - IST on Saturday 24.09.2022** through video conferencing (VC) / Other Audit visual means (OAVM) to transact the following business.

ORDINARY BUSINESS :

Item ADOPTION OF FINANCIAL STATEMENTS

No.1 To consider and if deemed fit to pass, with or without modification(s), the following Resolution as an ORDINARY RESOLUTION :

“RESOLVED THAT the Standalone and Consolidated Audited Balance Sheet as at 31st March 2022 together with the Statement of Profit and Loss, cash flow statement and notes to accounts for the year ended as on that date and the Reports of the Directors and the Auditors thereon be and are hereby received, considered and adopted.”

Item DECLARATION OF DIVIDEND

No.2 To consider and if deemed fit to pass, with or without modification(s), the following Resolution as an ORDINARY RESOLUTION :

“RESOLVED THAT dividend of Rs 5 (Rupees Five) per equity share of Rs 10 (Rupees Ten) each be and is hereby declared for the financial year ended 31st March 2022 to those shareholders whose names appear in the Register of Members.

Item APPOINTMENT AND AUDIT FEES TO STATUTORY AUDITOR

No.3 To consider and if deemed fit to pass, with or without modification(s), the following Resolution as an ORDINARY RESOLUTION :

“RESOLVED THAT, pursuant to the provisions of section 139(2) and other applicable provisions, if any, of the Companies Act 2013 and the rules framed there under (including any statutory modification(s) or re-enactment thereof for the time being in force), M/s. P.N.Raghavandra Rao & Co., Chartered Accountants (Firm Registration No. FRN : 003328S) be and are hereby appointed as Auditors of the Company (in place of retiring Auditor M/s. R. Sundararajan and Associates, Firm Registration No. 08282S) for a term of 5 consecutive years to hold office from the conclusion of this meeting till the conclusion of the 53rd AGM to be held in year 2027 Annual General Meeting subject to ratification of fees in every subsequent Annual General Meeting if applicable.

RESOLVED FURTHER that the statutory Auditors shall be paid a remuneration of Rs 8 lakhs (Rupees Eight Lakhs only) per year excluding out of pocket expenses that may be incurred by them in connection with the audit and excluding the applicable GST for conducting statutory audit as recommended by the board of directors and audit committee of the company and to give their report thereon.



Item APPOINTMENT OF RETIRING DIRECTOR

No.4 To consider and if deemed fit to pass, with or without modification(s), the following Resolution as an ORDINARY RESOLUTION

RESOLVED THAT pursuant to the provisions of Section 152 and other applicable provisions, if any, of the Companies Act 2013 (the Act) and the Rules framed there under (including any statutory modification(s) or re-enactment thereof for the time being in force) Mr. D.Sudharsan,(DIN 00018546), Director retiring by rotation at this AGM, be and is hereby re-appointed as a non-executive director of the Company liable to retire by rotation

SPECIAL BUSINESS

Item RATIFICATION OF FEES PAYABLE TO COST AUDITOR

No.5 To consider and if deemed fit to pass, with or without modification(s), the following Resolution as an ORDINARY RESOLUTION :

“RESOLVED THAT the remuneration of Rs 1 lakhs payable for audit of cost accounts of the Company for the financial year ending 31st March 2023 to Sri B.Venkateswar Practising Cost Accountant (Membership Number : 27622) as recommended by the Audit Committee and approved by the Board of Directors of the Company pursuant to section 148 of the Companies Act 2013 read with rule 14 and other applicable rules of the Companies (Audit and Auditors) Rules 2014 (including any statutory modification(s) or re-enactment thereof for the time being in force) excluding out of pocket expenses that may be incurred by them in connection with the audit and applicable GST be and is hereby confirmed and ratified.”

“RESOLVED FURTHER THAT the Board of directors of the Company be and is hereby authorised to do all such acts and take all such steps as may be necessary, to give effect to this resolution.”

Item ACCEPTANCE OF FIXED DEPOSITS FROM MEMBERS OF THE COMPANY

No.6 To consider, and if thought fit, to pass with or without modification, the following Resolutions, as an ORDINARY RESOLUTIONS :

RESOLVED THAT the Board of Directors of the Company be and is hereby authorised to accept fixed deposits from the members of the Company in accordance with the provisions of Section 73(2) and other applicable provisions, if any, of the Companies Act, 2013 and the Rules framed there under (including any statutory modification(s) or re-enactment thereof for the time being in force) duly observing the procedure for accepting fixed deposits from the members of the Company and within the limits prescribed therefor.

“RESOLVED FURTHER THAT the Board of directors of the Company be and is hereby authorised to do all such acts and take all such steps as may be necessary, to give effect to this resolution.”

Place : **Salem**
Date : **August 6th, 2022**

For and on behalf of the Board of
Sambandam Spinning Mills Limited
S. Natarajan
Company Secretary

**NOTES :**

- 1 Explanatory Statement setting out material facts pursuant to Section 102 of the Companies Act, 2013 in respect of the business under Items No.3 to 6 of the Notice to be transacted at the AGM is annexed hereto.
- 2 The Register of Members and the Share Transfer Books of the Company will remain closed from 18-09-2022 to 24.09.2022, (both days inclusive) for determining the entitlement of the shareholders for e voting and for the dividend for year ended 31st March 2022

In the case of shareholders opting for NECS/ECS, the dividend would in the normal course be credited to their respective accounts. Shareholders must inform the RTA in writing, if they hold shares in physical form (Share Certificate) and to their Depository Participants if they hold shares in DEMAT Form (Electronic Form) furnishing the Bank A/c details attaching a cancelled cheque leaf of that Bank Account for ensuring direct credit of the Dividend to their Bank Account.

Effective April 1, 2020, dividend income will be taxable in the hands of shareholders. Hence the Company is required to deduct tax at source [TDS] from the amount of dividend paid to shareholders at the prescribed rates. Further no tax shall be deducted on the dividend payable to a resident individual shareholders if the total amount of dividend to be received from the Company during the Financial Year 2020-21, and onwards does not exceed 5,000/-. Shareholders may note that in case PAN is not updated with the Depository Participant/Register of the Company, the tax will be deducted at a higher rate of 20%.

- 3 Members holding shares in physical form are requested to notify the RTA any change in their address or bank A/c. particulars immediately and not later than 17-09-2022 and members holding shares in electronic (DEMAT) form are requested to notify any change in their address or Bank details to their respective Depository Participant, latest by 17-09-2022, so that the dividend warrants could be sent to their Bank A/c/ present address. Members are also advised to intimate the details of their bank account to enable electronic remittance of dividend warrants. This would help to avoid fraudulent encashment of dividend warrants. In case of shareholders holding shares in physical form, all intimations for recording change of address, bank mandate, or nominations and for redress of any grievance are to be sent to Cameo Corporate Services Limited, at 'Subramanian Building', No.1, Club House Road, Chennai – 600 002 who are the Registrars and Share Transfer Agents (RTA) of the Company. In case of persons holding shares in Demat form, all such intimations should be sent to their respective Depository Participants (DP.s).

Members can also submit their grievances

by e-mail direct to the Company at the following e-mail ID : cs@sambandam.com
corporate@sambandam.com

- 4 The Company offers two electronic platforms for credit of dividend i.e., (a) Electronic Clearing Service (ECS) and (b) National Electronic Clearing System (NECS). The advantages of NECS over ECS include faster credit of remittances to beneficiary's account and coverage of more bank branches. NECS operates on the unique bank account number (having not less than 10 digits) allotted by banks after implementation of the Core Banking Solutions (CBS).

The NECS compliant account number is required to be intimated to your Depository Participant (in case your shares are in Demat mode) or to the Company's RTA, M/s Cameo Corporate Services Limited, (in case your shares are in physical mode) for effecting the dividend payment direct to your bank account through the NECS mode. All such intimations, with a cheque leaf of that Bank A/c have to be done before 17-09-2022. Members are encouraged to use the electronic platforms for receiving dividends.

- 5 As per the SEBI Regulations, a person holding the Company's shares / acquiring the Company's shares (voting rights) exceeding 5% of the paid up share capital (Two lakh thirteen thousand two hundred and thirty equity shares of the Company together with their existing holdings) shall inform the Company within 2 working days of acquisition of the Company's shares before sending the share transfer documents to Cameo Corporate Services Ltd., for registering the shares in their name. Similarly persons already holding 5% or more (Two lakh thirteen thousand two hundred and thirty equity shares) of the Company shall inform the Company if they sell or transfer any of their shares within 2 working days of sale of their shares.



- 6 As per the provisions of the Companies Act, facility for making nomination is available to individuals holding shares in the Company. The prescribed nomination form can be obtained from the RTA / Depository Participants.
- 7 As per the provisions of Section 125 of the Companies Act, 2013, the amount of dividend remaining unpaid or unclaimed for a period of seven years from the date of transfer to the unpaid dividend account of the Company shall be transferred to the Investor Education and Protection Fund (IEPF) set up by the Government of India.
- Pursuant to the provisions of the Investor Education and Protection Fund (uploading of information regarding unpaid and unclaimed amounts lying with Companies) Rules, 2012 the Company has uploaded the details of unpaid and unclaimed amounts lying with the Company as on 31st Mar 2022 on the website of the Company (www.sambandam.com). Shareholders can ascertain the status of their unclaimed amounts from these websites, and write to the Company immediately to claim that amount.
- 8 The Securities and Exchange Board of India (SEBI) has mandated the submission of Permanent Account Number (PAN) by every participant in securities market for registering transfers, transpositions, transmissions, etc. Members holding shares in electronic form (DEMAT) are, therefore, requested to submit the PAN to their Depository Participants with whom they are maintaining their demat accounts. Members holding shares in physical form can submit copy of their PAN card to the RTA, Cameo Corporate Services Limited, at 'Subramanian Building', No.1, Club House Road, Chennai-600 002
- 9 Additional information in respect of the Director seeking appointment / reappointment at the AGM is furnished here under which forms part of the Notice.
- 10 Members are requested to inform the Company their e-mail ID to facilitate quick response from the Company. Ministry of Corporate Affairs has recognised e-mail communication to share holders as effective and efficient means of communication from the Company and also member's communication to the Company. Members may register their e-mail id with the Company and also keep the Company informed of any changes in their e-mail ID.
- 11 Pursuant to Section 108 of the Companies Act, 2013 read with Rule 20 of the Companies (Management and Administration) Amended Rules 2015 and Regulation 44 of SEBI (Listing Obligations and Disclosure Requirements) Regulations 2015 the Company is pleased to offer Electronic Voting (e-voting) facility to the members to cast their votes electronically on all Resolutions set forth in the Notice convening the 48th AGM. The Company has engaged the services of National Securities Depository Limited (NSDL) for this purpose.
- 12 Instructions for members for e-voting :-**
- (i) THE CUT OFF DATE FOR THE PURPOSE OF E-VOTING AND DIVIDEND HAS BEEN FIXED AS 17-09-2022. MEMBERS HOLDING SHARES AS ON THIS CUT OFF DATE SHOULD ENDEAVOUR TO CAST THEIR VOTES ELECTRONICALLY.
- (ii) VOTING RIGHTS OF SHAREHOLDERS SHALL BE IN PROPORTION TO THEIR SHAREHOLDINGS IN THE COMPANY AS ON THE CUT OFF DATE i.e. 17-09-2022
- (iii) CS B.KALYANASUNDARAM (MEMBERSHIP NO.672) OF M/S. B.K.SUNDARAM & ASSOCIATES PRACTISING COMPANY SECRETARIES has been appointed as SCRUTINIZER to scrutinize the e-voting process in a fair and transparent manner. Result of the voting on all resolutions will be declared within two days after the AGM.



- (iv) The Scrutinizer will ascertain the result after the conclusion of voting at the AGM by the following Process:
- a) First unblock the votes cast through e-Voting;
 - b) Prepare a consolidated Scrutinizer's Report of the total votes cast in favour or against, if any, and submit it to the Chairman.
 - c) The Scrutinizer's Report as above would be made soon after the conclusion of AGM and in any event not later than three days from the conclusion of the Meeting.
- (v) Voting Results
- a) The Chairman or a person authorized by him will declare the result of the voting based on the Scrutinizer's Report.
 - b) The results declared along with the Scrutinizer's Report will be placed on the Company's website www.sambandam.com immediately after the result is declared and also communicated to BSE.
 - c) Subject to receipt of requisite number of votes, the Resolution shall be deemed to be passed on the date of the AGM.

The e-voting period begins at 9.15 a.m. on 20-09-2022 and ends at 5.00 p.m. on 23-09-2022. This period is called 'remote e-voting period'. During this period, shareholders of the Company holding shares either in physical form or in dematerialized form as on the cut-off date i.e. 17-09-2022 may cast their vote electronically. At the end of this period, the remote e-voting facility will be disabled by NDSL.

- 13** Notice of the AGM along with the Annual Report is being sent to the shareholders whose names appear in the Register of Members as on 26.08.2022. Those who acquire the Company's shares subsequently and continue to hold the shares till the cut off date i.e. 17.09.2022 may contact the RTA, Cameo Corporate Services to obtain their pass word for casting their vote by e-voting. AGM Notice and the Annual Report will be uploaded in the Company's Website www.sambandam.com.

14 NSDL e-Voting System – For Remote e-voting

1. In view of the massive outbreak of the COVID-19 pandemic, social distancing is a norm to be followed and pursuant to the Circular No. 14/2020 dated April 08, 2020, Circular No.17/2020 dated April 13, 2020 issued by the Ministry of Corporate Affairs followed by Circular No. 20/2020 dated May 05, 2020 and Circular No. 02/2021 dated January 13, 2021, Circular No 3/2022 dated May 05, 2022 and all other relevant circulars issued from time to time, physical attendance of the Members to the AGM venue is not required and general meeting be held through video conferencing (VC) or other audio visual means (OAVM). Hence, Members can attend and participate in the ensuing AGM through VC/OAVM. Accordingly physical attendance of members has been dispensed with and the facility of appointment of proxy by members will not be available for the AGM and hence the proxy form and attendance slip are not annexed to this notice.
2. Pursuant to the Circular No. 14/2020 dated April 08, 2020, issued by the Ministry of Corporate Affairs, and subsequently amendments if any the facility to appoint proxy to attend and cast vote for the members is not available for this AGM. However, the Body Corporates are entitled to appoint authorised representatives to attend the AGM through VC/OAVM and participate there at and cast their votes through e-voting.
3. The Members can join the AGM in the VC/OAVM mode 15 minutes before and after the scheduled time of the commencement of the Meeting by following the procedure mentioned in the Notice. The facility of participation at the AGM through VC/OAVM will be made available for 1000 members on first come first served basis. This will not include large Shareholders (Shareholders holding 2% or more shareholding), Promoters, Institutional Investors, Directors, Key Managerial Personnel, the Chairpersons of the Audit Committee, Nomination and Remuneration Committee and Stakeholders Relationship Committee, Auditors etc. who are allowed to attend the AGM without restriction on account of first come first served basis.



4. The attendance of the Members attending the AGM through VC/OAVM will be counted for the purpose of reckoning the quorum under Section 103 of the Companies Act, 2013.
5. Pursuant to the provisions of Section 108 of the Companies Act, 2013 read with Rule 20 of the Companies (Management and Administration) Rules, 2014 (as amended) and Regulation 44 of SEBI (Listing Obligations & Disclosure Requirements) Regulations 2015 (as amended), and the Circulars issued by the Ministry of Corporate Affairs dated April 08, 2020, April 13, 2020, May 05, 2020, January 13, 2021 the Company is providing facility of remote e-Voting to its Members in respect of the business to be transacted at the AGM. For this purpose, the Company has entered into an agreement with National Securities Depository Limited (NSDL) for facilitating voting through electronic means, as the authorized agency. The facility of casting votes by a member using remote e-Voting system as well as venue voting on the date of the AGM will be provided by NSDL.
6. In line with the Ministry of Corporate Affairs (MCA) Circular No. 17/2020 dated April 13, 2020, the Notice calling the AGM has been uploaded on the website of the Company at www.sambandam.com. The Notice can also be accessed from the website of the Stock Exchange i.e. BSE Limited at www.bseindia.com. AGM Notice is also available on the website of NSDL (agency for providing the Remote e-Voting facility) i.e. www.evoting.nsdl.com.
7. AGM has been convened through VC/OAVM in compliance with applicable provisions of the Companies Act, 2013 read with MCA Circular No. 14/2020 dated April 08, 2020 and MCA Circular No. 17/2020 dated April 13, 2020, MCA Circular No. 20/2020 dated May 05, 2020 and MCA Circular No. 2/2021 dated January 13, 2021 and Circular No 3/2022 dated May 05, 2022

THE INSTRUCTIONS FOR MEMBERS FOR REMOTE E-VOTING AND JOINING GENERAL MEETING ARE AS UNDER:-

The remote e-voting period begins on 20-09-2022 at 9:15 A.M. and ends on 23-09-2022 at 5:00 P.M. The remote e-voting module shall be disabled by NSDL for voting thereafter. The Members, whose names appear in the Register of Members / Beneficial Owners as on the record date (cut-off date) i.e. 17-09-2022, may cast their vote electronically. The voting right of shareholders shall be in proportion to their share in the paid-up equity share capital of the Company as on the cut-off date, being 17-09-2022.

How do I vote electronically using NSDL e-Voting system?

The way to vote electronically on NSDL e-Voting system consists of "Two Steps" which are mentioned below:

Step 1: Access to NSDL e-Voting system

A) Login method for e-Voting and joining virtual meeting for Individual shareholders holding securities in demat mode

In terms of SEBI circular dated December 9, 2020 on e-Voting facility provided by Listed Companies, Individual shareholders holding securities in demat mode are allowed to vote through their demat account maintained with Depositories and Depository Participants. Shareholders are advised to update their mobile number and email Id in their demat accounts in order to access e-Voting facility.

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



Type of Shareholders	Login Method
Individual Shareholders holding securities in demat mode with NSDL.	<ol style="list-style-type: none"> <li data-bbox="416 495 1350 741">1. If you are already registered for NSDL IDeAS facility, please visit the e-Services website of NSDL. Open web browser by typing the following URL: https://eservices.nsdl.com/ either on a Personal Computer or on a mobile. Once the home page of e-Services is launched, click on the “Beneficial Owner” icon under “Login” which is available under “IDeAS” section. A new screen will open. You will have to enter your User ID and Password. After successful authentication, you will be able to see e-Voting services. Click on “Access to e- Voting” under e-Voting services and you will be able to see e-Voting page. Click on options available against company name or e-Voting service provider - NSDL and you will be re- directed to NSDL e-Voting website for casting your vote during the remote e-Voting period or joining virtual meeting & voting during the meeting. <li data-bbox="416 752 1350 824">2. If the user is not registered for IDeAS e-Services, option to register is available at https://eservices.nsdl.com. Select “Register Online for IDeAS” Portal or click at https://eservices.nsdl.com/SecureWeb/IdeasDirectReg.jsp <li data-bbox="416 835 1350 1081">3. Visit the e-Voting website of NSDL. Open web browser by typing the following URL: https://www.evoting.nsdl.com/ either on a Personal Computer or on a mobile. Once the home page of e-Voting system is launched, click on the icon “Login” which is available under 'Shareholder/Member' section. A new screen will open. You will have to enter your User ID (i.e. your sixteen digit demat account number held with NSDL), Password/OTP and a Verification Code as shown on the screen. After successful authentication, you will be redirected to NSDL Depository site wherein you can see e-Voting page. Click on options available against company name or e-Voting service provider - NSDL and you will be redirected to e-Voting website of NSDL for casting your vote during the remote e-Voting period or joining virtual meeting & voting during the meeting. <li data-bbox="416 1093 1350 1189">4. Shareholders/Members can also download NSDL Mobile App “NSDL Speed e” facility by scanning the QR code mentioned below for seamless voting experience. <div data-bbox="948 1084 1257 1256" style="text-align: center;"> <p>NSDL Mobile App is available on App Store Google Play</p> </div>
Individual Shareholders holding securities in demat mode with CDSL	<ol style="list-style-type: none"> <li data-bbox="416 1272 1350 1391">1. Existing users who have opted for Easi / Easiest, they can login through their user id and password. Option will be made available to reach e-Voting page without any further authentication. The URL for users to login to Easi / Easiest are https://web.cdslindia.com/myeasi/home/login or www.cdslindia.com and click on New System Myeasi. <li data-bbox="416 1402 1350 1451">2. After successful login of Easi/Easiest the user will be also able to see the E Voting Menu. The Menu will have links of e-Voting service provider i.e. NSDL. Click on NSDL to cast your vote. <li data-bbox="416 1462 1350 1512">3. If the user is not registered for Easi / Easiest, option to register is available at https://web.cdslindia.com/myeasi/Registration/EasiRegistration <li data-bbox="416 1523 1350 1641">4. Alternatively, the user can directly access e-Voting page by providing demat Account Number and PAN No. from a link in home page. The system will authenticate the user by sending OTP on registered Mobile & Email as recorded in the demat Account. After successful authentication, user will be provided links for the respective ESP i.e. NSDL where the e-Voting is in progress.
Individual Shareholders (holding securities in demat mode) login through their depository participants	<p>You can also login using the login credentials of your demat account through your Depository Participant registered with NSDL/CDSL for e-Voting facility. Once login, you will be able to see e-Voting option. Once you click on e-Voting option, you will be redirected to NSDL/CDSL Depository site after successful authentication, wherein you can see e- Voting feature. Click on options available against company name or e-Voting service provider-NSDL and you will be redirected to e-Voting website of NSDL for casting your vote during the remote e-Voting period or joining virtual meeting & voting during the meeting.</p>



Helpdesk for Individual Shareholders holding securities in demat mode for any technical issues related to login through Depository i.e. NSDL and CDSL.

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

B) Login Method for shareholders other than Individual shareholders holding securities in demat mode and shareholders holding securities in physical mode.

How to Log-in to NSDL e-Voting website?

1. Visit the e-Voting website of NSDL. Open web browser by typing the following URL: <https://www.evoting.nsdl.com/> either on a Personal Computer or on a mobile.
2. Once the home page of e-Voting system is launched, click on the icon "Login" which is available under 'Shareholder/Member' section.
3. A new screen will open. You will have to enter your User ID, your Password/OTP and a Verification Code as shown on the screen.

Alternatively, if you are registered for NSDL eservices i.e. IDEAS, you can log-in at <https://eservices.nsdl.com/> with your existing IDEAS login. Once you log-in to NSDL eservices after using your log-in credentials, click on e-Voting and you can proceed to Step 2 i.e. Cast your vote electronically.

4. Your User ID details are given below :

Manner of holding shares i.e. Demat (NSDL or CDSL) or Physical	Your User ID is:
a) For Members who hold shares in demat account with NSDL.	8 Character DP ID followed by 8 Digit Client ID For example if your DP ID is IN300*** and Client ID is 12***** then your user ID is IN300***12*****.
b) For Members who hold shares in demat account with CDSL.	16 Digit Beneficiary ID For example if your Beneficiary ID is 12***** then your user ID is 12*****.
c) For Members holding shares in Physical Form.	EVEN Number followed by Folio Number registered with the company For example if folio number is 001*** and EVEN is 101456 then user ID is 101456001***

5. Password details for shareholders other than Individual shareholders are given below:
 - a) If you are already registered for e-Voting, then you can use your existing password to login and cast your vote.
 - b) If you are using NSDL e-Voting system for the first time, you will need to retrieve the 'initial password' which was communicated to you. Once you retrieve your 'initial password', you need to enter the 'initial password' and the system will force you to change your password.
 - c) How to retrieve your 'initial password'?
 - (i) If your email ID is registered in your demat account or with the company, your 'initial password' is communicated to you on your email ID. Trace the email sent to you from NSDL from your mailbox. Open the email and open the attachment i.e. a .pdf file. Open the .pdf file. The password to open the .pdf file is your 8 digit client ID for NSDL account, last 8 digits of client ID for CDSL account or folio number for shares held in physical form. The .pdf file contains your 'User ID' and your 'initial password'.
 - (ii) If your email ID is not registered, please follow steps mentioned below in **process for those shareholders whose email ids are not registered**



6. If you are unable to retrieve or have not received the “ Initial password” or have forgotten your password:
 - a) Click on “Forgot User Details/Password?”(If you are holding shares in your demat account with NSDL or CDSL) option available on www.evoting.nsdl.com.
 - b) Physical User Reset Password?” (If you are holding shares in physical mode) option available on www.evoting.nsdl.com.
 - c) If you are still unable to get the password by aforesaid two options, you can send a request at evoting@nsdl.co.in mentioning your demat account number/folio number, your PAN, your name and your registered address etc.
 - d) Members can also use the OTP (One Time Password) based login for casting the votes on the e-Voting system of NSDL.
7. After entering your password, tick on Agree to “Terms and Conditions” by selecting on the check box.
8. Now, you will have to click on “Login” button
9. After you click on the “Login” button, Home page of e-Voting will open.

Step 2: Cast your vote electronically and join General Meeting on NSDL e-Voting system.

How to cast your vote electronically and join General Meeting on NSDL e-Voting system?

1. After successful login at Step 1, you will be able to see all the companies “EVEN” in which you are holding shares and whose voting cycle and General Meeting is in active status.
2. Select “EVEN” of company for which you wish to cast your vote during the remote e-Voting period and casting your vote during the General Meeting. For joining virtual meeting, you need to click on “VC/OAVM” link placed under “Join General Meeting”.
3. Now you are ready for e-Voting as the Voting page opens.
4. Cast your vote by selecting appropriate options i.e. assent or dissent, verify/modify the number of shares for which you wish to cast your vote and click on “Submit” and also “Confirm” when prompted.
5. Upon confirmation, the message “Vote cast successfully” will be displayed.
6. You can also take the printout of the votes cast by you by clicking on the print option on the confirmation page.
7. Once you confirm your vote on the resolution, you will not be allowed to modify your vote.

General Guidelines for shareholders

1. Institutional shareholders (i.e. other than individuals, HUF, NRI etc.) are required to send scanned copy (PDF/JPG Format) of the relevant Board Resolution/ Authority letter etc. with attested specimen signature of the duly authorized signatory(ies) who are authorized to vote, to the Scrutinizer by e-mail to bkksoffice@gmail.com with a copy marked to evoting@nsdl.co.in.
2. It is strongly recommended not to share your password with any other person and take utmost care to keep your password confidential. Login to the e-voting website will be disabled upon five unsuccessful attempts to key in the correct password. In such an event, you will need to go through the “Forgot User Details/Password?” or “” option available on www.evoting.nsdl.com to reset the password
3. In case of any queries, you may refer the Frequently Asked Questions (FAQs) for Shareholders and e-voting user manual for Shareholders available at the download section of www.evoting.nsdl.com or call on toll free no.: 1800 1020 990 and 1800 22 44 30 or send a request to Ms. Soni Singh Assistant Manager E mail id – evoting@nsdl.co.in, Contact No : 1800 102 0990; 1800 22 4430 at evoting@nsdl.co.in



Process for those shareholders whose email ids are not registered with the depositories for procuring user id and password and registration of e mail ids for e-voting for the resolutions set out in this notice:

1. In case shares are held in physical mode please provide Folio No., Name of shareholder, scanned copy of the share certificate (front and back), PAN (self attested scanned copy of PAN card), AADHAR (self attested scanned copy of Aadhar Card) by email to corporate@sambandam.com.
2. In case shares are held in demat mode, please provide DPID-CLID (16 digit DPID + CLID or 16 digit beneficiary ID), Name, client master or copy of Consolidated Account statement, PAN (self attested scanned copy of PAN card), AADHAR (self attested scanned copy of Aadhar Card) to corporate@sambandam.com. If you are an Individual shareholders holding securities in demat mode, you are requested to refer to the login method explained at **step 1 (A) i.e. Login method for e-Voting and joining virtual meeting for Individual shareholders holding securities in demat mode**.
3. Alternatively shareholder/members may send a request to evoting@nsdl.co.in for procuring user id and password for e-voting by providing above mentioned documents.
4. In terms of SEBI circular dated December 9, 2020 on e-Voting facility provided by Listed Companies, Individual shareholders holding securities in demat mode are allowed to vote through their demat account maintained with Depositories and Depository Participants. Shareholders are required to update their mobile number and email ID correctly in their demat account in order to access e-Voting facility.

THE INSTRUCTIONS FOR MEMBERS FOR e-VOTING ON THE DAY OF THE AGM ARE AS UNDER:-

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

15 INSTRUCTIONS FOR MEMBERS FOR ATTENDING THE AGM THROUGH VC/OAVM ARE AS UNDER:

1. Member will be provided with a facility to attend the AGM through VC/OAVM through the NSDL e-Voting system. Members may access by following the steps mentioned above for **Access to NSDL e-Voting system**. After successful login, you can see link of "VC/OAVM link" placed under "**Join General meeting**" menu against company name. You are requested to click on VC/OAVM link placed under Join General Meeting menu. The link for VC/OAVM will be available in Shareholder/Member login where the EVEN of Company will be displayed. Please note that the members who do not have the User ID and Password for e-Voting or have forgotten the User ID and Password may retrieve the same by following the remote e-Voting instructions mentioned in the notice to avoid last minute rush.
2. Members are encouraged to join the Meeting through Laptops for better experience.
3. Further Members will be required to allow Camera and use Internet with a good speed to avoid any disturbance during the meeting.
4. Please note that Participants Connecting from Mobile Devices or Tablets or through Laptop connecting via Mobile Hotspot may experience Audio/Video loss due to Fluctuation in their respective network. It is therefore recommended to use Stable Wi-Fi or LAN Connection to mitigate any kind of aforesaid glitches.
5. Members who would like to express their views / ask questions during the meeting, may register themselves as a speaker by sending their request from their registered email address mentioning their name, demat account number / folio number, email id, mobile number to cs@sambandam.com from 17.09.2022 (9.15 a.m. IST) to 19.09.2022 (5.00 p.m. IST). Those members who have registered themselves as a speaker will only be allowed to express their views / ask questions during the meeting. The Company reserves the right to restrict the number of speakers depending on the availability of time for the AGM.



- 16** The voting rights of the members shall be in proportion to their shares of the paid up Equity Share Capital of the Company as on the 'cut-off' date being 17-09-2022.
- 17** **SHRI B. KALYANASUNDARAM (MEMBERSHIP NO. 672) OF M/S B. K. SUNDARAM & ASSOCIATES, PRACTISING COMPANY SECRETARIES** has been appointed as the Scrutinizer to scrutinize the remote e-voting and AGM venue voting processes in a fair and transparent manner.
- 18** The Scrutinizer shall, immediately after the conclusion of the voting at the general meeting, will count the votes cast at the meeting, thereafter unblock the votes cast through remote e-voting in the presence of at least two witnesses not in the employment of the Company.
- 19** The Scrutinizer not later than 48 hours of the conclusion of the AGM shall submit a consolidated report of the total votes cast through remote e-voting process and votes cast at the AGM to the Chairman or any person authorised by him who shall countersign the same and declare the results of the voting forthwith.
- 20** The results declared along with the report of the Scrutinizer shall be placed on the website of the Company www.sambandam.com and the website of the NSDL immediately after the declaration of result and shall also be immediately forwarded to the Stock Exchange where the Company's shares are listed.

All documents referred to in this notices will be available for inspection on all working days during business hours of the Company until the date of the Annual General Meeting of the Company.

EXPLANATORY STATEMENT PURSUANT TO SECTION 102 OF THE COMPANIES ACT, 2013 FOR ITEMS No 3, 4, 5 and 6

Item Appointment of Statutory Auditor

No:3 As resolved by the shareholders in 44th Annual general body meeting held on 11.08.2018 present Statutory Auditor shall hold office till the end of conclusion of the 48 th AGM to be held before the due date of 30.09.2022 . As per companies Act of 2013, sec 139 existing statutory auditor is not eligible for reappointed as Statutory Auditor beyond the 2nd term completed. Hence there is a requirement to appoint a new statutory Auditor as approved by the board of directors upon recommendation of the Audit committee. Accordingly, board identified statutory Auditor for his appointment for the 5 years term (for conducting the audit of accounts of the company) whose appointment and remuneration shall be approved and should be reconfirmed by the shareholders in the ensuing 48th AGM to be held before the due date of 30.09.2022

Item Appointment of Retiring Director

No:4 Pursuant to explanatory statement as required under schedule V proviso, of Companies Act 2013, following information are provided with respect to the resolutions to be passed under item 4 of this notice.

I General Information

- | | | |
|-------------------------------------------------------------------------|---|---------------------------------------|
| (1) Nature of the industry | : | Textile |
| (2) Date of commencement of Commercial Production | : | June 1974 |
| (3) In case of new companies, expected date of commencement of activity | : | Existing Company hence not applicable |



(4) Financial Performance : Financial Highlights (Rs. lakhs)

	2021 – 22	2020 - 21
Share Holders' funds	11,526.31	10,084.78
Non-Current Liabilities	8,631.17	4,657.67
Current Liabilities	11,858.53	12,208.28
Non-Current Assets	15,506.18	11,829.88
Income	35,536.82	23,139.02
Expenses	33,387.73	22,097.70
Profit / (Loss) before tax	2,149.09	1,041.32
Profit / (Loss) after tax	1,451.73	807.04
Earnings per Equity Share (Face value Rs.10) basic and diluted (in Rs.)	34.04	18.92
Total Capital Employed	20,157.48	14,762.52
Profit before Interest and Depreciation	4,688.04	3,313.62
Retained earnings for the year	1,421.46	736.21
Dividend proposed (%)	50%	40%

(5) Foreign investments or Collaborators, if any No Foreign Investment; No Collaboration N.A. N.A.

Pursuant to section 102 of companies Act 2013, Details of Director seeking reappointment is tabulated below

Name of the Director	Sri D. Sudharsan
DIN	00018546
Date of Birth	15-02-1975
Date of Appointment	23-06-1995
Qualification	D.T.T. (Diploma in Textile Technology)
Expertise in Specific Functional area	He has twenty years of experience in Spinning Mills
Directorship in other Companies	1. Sambandam Siva Textiles Private Limited, Salem 2. SPMM Health Care Services Private Limited, Salem
Committee Membership in other Companies	NIL
No. of shares in the Company	88760
Inter-se relationship with any other directors	He is related to the CMD (Chairman and Managing Director) of the Company
Number of Board meetings attended during the FY 2021-22	Attended Five out of Five Board Meetings held during the year
Terms and conditions of reappointment	Reappointment of Sri D. Sudharsan as a Non-Executive Director, liable to retire by rotation
Remuneration last drawn	For Board Meeting : Rs 50,000/- per meeting as sitting fees
Remuneration sought to be paid	Sitting fees for attending Board/Committee meetings, as may be decided by the Board from time to time, within the prescribed statutory limit.

**Item RATIFICATION OF FEES PAYABLE TO COST AUDITOR**

No 5 The Board of directors at their meeting held on 06.08.2022 had appointed Sri B.Venkateswar, Cost Accountant (Membership Number : 27622) Cost Accountants for audit of cost accounts of the Company on payment of remuneration of Rs 1 lakh excluding out of pocket expenses and service tax for the financial year 2022-23. Board of directors has accepted the recommendation of the Audit committee and approved his appointment. As per the provisions of Section 148 of the Companies Act 2013 and Rule 14 of the Companies (Audit and Auditors) Rules 2014, remuneration payable to the cost auditor as approved by the Board of directors of the Company is to be ratified by the shareholders. Hence the subject is placed before the shareholders for passing an ordinary resolution. None of the directors or the key managerial personnel or their relatives is interested in the resolution.

Item Explanatory Statement for Acceptance of Fixed Deposits From Members of the Company

No 6 Section 73(2) of the Companies Act 2013 prescribes that approval of the members by passing a resolution at the General Meeting is required for the Board of Directors to accept fixed deposits from the shareholders of the Company. However, the relevant rules require certain procedure to be followed by the Company before accepting fixed deposits from the members. After securing the approval of members at the AGM, board will decide about the timing for accepting fixed deposits from the members after complying with the prescribed procedure in this regard. Board of directors commends the resolution for members' approval. None of the directors, Key Managerial Personnel or their relatives is interested or concerned in the resolution except to the extent of deposits made by them and their relatives.

DECLARATION :

It is declared pursuant to Section 102 of the Companies Act, 2013 that none of the directors / relatives of directors/ Key Managerial Personnel / Manager is interested, except to the extent stated in the explanatory statement for each of the special business. It is further declared with reference to the proviso to sub-section 2 of Section 102 of the Companies Act, 2013 that the proposed resolutions do not have any bearing with the business of any other Company. The documents relating to the subject matters under special business are open for inspection by the shareholders during office hours on all working days during business hours at the Registered Office of the Company till the date of the ensuing Annual General Meeting.

Place : **Salem**
Date : **August 6, 2022**

For and on behalf of the Board of Director
Sambandam Spinning Mills Limited
S. Natarajan
Company Secretary



SAMBANDAM SPINNING MILLS LIMITED

BOARD'S REPORT TO THE MEMBERS

Your directors have pleasure in presenting the 48th Annual Report together with the Audited Accounts for the year ended March 31, 2022.

1 PERFORMANCE HIGHLIGHTS	2021 - 22	2020 - 21
	(Rupees in Lakhs)	
Revenue from Operations		
Direct exports	893	494
Merchandise exports	476	-
Domestic Sales	34008	22507
Wind Turbine Generator Power sold to third party	117	106
Other income	43	32
Total Revenue from Operations	35537	23139
Profit		
Profit [Profit before interest, depreciation & Tax]	4688	3314
Cash profit [Profit before depreciation & Tax]	3483	2289
Profit before tax [PBT]	2149	1041
Less : Provision for Current Tax	512	386
Provision for Deferred Tax	185	(152)
Profit after tax [PAT]	<u>1452</u>	<u>807</u>

2 DIVIDEND

The Directors have recommended a dividend of Rs 5 (Five) per share (50% on the Face value of Rs 10 each) for the year ended 31st March 2022 absorbing a sum of Rs 213,23,000 for the approval of the share holders at the ensuing 48th Annual General Meeting.

3 MANAGEMENT DISCUSSION AND ANALYSIS

Core business of the company is manufacture and sale of cotton yarn and blended yarn. The management discussion and analysis given below discusses the key issues of the Industry with specific reference to the cotton yarn spinning sector.

3.1 Details of significant changes on following ratios (i.e changes if 25 % or more as compared to immediately previous financial year). For reasons refer page no. 105

	21-22	20-21	change	change%
a. Debt: Equity ratio	1.17	0.99	0.18	18.18%
b. Debt service coverage ratio	1.55	1.02	0.53	51.96%
c. current ratio	1.39	1.24	0.15	12.10%
d. Trade receivable turnover ratio (in No of days)	39	62	(23)	(37.10)%
e. Inventory turn over ratio (in No of days)	173	212	(39)	(18.40)%
f. Trade payable turnover ratio (in No of days)	77	108	31	(28.70)%
g. Networking capital turnover ratio	5.69	5.47	0.22	4.02%
h. Net profit Margin (%)	4.09%	3.49%	0.60%	17.11%
i. Return on equity%	13.42%	8.29%	5.13%	61.88%
j. Return on capital employed	14.24%	10.47%	3.77%	36.01%
k. Return on Investment	0.43%	0.00	0.43%	100%

**a. INDUSTRY PERFORMANCE**

The FY 21-22 was further challenging year when compared to FY 20-21 due to remnant carry over effect of Covid pandemic of previous year because of which the factory has to remain shutdown of production facilities for one month period from last week of May 2021 to last week of June 2021. The Covid pandemic has gradually subsided and the operations were resumed quickly. Thus 2021-22 appeared brighter given the onset of vaccination drives, growth in e-commerce sales of apparel, and resumption of supply chain across the industry.

Cotton import duty was levied at the beginning of the year and this has accelerated the cotton cost that has resulted in squeezed margin to the Industry. To mitigate this effect Industry representations were made to govt of India.

The declining domestic cotton production during the current cotton season and increased industry demand for cotton and estimated export of 50 lakh bales, are making the country to face shortage of cotton. The levy of 11% import duty on cotton is affecting the global competitiveness of the industry, as the traders adopting import parity pricing policy because of which Indian cotton price is ruling at Rs15/- to Rs20/- per kg higher than the international price.

The steep increase in cotton prices and shortage of quality cotton have resulted in cancellation of Indian export orders and diversion of the same to Bangladesh, Vietnam, China and Pakistan by the importers in EU, USA, Japan, etc. The MSME segments including handloom, power loom and garment segments are the worst affected and the capacity utilization has already dwindled down substantially resulting in huge job losses and declining trend in the GST revenue.

Under these circumstances, the only option is to allow duty-free import of cotton not only to tide over the crisis and achieve the textile export target of US \$ 16.96 billion for the year 2022-23, an increase of 25% over the target for the year 2021-22. The Industry would be optimistic to achieve this steep increase in target, if cotton is made available at an internationally competitive rate.

As per the industry estimates, the duty-free import may not exceed 40 lakh bales during the current season. It will take three to four months' time for the imported cotton to reach the Indian textile mills. Since the farmers have already sold the cotton produced by them and preparing for sowing of cotton for the next season, allowing duty-free import of cotton will not affect the farmers. Against this background, Industry has appealed to central govt thr Minister of Textiles to allow duty-free import of cotton

b. COMPANY'S PERFORMANCE

In spite of all odds the company is able to focus on more value added count and made qualitative value added counts in more volumes. This strategy has helped the Company to procure diversified varieties of cotton across the country and to quote competitive prices for our yarn, which helped to improve the operating margin through out the year coupled with pent up demand of yarn during the year

The gross production volume has Increased to 107.30 Lakhs Kgs during the financial year 2021-22 as against 95.75 Lakhs Kgs of last year.

Despite the adverse conditions prevailed during first three months of the financial year under review due to tail end effect of Covid-19 pandemic, there is no slowdown in Company's focus on new product development, innovation and cost-effective production. The sale volume for the FY 2021-22 stood at 100.43 Lakh Kgs as compared to 89.92 Lakh Kgs of last year. The sale value of yarn has increased to Rs 342.96 Crores during the FY 2021-22 as compared to Rs 223.37 Crores of last year excluding waste sales.. The overall revenue from operation has gone up by 53.61 % during the FY 2021-22 of Rs 355.36 Crores from Rs 231.07 Crores of last year.



The Company's quality of yarn in value added segment has been well appreciated by the customers and the Company is receiving moderate volume of orders for value added counts.

In Q1 21-22 the company could not operate for about 30 days due to Covid pandemic tail end effect and scaled up to full capacity immediately ensuring there is no loss of business subsequently. However uncertainties prevailed for quite some time thereafter The company could manage to exceed market expectation on supplies due to pent up demand (pipe line was dry after the lock down period) and hence the yarn market is translated from buyers' market to sellers' market. The product mix were suitably adjusted to suit to consumer need, to maximize the productivity. The wind mills have generated 189 lakh units and recorded generation of electric power of the value of Rs 1126.87 lakhs during the year.

c. PROSPECTS FOR THE CURRENT YEAR :

Electricity is a key ingredient to the manufacture of all types of yarn. To mitigate the huge power requirements and its ever increasing cost, apart from purchasing power from TANGEDCO and private power producers and company owned wind mills, company has gone ahead and poised for innovative cost reduction measures such as harnessing the natural source available renewable energy source of Solar energy the cost of which would be much less than regular conventional source mentioned above Towards this company has gone ahead for installing during Q4 of FY 21-22, 4 MW Roof top Solar power project at all the three manufacturing premises and capacity of 5 MW in Ground mounted power project at a place called Perambalur in Tamil Nadu which is around 150 km from company office at Salem. For this the company has purchased around 28 acres of land in Perambalur Tamil Nadu wherein 5 Mega watt power generation through ground mounted solar power project is installed (see pictures displayed in end of the annual report). Both projects roof top and ground mounted model is expected to reduce the power cost to the company. In addition to that, company has made innovative process improvement by, additional equipment purchase of Auto coner and its ancillary equipment and this will enhance the revenue and profitability from current year onwards. The company has funded such measures through bank borrowings from canara bank and HDFC bank and also by internal accruals. Further company's recent focus into manufacturing value added products (Compacted Yarn) is expected to improve the margin.

Sambandam Spinning Mills Limited's operations are working capital intensive as the raw material cotton availability is seasonal and as reflected by high inventory and receivable days which are in line with general industry trend as the cotton availability is seasonal. During the year under review the company had procured raw material required for a longer period leading to large working capital requirements which are reflected in the high inventory at the end of the year. However, the elongated inventory and receivables holding period are partially offset by the longer credit period availed from suppliers, due to the longstanding relationships. Hence, the associated risks are mitigated to a greater extent.

d) ENVIRONMENT PROTECTION, HEALTH AND SAFETY (EHS)

EHS is given utmost importance in all operational and functional areas at all four locations of the Company. Regular safety audits, periodic safety inspections are carried out by expert agencies in a systematic way and suitable control measures are followed and safe operations are ensured at factory sites. All processes as required for Pollution Control and Environmental Protection are strictly followed.

e) INTERNAL CONTROL AND SYSTEMS

The company has necessary Internal Control Systems in that commensurate with the size, scale, and complexity of its operations. The Company is continuously making improvements in internal control systems and Auditors are carrying out internal audits and advising the management on strengthening of internal control systems then and there. The reports are discussed periodically. Significant audit observations and corrective actions thereon are presented to the Audit committee periodically.

Further the Company is certified with ISO 9001, ISO 14001 and ISO 45001 on the manufacturing systems. Further, the Company's Better Cotton Initiatives and organic cotton yarn is certified by control union. Further Sambandam Spinning Mills Limited is the approved and preferred customer for following buying houses namely Inditex, C&A, Marco Polo and VF.

**f) HUMAN RESOURCES MANAGEMENT**

Your Company has a favourable environment at work place and has formulated and implemented various welfare measures for the employees. The Company gives utmost importance of training and deputed its employees in work related courses including skills updation and capacity building etc.

The fact that relationship with the employees continues to be cordial is testimony to the Company's ability to retain high quality workforce. In view of the aforesaid relationship no man days were lost during the year under report.

g) DISCLOSURE ON ANTI SEXUAL HARASSMENT POLICY OF WOMEN AT WORK PLACE (PREVENTION, PROHIBITION AND REDRESSAL) ACT 2013

The Company has zero tolerance for sexual harassment at workplace and has adopted a policy on prevention, prohibition and redressal of sexual harassment at workplace in line with the provisions of Sexual Harassment of Women at Workplace (Prevention, Prohibition and Redressal) Act, 2013 and the rules framed thereunder. The Company has a Committee for addressing issues related to women and during the financial year 2021-22, there were no complaints received on sexual harassment.

The Company has in place an Anti-Sexual Harassment Policy in line with the requirements of the Sexual Harassment of Women at Workplace (Prevention, Prohibition and Redressal) Act, 2013 and the same is available on the Company's website www.sambandam.com

h) COST AUDIT

Board of directors have approved the appointment of Sri B.Venkateswar, Practising Cost Accountant (Membership Number : 27622) Cost Accountants for audit of cost accounts of the Company. In accordance with the provisions of the Companies Act 2013 and the Rules framed there under, Cost Audit for the Company is applicable for the financial year commencing from 2022 - 23 and the resolution for ratification of the remuneration payable to the Cost Auditor for the year 2022-23 is placed before the members for ratification at the 48th Annual General Meeting of the Company scheduled on 07-08-2022.

In view of the Company maintaining the cost records and the statutory requirement for the cost audit of such records, your directors decided to continue the Cost Audit for the year 2022-23.

i) BOARD MEETINGS :

During the year under review Five board meetings were held and the intervening gap between any two board meetings did not exceed 120 days or extended permitted days by govt.. Dates of the board meetings and details of directors' attendance at the meetings are furnished in the Corporate Governance report at Annexure – VII.

j) DIRECTORS

During the year 21-22 the Board of Directors have recommended re-appointment / appointment of new directors and subsequently approved and confirmed by the shareholders in their meeting on 47 th AGM held on 25.09.2021 as mentioned in respective portion of this board report .

Company's policy on Directors' appointment and remuneration including criteria for determining qualifications, positive attributes, independence of a director and other matters provided under section 178(3) of the Act are covered under Nomination and Remuneration Policy and it is available in the web-link of the Company <http://www.sambandam.com>. Further, information about elements of remuneration package of individual directors is provided in the Annual Return as provided under Section 92(3) of the Act, Under Serial No. 9 of this Report.



Declaration by Independent Directors

Independent directors of the Company have submitted a declaration that each of them meets the criteria of independence as provided in Sub-Section (6) of Section 149 of the Act. Further, there has been no change in the circumstances which may affect their status as Independent director during the year.

Declaration on adherence to the Code of Conduct.

As provided under SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, all the Board members and senior management personnel of the Company have confirmed adherence to the Code of Conduct of Sambandam Spinning Mills Ltd., Limited for the financial year ended March 31, 2022.

k) DIRECTORS' RESPONSIBILITY STATEMENT AS PER SECTION 134(5) OF THE COMPANIES ACT, 2013

Pursuant to the requirement of Section 134(5) of the Act, and based on the representations received from the management, the directors hereby confirm that:

- a) in the preparation of the annual accounts for the financial year 2021-22, the applicable accounting standards IndAS have been followed and there are no material departures;
- b) they have selected such accounting policies and applied them consistently and made judgments and estimates that are reasonable and prudent so as to give a true and fair view of the state of affairs of the Company at the end of the financial year and of the profit of the Company for the financial year;
- c) they have taken proper and sufficient care to the best of their knowledge and ability for the maintenance of adequate accounting records in accordance with the provisions of the Act. They confirm that there are adequate systems and controls for safeguarding the assets of the Company and for preventing and detecting fraud and other irregularities;
- d) they have prepared the annual accounts on a going concern basis;
- e) they have laid down internal financial controls to be followed by the Company and that such internal financial controls are adequate and operating properly; and
- f) they have devised proper systems to ensure compliance with the provisions of all applicable laws and that such systems were adequate and operating effectively.

l) SIGNIFICANT AND MATERIAL ORDERS PASSED BY THE REGULATORS

During the year under review no orders were passed by the Regulators or Courts or Tribunals impacting the going concern status and the operations of the Company.

m) PARTICULARS OF EMPLOYEES - information pursuant to Rule 5 (2) of Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014

None of the employees (other than the Directors and KMPs whose remuneration is displayed in "u" below) of the Company has drawn remuneration exceeding Rs 8.5 lakhs per month or Rs 102 lakhs per annum during the year.

Managerial Remuneration

Statistical Disclosures pursuant to Rule 5 of Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014 with subsequent amendments thereto is annexed with this report and forms part of this report

n) Related Party Transactions :

Transactions entered with related parties have been explained in Form AOC -2 annexed with this report and forms part of this report. Further, Policy on dealing with Related Party Transactions has been uploaded on the Company's website, under the web link: <http://www.sambandam.com> also refer page no. 94



o) BOARD EVALUATION

During the year under review, the Board adopted a formal mechanism for evaluating its performance and as well as that of its Committees and individual Directors, including the Chairman of the Board. The exercise was carried out through a structured evaluation process covering various aspects of the Board functioning such as composition of the Board and Committees, experience and competencies, performance of specific duties and obligations, governance issues, etc. Separate exercise was carried out to evaluate the performance of individual Directors including the Board Chairman who were evaluated on parameters such as attendance at Board Meetings and General Meetings; participation in Board proceedings; independence and candidness shown at meetings; clarity and objectiveness in expressing views at meetings; awareness of governance code, compliance requirements, risk framework, etc. interactions with other Directors / Senior Management during and outside meetings; keenness to continuously familiarize with the industry and the Company etc.

Your Company has in place a Policy relating to selection, remuneration and evaluation of Directors and Senior Management.. The said Policy is available on the website of the Company www.sambandam.com

Outcome of evaluation process

Based on inputs received from the members, it emerged that the Board had a good mix of competency, experience, qualifications and diversity. Each Board member contributed in his/her own manner to the collective wisdom of the Board, keeping in mind his/her own background and experience. The necessary disclosures under SEBI Regulations given hereunder:

- a. Observations of Board evaluation carried out for the year 21-22
 - i. All performance parameters as per SEBI circular have been full filled
- b. Previous year 20-21 observations and action taken
 - i. Achieved turnover of Rs 231 crores
 - ii. Achieved EBIDTA of 14.34%
 - iii. Integrated accounting package SAP planned and under progress
 - iv. Manpower filled as per requirement
- c. Proposed actions for 22-23 based on current year observations
 - i. To achieve a turnover of around Rs 400 crores
 - ii. To aim for EBIDTA of 20 %
 - iii. To implement Integrated accounting package SAP

i FAMILIARIZATION PROGRAMME OF THE INDEPENDENT DIRECTORS

Presentations during every quarter are made by Senior Management and Internal Auditors at the Board meetings and Committee meetings on the business and performance updates of the Company, local and global business environment, business risks and its mitigation strategy, impact of regulatory changes on strategy etc. Updates on relevant statutory changes encompassing important laws are regularly intimated then and there to all the Directors including the Independent Directors.

r) DEPOSITS

The following are the details of deposits (accepted from the shareholders) covered under Chapter V of the Act

- i. Deposits at the beginning of the year on 01st April, 2021: Rs 605.81 lakhs
- ii. Deposits Accepted from shareholders during the year (2021-22): Rs 185.71 lakhs
- iii. Deposits repaid to shareholders during the year (2021-22): Rs 36.05 lakhs
- iv. Deposits of shareholders outstanding at the end of the financial year on 31st March, 2022: Rs 755.47 lakhs
- v. Remained unpaid or unclaimed as at the end of the year : NIL
- vi. Any default in repayment of deposits or payment of interest thereon during the year: NIL



Company has duly complied with the provisions of section 73 of the Companies Act, 2013 read with relevant rules with respect to fixed deposits.

The following are the details of deposits accepted from the Directors:

- i. Deposits at the beginning of the year on 01st April, 2021: Rs 2.50 lakhs
- ii. Deposits accepted from Directors during the year (2021-22): Rs 4.00 lakhs
- iii. Deposits repaid to Directors during the year (2021-22): NIL
- iv. Deposits of Directors outstanding at the end of the financial year on 31st March, 2022:
Rs 6.50 lakhs
- v. Remained unpaid or unclaimed as at the end of the year : NIL
- vi. Any default in repayment of deposits or payment of interest thereon during the year: NIL

r) INDUSTRY ASSOCIATIONS

Sri S. Dinakaran, Joint Managing Director of the Company is a special invitee in the Committee of Administration and Yarn Committee of the Cotton Textiles Export Promotion Council (TEXPROCIL), Mumbai. He is also a director in Confederation of Indian Textile Industry (CITI), Delhi. By virtue of the offices he holds, Sri S. Dinakaran has been representing to SIMA at the appropriate time to get relief to the ailing Textile Industry.

s) REPORT ON PERFORMANCE AND FINANCIAL POSITION OF THE ASSOCIATE COMPANIES

There are two associate Companies –

SPMM Health Care Services Pvt. Ltd. - 49.75% investment in the share capital of that Company.

This Company has recorded total revenue of Rs 659.86 Lakhs and profit after tax (PAT) of Rs 126.71 Lakhs during the year ended 31.3.2022 as against Rs 399.83 Lakhs Revenue and Rs 9.54 Lakhs PAT recorded in the previous year 2020-21.

Salem IVF Centre Pvt. Ltd. – 26.88% investment in the share capital of that Company.

This Company has recorded total revenue of Rs 304.23lakhs and profit (PAT)of Rs 3.31 lakhs during the year 21-22 as against the revenue of Rs 241.49 lakhs and profit recorded Rs (14.71) lakhs the Previous Year 2020 - 2021.

HIGHLIGHTS OF PERFORMANCE OF SUBSIDIARIES OR ASSOCIATE COMPANIES

SPMM Health Care Services Pvt Ltd., revenue increased by 65% from operations during 21-22 when compared to 20-21. Also Profit after tax has significantly increased by more than 100 % due to onslaught of covid pandemic and also due to operational efficiency in 21-22 when compared to 20-21.

Salem IVF Centre Pvt Ltd., revenue from operations has increased by 25.98% from operations during 21-22 when compared to 20-21. And thereby increased profit also

t) CHANGES OR COMMITMENTS AFTER THE YEAR ENDED ON 31.3.2022

No material change or commitments affecting the financial position of the company has occurred between the close of the financial year on 31.3.2022 and the date of this report

u) Information pursuant to section 197 (12) of the Act read with Rule 5(1) & 5(2) of the Companies (Appointment and Remuneration of Managerial personnel) Rules 2014 :

- (i) Ratio of the remuneration of each Director, Company Secretary, Chief Marketing Officer, Chief Financial Officer and Chief Technical Officer to the median remuneration of the employees of the Company; AND



(ii) Percentage increase in their remuneration in 2021-22 as compared to the previous year (2020-21):
(Median Remuneration : Rs 1,27,920 in 2021-22)

Name of whole-time Directors and KMP	Remuneration in 2021-22 Rs. lakhs	Remuneration in 2020-21 Rs. lakhs	% increase in 2021-22	Ratio to Median Remn.	Ratio of 2020-21 Remuneration to	
					Revenue	Net Profit
Mr. S.Devarajan, Chairman and Managing Director	102.00	84.00	21.43%	79.74	0.29%	4.75%
Mr. S.Jegarajan, Joint Managing Director	98.70	81.00	21.85%	77.16	0.28%	4.59%
Mr. S.Dinakaran, Joint Managing Director	64.20	54.00	18.89%	50.19	0.18%	2.99%
Mr. S.Natarajan*, Company Secretary	15.20	12.10	25.62%	11.88	0.04%	0.71%
Mr. P.Boopalan*, Chief Financial Officer	28.00	22.00	27.27%	21.89	0.08%	1.30%
Mr. D.Niranjan Kumar, Director - Marketing	37.50	27.00	38.89%	29.32	0.11%	1.74%
Mr. J.Sakthivel, Director - Technical	37.50	27.00	38.89%	29.32	0.11%	1.74%

* The remuneration in FY 20-21 is for 11 months only

Name of Non-executive Directors	# Sitting fees in 2021-22 Rs. lakhs	# Sitting fees in 2020-21 Rs. lakhs
Mr. D.Sudharsan	-	2.25

Name of Independent Directors	# Sitting fees in 2021-22 Rs. lakhs	# Sitting fees in 2020-21 Rs. lakhs
Dr. V.Sekar	6.15	3.10
Mr. D.Balasundaram	5.90	2.85
Mr. S.Gnanashekaran	6.15	3.10
Mr. Kameshwar M Bhat	6.15	3.10
Smt. Annapoorani Venugopalan	2.00	1.25
Mr.S.Bhaskaran	1.75	-

Only sitting fees is payable to Non-executive and Independent Directors for the meetings of the Committee or of the Board attended by them.

(a) Variation in the sitting fees paid to Directors depends on their attendance at the Board / Committee Meetings.

(iii) Number of permanent employees on the rolls of the Company : **1707**

(iv) No variable component of the remuneration to any director.

**4 AUDITORS**

At the 44th Annual General Meeting held on 11.08.2018, M/s R. Sundararajan & Associates, Chartered Accountants, were reappointed as statutory Auditors of the Company upto conclusion of 48th AGM. The second term of the appointed period for above said auditor was over by the end of the 48th AGM being held on 24-09-2022. Hence there is requirement for appointment of a new Statutory Auditor M/s P.N. Raghavandra Rao & Co., Chartered Accountants have confirmed their eligibility and willingness to get appointed to their office. On the recommendation of the Audit Committee, Board is placing the resolution for the appointment and fees payable to the statutory Auditors before the member's for approval.

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

Details of loans, guarantees and investments covered under the provisions of Section 186 of the Companies Act, 2013 are given in note 49 to the notes to the financial statements.

6 VIGIL MECHANISM / WHISTLE BLOWER POLICY

The Company has an established vigil mechanism for Directors / Employees to report concerns about unethical behavior, actual or suspected fraud, or violation of the code of conduct or ethics policy. It also provides for adequate safeguards against victimization of directors/ employees who avail of the mechanism. The Company affirms that no personnel have been denied access to the audit committee. The Company has formulated a Policy on Vigil Mechanism and has established a mechanism that any personnel may raise Reportable Matter after becoming aware of the same. All suspected violations and Reportable Matters are reported to an Independent Director and member of the Audit Committee at his e- mail id ksg_comsec@yahoo.com. The key directions/actions are informed to the Managing Director of the Company.

The Company has adopted Whistle Blower Policy in line with the provisions of Section 177(9) of the Companies Act 2013 which can be accessed on the Company's Website under the web link <http://www.sambandam.com>

7 AUDIT COMMITTEE :

Details of Composition of Audit committee are covered under corporate governance report annexed with this report and forms part of this report. Further, during this year all the recommendations of the Audit committee have been accepted by the Board.

8 REPORTS OF STATUTORY AUDITORS AND SECRETARIAL AUDITORS

Reports of the Statutory Auditors and the Secretarial Auditors for the year under review are free from any qualification, reservation or adverse remark or disclaimer. Secretarial Audit Report in Form MR-3 is attached, which forms part of this report – refer Annexure VI. It also confirms that none of the directors of the board of directors on the board of the company have been debarred or disqualified from being appointed or continuing as the directors of the companies by the board /MCA or any such statutory authority

Applicable Secretarial standards, ie SS1 and SS2 ,relating to "Meeting of the board of directors "and "General meeting "respectively, have been duly complied with by the company.

9 EXTRACT OF ANNUAL RETURN

In Accordance with Section 92(3) of the Companies Act, 2013, read with Rule 12(1) of Companies (Management and Administration) Rules, 2014, the copy of the Annual Return for the year ended 31-03-2022 has been placed on the website of the Company and web link of such Annual Return is <http://www.sambandam.com/results/2022-09-01-MGT-7-2021-22.pdf> or www.sambandam.com



10 TRANSFER OF UNPAID AND UNCLAIMED DIVIDEND AMOUNT TO INVESTOR EDUCATION AND PROTECTION FUND ACCOUNT :

Pursuant to the provisions of section 124 of the Companies Act, 2013, which came in to effect from 07.09.2016, the declared dividends which remained unpaid or unclaimed for a period of seven years, has to be transferred by the company to the Investor Education and Protection Fund (IEPF) established by the Central Government. During the year 2021-22, transfer of Unclaimed final Dividend of the year 2013-14 was applicable since dividend was declared for the financial year 13-14.

However, shareholders are requested to take note that as per IEPF rules, the company is required to transfer unpaid dividend and underlying shares also in respect of which final dividend was not claimed /paid of the year 14-15, to IEPF authority. Shareholders who have not claimed their dividend of the year 14- 15 can write to the Company or Registrar and transfer agent M/s Cameo Corporate Services Limited, at 'Subramanian Building', No.1, Club House Road, Chennai – 600 002 who are the Registrars and Share Transfer Agents (RTA) of the Company for further details and for claiming unclaimed dividend lying unpaid. In case no valid claim is received, the dividend and shares in respect of which the dividend are lying unpaid /unclaimed will be transferred to IEPF authority on the due date. Further in terms of rule 6(3) of the IEPF rules, statement containing the details of shareholders who have not claimed dividend for previous years, and his folio number /DP-ID /client ID is made available on company's website for information and necessary action by shareholder. In case, the concerned shareholder wish to claim the shares after transfer to IEPF, an application has to be made to the IEPF authority in form IEPF- 5 online and submit the hard copy of such form IEPF -5 along with necessary documents to the company as prescribed under the rules and the same is available at IEPF website (ie) www.iepf.gov.in.

Dividend year	Date of declaration of dividend	Due date for transfer to IEPF
14-15	27.09.2015	24.10.2022
15-16	06.08.2016	03.09.2023
16-17	12.08.2017	08.09.2024
17-18	11.08.2018	07.09.2025
18-19	11.08.2019	07.09.2026
19-20	Dividend not declared	Not applicable
20-21	25.09.2021	22.10.2028

Annexures to this Board Report

The following are the annexures to this report

1. Statement containing salient features of the financial statement of associate company (Form AOC – 1) in Annexure – I
2. Form AOC - 2 in Annexure - II
3. CMD / CFO Certification in Annexure - III
4. Conservation of energy, technology absorption, Research and development and foreign exchange earnings and outgo in Annexure - IV
5. Details of CSR Expenditure in Annexure - V
6. Secretarial Audit Report (Form MR-3) in Annexure - VI
7. Corporate Governance Report in Annexure - VII

11 CAUTIONARY NOTE

Statements in the Board's report and the management discussion and analysis describing the Company's objectives, expectations or predictions may be forward looking within the meaning of applicable securities laws and regulations. Actual results may differ materially from those expressed in the statement. Important factors that could influence the Company's operations including global and domestic demand and supply conditions affecting selling prices of finished goods, input availability and prices, changes in government regulations, tax laws, economic developments within the country and other related factors such as litigation and industrial relations.

**12 ACKNOWLEDGEMENT**

Your directors thank the Company's customers, vendors and investors for their continued support during the year. Your directors place on record their appreciation for the contribution made by the employees at all levels. Your Company's consistent growth has been made possible by the hard work, solidarity, cooperation and support of the management team.

Your directors thank State Bank of India, Karnataka Bank Limited, HDFC bank, South Indian Bank, CSB Bank, Canara Bank, and the State and Central Government departments for their support, and look forward to their continued support in future

Salem
August 6, 2022

For and on behalf of the Board
S. Devarajan
Chairman and Managing Director
DIN : 00001910

FORM AOC - 1
PART "A": SUBSIDIARIES

ANNEXURE - I

Not Applicable since the Company does not have any subsidiary.

PART "B": ASSOCIATES

Statement pursuant to Section 129 (3) of the Companies Act, 2013 related to Associate Companies

Sl. No.	Name of Associate	SPMM Healthcare Services P Ltd		Salem IVF P Ltd	
1.	Latest audited Balance Sheet Date	31-03-2022	31-03-2021	31-03-2022	31-03-2021
2.	Date on which the associate or JV was associated or acquired Shares of Associate held by the Company on the year end:	10-09-2003	10-09-2003	17-11-2014	17-11-2014
3.	Number of Shares Amount of Investment in Associates (Rs.) Extent of Holding %	19,90,000 1,99,00,000 49.75%	19,90,000 1,99,00,000 49.75%	7,04,060 70,40,600 26.88%	7,04,060 70,40,600 26.88%
4.	Description of how there is significant influence	Associate Company		Associate Company	
5.	Reason why the associate / joint venture is not consolidated	Not Applicable			
6.	Networth attributable to Shareholding as per latest audited Balance Sheet (Rs. in lakhs)	196.67	133.64	(34.70)	(35.59)
7.	Profit / (Loss) for the year (Rs. in lakhs) Profit/(Loss) attributable to the Shareholding (Rs.in lakhs)	126.71 63.04	9.54 4.75	3.31 0.89	(14.71) (3.95)

- Names of associates or joint ventures which are yet to commence operations : NIL
- Names of associates or joint ventures which have been liquidated or sold during the year : NIL
- The Company does not have any joint venture.

For **R. Sundararajan & Associates**

Chartered Accountants
Firm Registration No.08282S

S. Krishnan - Partner
Membership No. 26452

Salem
August 6, 2022

For and on behalf of the Board

S. Devarajan
Chairman and Managing Director
DIN : 00001910

S.Natarajan
Company Secretary

S.Dinakaran
Joint Managing Director
DIN : 00001932

P. Boopalan
Chief Financial Officer



FORM NO. AOC-2

ANNEXURE - II

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

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

1. Details of contracts or arrangements or transactions not at arm's length basis : **NIL**
2. Details of material contracts or arrangement or transactions at arm's length basis (as on 31.03.2022) as per below note :

NOTE :

During the FY 2021-22, the Company entered into transactions with Related Parties which were in the ordinary course of business and at Arm's Length pricing basis and are repetitive in nature. The Audit Committee granted omnibus approval for these transactions and the same was reviewed by the Audit Committee and the Board of Directors. Details of material related party transactions pursuant to the provisions of section 188 of the Companies Act, 2013 read with relevant rules along with material related party transactions under SEBI Regulations and the other related party transactions (which are of repetitive nature and does not fall under the purview of disclosure under Form AOC – 2) carried out during the FY 2021-22 by the Company are given in note 39 to the Notes to the Standalone financial statements under Ind AS 24 disclosures. There were no other materially significant transactions with Related Parties during the financial year 2021-22 which were in conflict with the interest of the Company

Salem
August 6, 2022

For and on behalf of the Board
S. Devarajan
Chairman & Managing Director
DIN : 00001910



ANNEXURE - III

**TO
BOARD OF DIRECTORS
SAMBANDAM SPINNING MILLS LIMITED**

CERTIFICATION UNDER REGULATION 17(8) OF SEBI (LODR) 2015, BY CHAIRMAN & MANAGING DIRECTOR (CMD) AND CHIEF FINANCIAL OFFICER (CFO) TO THE BOARD

We, S. Devarajan, Chairman and Managing Director and P.Boopalan, Chief Financial Officer of Sambandam Spinning Mills Limited, certify that:

1. We have reviewed the financial statements and the cash flow statement for the year 2020-21 and that to the best of our knowledge and belief:
 - a) these statements do not contain any materially untrue statement or omit any material fact or do not contain statements that might be misleading;
 - b) these statements together present a true and fair view of the state of affairs of the company and are in compliance with the existing accounting standards, applicable laws and regulations.
2. There are, to the best of our knowledge and belief, no transactions entered into by the Company during the year which are fraudulent, illegal or violative of the Company's Code of Conduct.
3. We accept overall responsibility for establishing and maintaining internal control for financial reporting. This is monitored by the internal audit function, which encompasses the examination and evaluation of the adequacy and effectiveness, of internal control. The internal auditor works with all levels of management and statutory auditors and reports significant issues to the audit committee of the Board. The auditors and the audit committee are apprised of any corrective action taken with regard to significant deficiencies in the design or operation of internal controls.
4. We have indicated to the auditors and to the audit committee:
 - a) All Significant changes in internal control over financial reporting during the year;
 - b) Significant changes in accounting policies during the year; and that the same have been disclosed in the notes to the financial statements; and
 - c) No instance of significant fraud of which we have become aware of and which involve management or other employees having significant role in the companies internal control system and financial reporting .There was no such instance in the FY 21-22.

Salem
August 6, 2022

P. Boopalan
Chief Financial Officer

S. Devarajan
Chairman and Managing Director
DIN : 00001910



		ANNEXURE - IV		
Conservation of energy, technology absorption and research and development and foreign exchange earnings and outgo				
A. Conservation of energy				
(a) Power and fuel consumption		2021-22	2020-21	
1. Electricity				
(i)	Purchased units*	'000 KWH	35186	23943
	Total cost	Rs. lakhs	2673	1815
	Cost/unit	Rs.	7.60	7.58
*net of units generated thro' wind energy converters				
1)	Through diesel generator			
	Generated units	'000 KWH	39.00	12.00
	Units per litre of diesel	KWH	3.06	2.55
	Cost/unit	Rs.	28.90	29.50
2)	Through steam turbine/generator		-	-
3)	Through Wind energy converters			
	Generated units(fed to TNEB Grid)	'000 KWH	16030	17228
	Cost/unit*	Rs.	2.35	2.19
*Cost includes maintenance charges, interest and depreciation				
2.	Coal		-	-
3.	Furnace oil		-	-
4.	Others		-	-
(b) Consumption per unit of production				
	Production (yarn) - net	Kgs. lakhs	107.31	90.72
	Consumption of electricity	'000 KWH	51255	41183
	Consumption per kg. of Yarn	KWH	4.78	4.54
B. Technology absorption and research and development				
		-	-	
C. Foreign exchange earnings and outgo				
(a) Activities relating to exports				
	Yarn exports (including merchandise exports)	Rs. lakhs	977.29	185.28
(b) Total Foreign exchange used and earned				
1)	CIF value of Imports			
	Capital goods	Rs. lakhs	1287.34	-
	Spares for Capital goods	Rs. lakhs	32.48	53.77
	Raw materials – cotton	Rs. lakhs	323.39	353.41
*exclusive of net exchange difference				
2)	Other expenditure in foreign currency			
	Travel	Rs. lakhs	-	-
	Interest	Rs. lakhs	-	-
	Other matters	Rs. lakhs	6.66	5.12
3)	Foreign exchange earned			
	Yarn export(merchant exports)	Rs. lakhs	977.29	185.28
	Freight recovery	Rs. lakhs	-	-

Salem
August 6, 2022

For and on behalf of the Board
S. Devarajan
Chairman & Managing Director
DIN : 00001910

**ANNEXURE - V****CFO certification as required under Companies (CSR policy amended rules 2021) Rule 4 (CSR implementation) sub rule (5)**

To

The Board of Directors
Sambandam Spinning Mills Limited
P.B.No.1, Kamaraj Nagar Colony
Salem - 636014

This is certify that an amount of Rs 12.46 lacs has been disbursed and utilised for CSR expenditure as approved by the Board of Directors and monitored by the CSR Committee, during the period 1 st April 2021 to 31 st March 2022.

This CSR expenditure is spent

- (1) For providing artificial limbs for differently abled persons through "Mukti M.S.Dadha foundation for providing artificial limbs to the amputees" and for construction material of such Artificial Limbs to amputees
- (2) For purchase of a specific equipments donated to SPMM hospital Salem relating to health care activities (as specific/mentioned in the companies Act of 2013)schedule VII under promoting health care including preventive health care) which is not in the ordinary course of business, at S.Palaniandi Mudaliar Charitable Trust (vide Registration No 1381 of 1975 under sec 12 A and 80G of income tax) situated at 29,Cuddalore Main road, Ammapet, salem - 636003

The books of accounts and other records of CSR expenditure, as available with the company ,gives reasonable assurance about the utilization of the funds disbursed by the company to S.Palaniandi Mudaliar Charitable Trust for undertaking approved CSR activities

Salem
May 19, 2022

P. Boopalan
Chief Financial Officer

CSR reporting under Companies (CSR policy amended rules 2021) Rule 8 (CSR Reporting) sub rule (1)**1. Brief outline on CSR Policy of the Company.**

The activities or projects that will be undertaken by the Company shall include one or more of the activities specified in CSR Policy. This policy encompasses the Company's philosophy for fulfilling its responsibility as a Corporate Citizen and lays down the guidelines and mechanism for carrying out socially useful activities/projects and programmes for welfare, sustainability and development of community at large.

The company has been carrying out Corporate Social Responsibility (CSR) activities for a long time through the S.Palaniandi Mudaliar Charitable Trust, and the Trust for Mentally Challenged Children, which are registered autonomous charitable trusts, in the field of Education and Healthcare, while also pursuing CSR activities for the benefit of the community in and around Salem.

The company seeks to improve the lives of the underprivileged by supporting and engaging in activities that aim at improving their well-being. Promoters of the Company have dedicated to the cause of empowering people, educating them and in improving their quality of life. While they undertake programmes based on the identified needs of the community, education and healthcare remain their priority. Across the different programme areas identified by the trust, its main endeavour is to reach the underprivileged and the marginalised sections of the society to make a meaningful impact on their lives.

- 1) The policies shall be oriented towards Promoting preventive health care facilities to economically backward societies,
- 2) Promoting education and Sustainable livelihood to differently abled people.
- 3) Provision of Skill Development / Vocational Training,
- 4) Rural Development and Environmental sustainability,
- 5) Promoting Rural Sports, Traditional Arts & Culture


2. Composition of CSR Committee:

Sl. No.	Name of Director	Designation/ Nature of Directorship	Number of meetings of CSR Committee held during the year	Number of meetings of CSR Committee attended during the year
1.	S.Devarajan	Chairman and Managing Director as Chairman	2 (two)	2 of 2
2.	S.Gnanasekharan	Independent Director as Member	2 (two)	2 of 2
3.	S.Jegarajan	Joint Managing Director as Member	2 (two)	2 of 2
4.	S.Dinakaran	Joint Managing Director as Member	2 (two)	2 of 2
5.	D.Sudharsan	Non-Executive Director as Member	2 (two)	2 of 1

3. Provide the web-link where Composition of CSR committee, CSR e web link <http://www.sambandam.com>
4. Provide the details of Impact assessment of CSR projects carried out in pursuance of sub-rule (3) of rule 8 of the Companies (Corporate Social responsibility Policy) Rules, 2014, if applicable (attach the report). – NOTAPPLICABLE – since the CSR obligation amount is less than threshold Limit of Rs 1000 lakhs.
5. Details of the amount available for set off in pursuance of sub-rule (3) of rule 7 of the Companies (Corporate Social responsibility Policy) Rules, 2014 and amount required for set off for the financial year, if any

Sl. No.	Financial Year	Amount available for set-off from preceding financial years (in Rs)	Amount required to be set- off for the financial year, if any (in Rs)
1.	21-22	NIL	NIL
	Total	NIL	NIL

6. Average net profit of the company as per section 135(5). Rs 621.44 lakhs
7. (a) Two percent of average net profit of the company as per section 135(5) Rs 12.43lakhs
(b) Surplus arising out of the CSR projects or programmes or activities of the previous financial years. -NIL-
(c) Amount required to be set off for the financial year, if any -NIL-
(d) Total CSR obligation for the financial year (7a+7b- 7c). Rs 12.43lakhs
8. (a) CSR amount spent or unspent for the financial year :

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



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

(1) Sl. No.	(2) Name of the Project.	(3) Item from the list of activities in Schedule VII to the Act.	(4) Local area (Yes/No).	(5) Location of the project.		(6) Project duration.	(7) Amount allocated for the project (in Rs.).	(8) Amount spent in the current financial Year (in Rs.).	(9) Amount transferred to Unspent CSR Account for the project as per Section 135(6) (in Rs.).	(10) Mode of Implementation - Direct (Yes/No).	(11) Mode of Implementation - Through Implementing Agency	
				State	District						Name	CSR Registration number
1.	-	-	-	-	-	-	-	-	-	-	-	-
	Total	-	-	-	-	-	-	-	-	-	-	-

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

(1) Sl. No.	(2) Name of the Project.	(3) Item from the list of activities in Schedule VII to the Act.	(4) Local area (Yes/No).	(5) Location of the project.		(6) Amount spent for the project (in Rs.).	(7) Mode of implementation - Direct (Yes/No).	(8) Mode of implementation - Through implementing agency.	
				State	District			Name	CSR Registration number
1.	Artificial Limb and caliper fitment for differently abled persons	(i) Promoting Health Care including preventive Health Care	Yes	Tamilnadu	Salem	5.78 lakhs	Yes	-	NA
2.	Materials and services used in providing artificial limb	(i) Promoting Health Care including preventive Health Care	Yes	Tamilnadu	Salem	1.67 lakhs	Yes	-	NA
3.	Project donation to SPMM blood bank	(i) Promoting Health Care including preventive Health Care	Yes	Tamilnadu	Salem	5.01 lakhs	No	S.Palani yandi Mudaliar charitable trust	CSR 0001 2899
	TOTAL					12.46 lakhs			

- (d) Amount spent in Administrative Overheads of CSR -
 (e) Amount spent on Impact Assessment, if applicable -
 (f) Total amount spent for the Financial Year (8b+8c+8d+8e) 12.46 lakhs -
 (g) Excess amount for set off, if any 0.03

Sl. No.	Particular	Amount (in Rs.)
(i)	Two percent of average net profit of the company as per section 135(5)	12.43
(ii)	Total amount spent for the Financial Year	12.46
(iii)	Excess amount spent for the financial year [(ii)-(i)]*	0.03
(iv)	Surplus arising out of the CSR projects or programs or activities of the previous financial years, if any	-
(v)	Amount available for set off in succeeding financial years [(iii)-(iv)]	-



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

Sl. No.	Preceding Financial Year.	Amount transferred to Unspent CSR Account under section 135 (6) (in Rs.)	Amount spent in the reporting Financial Year (in Rs.).	Amount transferred to any fund specified under Schedule VII as per section 135(6), if any.			Amount remaining to be spent in succeeding financial years. (in Rs.)
				Name of the Fund	Amount (in Rs).	Date of transfer	
1.	2018-19	–	9,23,113	–	–	–	Nil
2.	2019-20	–	3,53,440	–	–	–	8,43,993
3.	2020-21	–	16,80,000	–	–	–	Nil
	TOTAL	–	29,56,553	–	–	–	8,43,993

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

(1)	(2)	(3)	(4)	(5)	(6)	(7)	(8)	(9)
Sl. No.	Project ID.	Name of the Project.	Financial Year in which the project was commenced.	Project duration.	Total amount allocated for the project (in Rs.)	Amount spent on the project in the reporting Financial Year (in Rs).	Cumulative amount spent at the end of reporting Financial Year. (in Rs.)	Status of the project- Completed /Ongoing.
1.	–	–	–	–	–	–	–	–
	TOTAL	–	–	–	–	–	–	–

10. In case of creation or acquisition of capital asset, furnish the details relating to the asset so created or acquired through CSR spent in the financial year **(asset-wise details).**

Hematology Fully Automated Analyser and Coagulation Analyser - 1 Nos and its accessories

(a) Date of creation of creation or acquisition of capital asset(s) 06.01.2022

(b) Amount of CSR spent for creation or acquisition of capital asset(s) Rs 5.01 lakhs

(c) Details of the entity or public authority or beneficiary under whose name such capital asset is registered, their address etc

- Location : S.Palaniandi Mudaliar Charitable Trust, Cuddalore Main Road, Salem – 636 003

(d) Provide details of the capital asset(s) created or acquired (including complete address and location of the capital asset

- Location : S.Palaniandi Mudaliar Charitable Trust, Cuddalore Main Road, Salem – 636 003

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

Salem
August 6, 2022

S.Dinakaran
Joint Managing Director
DIN : 00001932

S.Devarajan
Chairman and Managing Director
DIN : 00001910

P.Boopalan
Chief Financial Officer



SCHEDULE - VI

B.K. SUNDARAM & ASSOCIATES
COMPANY SECRETARIES.

CS B.KALYANASUNDARAM,
B.Com.,ACMA.,ACS.,

OFFICE : 30, PANDAMANGALAM AGRAHARAM, WORIUUR,
TRICHY - 620 003. PHONE: 0431-2761590.
Email : bkksoffice@gmail.com

FORM NO. MR - 3
SECRETARIAL AUDIT REPORT
FOR THE FINANCIAL YEAR ENDED 31ST MARCH 2022
[Pursuant to Section 204(1) of the Companies Act, 2013 and Rule No. 9 of the Companies
(Appointment and Remuneration of Managerial Personnel) Rules, 2014]

To

The Members

M/s.Sambandam Spinning Mills Limited

Mill Premises, P.B.No.1, Kamaraj Nagar,

Salem – 636014

We have conducted the secretarial audit of the compliance of applicable statutory provisions and the adherence to good corporate practices by M/s.Sambandam Spinning Mills Limited, Salem-636014 (hereinafter referred to as "the Company").

Secretarial Audit was conducted in a manner that provided us a reasonable basis for evaluating the corporate conducts / statutory compliances and expressing our opinion thereon.

Based on our verification of the books, papers, minute books, forms and returns filed and other records maintained by 'the Company' and also the information provided by the Company, its Officers, Agents and Authorized Representatives during the conduct of Secretarial Audit, we hereby report that in our opinion, the Company has, during the audit period covering the financial year ended on 31st March 2022 complied with the statutory provisions listed hereunder and also that the Company has proper Board-processes and compliance-mechanism in place to the extent, in the manner and subject to the reporting made hereinafter:

We have examined the books, papers, minute books, forms and returns filed and other records maintained by "the Company" for the financial year ended on 31st March 2022, according to the provisions of:

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



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

- (i) Secretarial Standards with respect to the meetings of the Board of Directors (SS-1) and General Meetings (SS-2) issued by the Institute of Company Secretaries of India.
- (ii) SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015.

During the period under review the Company has complied with the provisions of the Act, Rules, Regulations, Guidelines, Standards, etc. mentioned above.

During the year under report, the Company did not attract the provisions of:

- (i) Foreign Exchange Management Act, 1999 and the Rules and Regulations made thereunder to the extent of Foreign Direct Investment, Overseas Direct Investment and External Commercial Borrowings ;
- (ii) The following Regulations and Guidelines prescribed under the Securities and Exchange Board of India Act, 1992 ('SEBI Act'):
 - a) The Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2018;
 - b) The Securities and Exchange Board of India (Share Based Employee Benefits and Sweat Equity) Regulations, 2021;
 - c) The Securities and Exchange Board of India (Issue and Listing of Debt Securities) Regulations, 2008;
 - d) The Securities and Exchange Board of India (Delisting of Equity Shares) Regulations, 2021; and
 - e) The Securities and Exchange Board of India (Buyback of Securities) Regulations, 1998.

We further report that:

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

Adequate notice with agenda items supported by detailed notes thereon is given to all Directors to schedule the Board Meetings and Committee meetings and a system exists for seeking and obtaining further information and clarifications on the agenda items before the meetings and for meaningful participation at the meetings.

Majority decision is carried through while the dissenting members' views are captured and recorded as part of the minutes. But there were no dissenting views during the year under report.

We further report that there are adequate systems and processes in the Company commensurate with the size and operations of the Company to monitor and ensure compliance with applicable Laws, Rules, Regulations and Guidelines.

We further report that during the audit period the Company had no specific events / actions having a major bearing on the Company's affairs in pursuance of the above referred Laws, Rules, Regulations, Guidelines, Standards, etc., referred to above.

FOR **B.K. SUNDARAM & ASSOCIATES**
COMPANY SECRETARIES

Place : Trichy
Date : 29-05-2022

(B.KALYANASUNDARAM)
COMPANY SECRETARY
ACS NO. A672. CP. NO. 2209
UDIN : A000672D000413271
Peer Review Cert No.:1215/2021
ICSI Unique code: S1994TN013100

Note : This report has to be read along with the Annexure which forms an integral part of this report.



B.K. SUNDARAM & ASSOCIATES
COMPANY SECRETARIES.

CS B.KALYANASUNDARAM,
B.Com.,ACMA.,ACS.,

OFFICE : 30, PANDAMANGALAM AGRAHARAM, WORIUR,
TRICHY - 620 003. PHONE:0431-2761590.
Email : bkksoffice@gmail.com

ANNEXURE TO SECRETARIAL AUDIT REPORT
FOR THE FINANCIAL YEAR ENDED 31ST MARCH 2022

OF

M/s. SAMBANDAM SPINNING MILLS LIMITED

1. Maintenance of secretarial records with reference to the provisions of the Companies Act,2013 & the Rules thereunder and the maintenance of records with reference to other applicable laws is the responsibility of the management of the Company. Our responsibility is to express an opinion based on our audit regarding compliance thereof by the Company.
2. The audit was conducted in accordance with applicable Standards issued by the Institute of Company Secretaries of India. We have followed the audit practices and procedures as were appropriate to obtain reasonable assurance about the correctness of the contents of the records. 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 Secretarial Audit. The verifications were done on a random test basis to ensure the correctness of the facts reflected in the records.
3. We have obtained the Management representation about the compliance of Laws, Rules and Regulations and occurrence of events. As per the Management representation given by the Chairman and Managing Director there is no law exclusively applicable for this Company other than all Laws applicable for Manufacturing Industries and hence there is no report to be given therefor.

FOR B.K. SUNDARAM & ASSOCIATES
COMPANY SECRETARIES

Place : Trichy
Date : 29-05-2022

(B.KALYANASUNDARAM)
COMPANY SECRETARY
ACS NO. A672. CP. NO. 2209
UDIN : A000672D000413271
Peer Review Cert No.:1215/2021
ICSI Unique code: S1994TN013100



B.K. SUNDARAM & ASSOCIATES
COMPANY SECRETARIES.

CS B.KALYANASUNDARAM,
B.Com.,ACMA.,ACS.,

OFFICE : 30, PANDAMANGALAM AGRAHARAM, WORIUUR,
TRICHY - 620 003. PHONE: 0431-2761590.
Email : bkksoffice@gmail.com

CERTIFICATE OF NON-DISQUALIFICATION OF DIRECTORS

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

- We have examined the relevant registers, records, forms, returns and disclosures received during the financial year 2021-2022 from the Directors of M/s. SAMBANDAM SPINNING MILLS LIMITED having CIN:L17111TZ1973PLC000675 and having registered office at MILL PREMISES, P.B. NO. 1, KAMARAJ NAGAR, SALEM - 636014 (hereinafter referred to as 'the Company'), produced to us by the Company for the purpose of issuing this Certificate, in accordance with Regulation 34(3) read with Schedule V Para-C Sub clause 10(i) of the Securities Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015.
- In our opinion and to the best of our information and according to the verifications of documents (including Directors Identification Number (DIN) status at the portal www.mca.gov.in) as considered necessary and explanations furnished to us by the Company & its officers, we hereby certify that none of the Directors on the Board of the Company as stated below have been debarred or disqualified from being appointed or continuing as Directors of the company, by the Securities and Exchange Board of India and/or the Registrar of Companies or such other authorities under the Ministry of Corporate Affairs, New Delhi as on 31st March, 2022.

Sl. No.	Name of the Director as per DIN	DIN	Date of appointment in the Company
1.	Devarajan Sambandam	00001910	01-04-2005
2.	Dinakaran Sambandam	00001932	01-04-2005
3.	Jegarajan Sambandam	00018565	01-04-2005
4.	Sudharsan Devarajan	00018546	01-04-2005
5.	Subramaniam Gnanashekar	06796817	14-02-2014
6.	Kameshwar Bhat	06951906	28-09-2014
7.	Balasundaram Doraisami	07800844	06-05-2017
8.	Sekar Venkatesan	03128187	25-03-2017
9.	Annappoorani Venugopalan	08276668	11-11-2018
10.	Bhaskaran Subramanian	09241221	14-08-2021
11.	Jegarajan Sakthivel	09241285	20-08-2021
12.	Dinakaran Niranjan Kumar	09241514	20-08-2021

- It is the responsibility of the Board of Directors of the Company to ensure the eligibility for the appointments of Directors and their continuance as Directors on the Board. Our responsibility is to express an opinion on the matter of non-disqualification of Directors in the Board.

FOR **B.K. SUNDARAM & ASSOCIATES**
COMPANY SECRETARIES

Place : Trichy
Date : 26-05-2022

CS. (B. KALYANASUNDARAM)
COMPANY SECRETARY
ACS NO. A672. CP. NO. 2209
UDIN : A000672D000401193
Peer Review Cert No.:1215/2021
ICSI Unique code: S1994TN013100



B.K. SUNDARAM & ASSOCIATES
COMPANY SECRETARIES.

OFFICE : 30, PANDAMANGALAM AGRAHARAM, WORUUR, TRICHY - 620 003.
PHONE: 0431-2761590. Email : bkksoffice@gmail.com

CS B.KALYANASUNDARAM,
B.Com.,ACMA.,ACS.,

**SECRETARIAL COMPLIANCE REPORT OF
M/s. SAMBANDAM SPINNING MILLS LIMITED,
KAMARAJ NAGAR, P.B. NO.1,SALEM 636014
(CIN: L17111TZ1973PLC000675) for the year ended 31-03-2022**

We have examined:

- (a) all the documents and records made available to us and explanation provided by M/s. **SAMBANDAM SPINNING MILLS LIMITED**, (hereinafter referred to as "the listed entity"),
- (b) the filings/ submissions made by 'the listed entity' to the Stock Exchange,
- (c) website of 'the listed entity',
for the year ended 31-03-2022 in respect of compliance with the provisions of :
- (i) the Securities and Exchange Board of India Act, 1992 ("SEBI Act") and the Regulations, circulars, guidelines issued thereunder; and
- (ii) the Securities Contracts (Regulation) Act, 1956 ("SCRA"), the Rules made thereunder and the Regulations, circulars, guidelines issued thereunder by the Securities and Exchange Board of India ("SEBI");
The SEBI Regulations and the circulars/ guidelines issued thereunder which are relevant and applicable to the review period viz. Financial Year ended 31st March 2022 to 'the listed entity', are listed hereunder : -
- (a) Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015;
- (b) Securities and Exchange Board of India (Prohibition of Insider Trading) Regulations, 2015;
- (c) Depositories Act, 1996 and the Regulations and bye-laws framed thereunder;
- (d) Securities and Exchange Board of India (Prohibition of Fraudulent and Unfair Trade Practices relating to Securities Market) Regulations, 2003;
- (e) The Securities and Exchange Board of India (Substantial Acquisition of Shares and Takeovers) Regulations, 2011
- (f) The Securities and Exchange Board of India (Registrars to an Issue and Share Transfer Agents) Regulations, 1993 regarding the Companies Act and dealings with client;

**SECRETARIAL COMPLIANCE REPORT OF
M/s. SAMBANDAM SPINNING MILLS LIMITED**

Based on the above examination, we hereby report that, during the Review Period:

- (a) The listed entity' has complied with the provisions of the above Regulations and circulars/ guidelines issued thereunder.
- (b) The listed entity' has maintained requisite records under the provisions of the above Regulations and circulars/ guidelines issued there under in so far as it appears from our examination of those records.
- (c) No action was taken against 'the listed entity'/ its promoters/ directors/ material subsidiaries either by SEBI or by Stock Exchanges (including under the Standard Operating Procedures issued by SEBI through various circulars) under the aforesaid Acts/ Regulations and circulars/ guidelines issued thereunder.
- (d) The Secretarial Compliance Report for the financial year ended 31-03-2021 did not contain any observation and hence there was no need to take action by the listed entity.

FOR B.K. SUNDARAM & ASSOCIATES
COMPANY SECRETARIES

(B. KALYANASUNDARAM)
COMPANY SECRETARY

ACS NO. A672. CP. NO. 2209
UDIN : A000672D000413238

Peer Review Cert No.:1215/2021

ICSI Unique code: S1994TN013100

Place : Trichy
Date : 29-05-2022

Note : This report has to be read along with the Annexure which forms an integral part of this report.



B.K. SUNDARAM & ASSOCIATES
COMPANY SECRETARIES.

CS B.KALYANASUNDARAM,
B.Com.,ACMA.,ACS.,

OFFICE : 30, PANDAMANGALAM AGRAHARAM, WORIUUR,
TRICHY - 620 003. PHONE:0431-2761590.
Email : bkksoffice@gmail.com

ANNEXURE TO SECRETARIAL COMPLIANCE REPORT

FOR THE FINANCIAL YEAR ENDED 31ST MARCH 2022

OF

M/s.SAMBANDAM SPINNING MILLS LIMITED

1. Maintenance of records with reference to the SEBI Act, SCRA & Regulations thereunder and compliance of the policies framed by the Company with reference to the above regulations is the responsibility of the management of the Company. Our responsibility is only to express an opinion based on our audit regarding the compliance thereof by 'the Listed entity'.
2. The audit was conducted in accordance with applicable Standards issued by the Institute of Company Secretaries of India. We have followed the audit practices and procedures as were appropriate to obtain reasonable assurance about the correctness of the contents of the records. 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 Secretarial Compliance Report. The verifications were done on a random test basis to ensure the correctness of the facts reflected in the records.
3. We have obtained the Management representation about the compliance of Laws, Regulations and occurrence of events.

FOR B.K. SUNDARAM & ASSOCIATES
COMPANY SECRETARIES

Place : Trichy
Date : 29-05-2022

(B. KALYANASUNDARAM)
COMPANY SECRETARY
ACS NO. A672. CP. NO. 2209
UDIN : A000672D000413238
Peer Review Cert No.:1215/2021
ICSI Unique code : S1994TN013100



ANNEXURE - VII

REPORT ON CORPORATE GOVERNANCE

(Pursuant to Schedule V of the SEBI (Listing Obligation and Disclosure Requirements) Regulations, 2015)

1. A BRIEF STATEMENT ON THE COMPANY'S PHILOSOPHY ON CODE OF GOVERNANCE

Company's philosophy on corporate governance is outlined below :

- Effectiveness measured by quality of leadership resulting in the best performance
- Accountability through openness, public disclosure and transparency of activities
- Conforming to high ethical standards in financial policies, internal controls, constant attention towards high quality of its products and continuous upgrading of skills
- Responsibility and responsiveness to stakeholders including shareholders, customers, vendors employees, lenders and government agencies
- Sustaining a healthy and ever improving bottom line
- Upholding the spirit of social responsibility and
- To create a management team with entrepreneurial and professional skills

2. BOARD OF DIRECTORS**(i) Composition of the Board**

As on March 31, 2022, the Company has twelve Directors. Out of twelve Directors, five (i.e.42 percent) are Executive Directors, one (i.e.8 percent) is Non-Executive Director, and six (i.e. 50 percent) are Independent Directors. The profiles of Directors can be found on the website of the Company www.sambandam.com. The composition of the Board is in conformity with Regulation 17 of the SEBI Listing Regulations read with Section 149 of the Companies Act 2013.

(ii) Changes in Board of Directors

There is change in Board of directors. Two executive directors Sri. J.Sakthivel Director Technical and Sri. D.Niranjan Kumar Director Marketing and one non executive director Independent Director Sri. S.Bhaskaran are appointed during the year.

(iii) The Board is primarily responsible for the overall management of the Company's business. The Directors on the Board are from varied fields with wide range of skills and experience. The non-executive directors including Independent Directors bring statutory and wider perspective in the Board's deliberations and decisions. The Board periodically reviews the compliance reports of all laws applicable to the Company.

(iv) Board fulfills the key functions as prescribed under provisions of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015. Details of the Director seeking appointment / re-appointment at the ensuing Annual General Meeting have been furnished in the Notice convening the Meeting of the shareholders.

(v) None of the Directors on the Board holds directorships in more than ten public limited companies. None of the Independent Directors serves as an independent director on more than seven listed entities. Necessary disclosures regarding Committee positions in other public limited companies as on March 31, 2022 have been made by the Directors. Promoter Directors are related to each other. None of the Independent Director is related to each other. The details of directors and their relationship are given below:



Name of the Director	Categories of Director	Relationship with other directors	
Sri S. Devarajan	Chairman and Managing Director (Promoter)	Relative of Sri S.Jegarajan, Sri S.Dinakaran & Sri D.Sudharsan	
Sri S. Jegarajan	Joint Managing Director (Promoter)	Relative of Sri S.Devarajan, Sri S.Dinakaran & Sri J.Sakthivel	
Sri S. Dinakaran	Joint Managing Director (Promoter)	Relative of Sri S.Devarajan, Sri S.Jegarajan & Sri D.Niranjankumar	
Sri D. Sudharsan	Non-Executive Director (Promoter Group)	Relative of Sri S.Devarajan	
Sri J.Sakthivel	Director- Technical	Relative of Sri S.Jegarajan	
Sri D.Niranjankumar	Director- Marketing	Relative of Sri S.Dinakaran	
Smt. Annapoorani Venugopalan	Independent Director	Nil	
Sri S.Gnanashekar	Independent Director	Nil	
Sri Kameshwar M. Bhat	Independent Director	Nil	
Dr. V. Sekar	Independent Director	Nil	
Sri D.Balasundaram	Independent Director	Nil	
Sri S.Bhaskaran	Independent Director	Nil	

(vi) Five Board Meetings were held through Other Audio Visual means during the year under review and the gap between two meetings did not exceed one hundred and twenty days or extended permitted days by Government. The said meetings were held on June 26, 2021, August 14, 2021, November 12, 2021, December 22, 2021 and February 12, 2022. The necessary quorum was present for all the meetings.

(vii) The names and categories of the Directors on the Board, their attendance at Board Meetings held during the year under review and at the last Annual General Meeting ("AGM"), name of other listed entities in which the Director is a director and the number of Directorships and Committee Chairmanships / Memberships held by them in other public limited companies as on March 31, 2022, as required under Schedule V of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 are given herein below. Further, none of them is a member of more than ten committees or chairman of more than five committees across all the public companies in which he/she is a Director. For the purpose of determination of limit of the Board Committees, chairpersonship and membership of the Audit Committee and Stakeholders' Relationship Committee has been considered as per Regulation 26(1)(b) of SEBI Listing Regulations.

Name of the Director	Categories of Director	No. of Board meetings attended during the FY 2022	Whether attended last AGM held on 25.09.2021	No. of directorship in other Public limited Companies		No. of Committee positions held in other Public limited Companies		Directorship in other entities (Category of Directorship)
				Chairman	Member	Chairman	Member	
Sri S. Devarajan	Executive Chairman and Managing Director (Promoter)	5	Yes	-	-	-	-	1. Sambandam Dairy Farm Private limited earlier known as Sambandam Dairy farm Limited, (formerly known as Sambandam Investment & Leasing Limited, (Director) 2. Sambandam Siva Textiles Private Limited (Director) 3. SPMM Health Care Services Private Limited (Chairman) 4. Sambandam Textiles Private Limited (Director) 5. Sambandam Fabrics Private Limited (Director) 6. Salem IVF Centre Private Limited (MD)



Name of the Director	Categories of Director	No. of Board meetings attended during the FY 2022	Whether attended last AGM held on 25.09.2021	No. of directorship in other Public limited Companies		No. of Committee positions held in other Public limited Companies		Directorship in other entities (Category of Directorship)
				Chairman	Member	Chairman	Member	
Sri S. Jegarajan	Joint Managing Director Executive (Promoter)	5	Yes	-	-	-	-	1. Sambandam Siva Textiles Private Limited (Director) 2. SPMM Health Care Services Private Limited (Director) 3. Sambandam Textiles Private Limited (Director)
Sri S. Dinakaran	Joint Managing Director Executive (Promoter)	5	Yes	-	-	-	-	1. Sambandam Siva Textiles Private Limited (Managing Director) 2. Sambandam Dairy Farm Private limited earlier known as Sambandam Dairy Farm Limited, (formerly known as Sambandam Investment & Leasing Limited, (Director) 3. SPMM Health Care Services Private Limited (Director) 4. Sambandam Textiles Private Limited (Director) 5. Confederation of Indian Textile Industry (Director)
Sri D.Sudharsan	Non-Director Executive	5	Yes	-	-	-	-	1. Sambandam Siva Textiles Private Limited (Joint Managing Director) 2. SPMM Health Care Services Private Limited (Director)
Sri J.Sakthivel *	Executive Director Technical	3	Yes	-	-	-	-	-
Sri D.Niranjankumar *	Executive Director Marketing	3	Yes	-	-	-	-	-
Sri S.Gnanashekar	Independent Director	5	Yes	-	-	-	-	1. Kandagiri Spinning Mills Limited
Sri Kameshwar M. Bhat	Independent Director	5	Yes	-	-	-	-	1. KMB Associates LLP (Designated Partner)
Dr. V. Sekar	Independent Director	5	Yes	-	-	-	-	-
Sri D. Balasundaram	Independent Director	5	Yes	-	-	-	-	-
Mrs. Annapoorani Venugopalan	Independent Director	4	Yes	-	-	-	-	-
Sri S.Bhaskaran *	Independent Director	3	Yes	-	-	-	-	-

* Directors attended all their meeting after their appointment.



(viii) Details of equity shares of the Company held by the Directors as on March 31, 2022 are given below

Name of the Director	Categories of Director	No. of equity shares held
Sri S. Devarajan	Chairman and Managing Director Executive (Promoter)	5,25,419
Sri S. Jegarajan	Joint Managing Director Executive (Promoter)	4,88,576
Sri S. Dinakaran	Joint Managing Director Executive (Promoter)	4,19,044
Sri D. Sudharsan	Non – Executive Director (Promoter Group)	88,760
Sri J. Sakthivel	Director – Technical (Promoter Group)	14,700
Sri D. Niranjankumar	Director – Marketing (Promoter Group)	5,800
Smt. Annapoorani/Venugopalan	Independent Director	Nil
Sri S. Gnanashekar	Independent Director	Nil
Sri Kameshwar M. Bhat	Independent Director	Nil
Dr. V. Sekar	Independent Director	Nil
Sri D. Balasundaram	Independent Director	Nil
Sri S. Bhaskaran	Independent Director	Nil

(viii) Independent Directors

The Company has appointed Independent Directors who are renowned people having expertise/experience in their respective field/profession. Independent Directors are non-executive directors as defined under Regulation 16(1)(b) of the SEBI Listing Regulations read with Section 149(6) of the Act along with rules framed thereunder. None of the Independent Directors is a promoter or related to the promoters. They do not have any pecuniary relationship with the Company and further they do not hold two percent or more of the total voting power of the Company. All Independent Directors maintain their limits of directorship as required under provisions of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015. The Company has issued a formal letter of appointment to all Independent Directors and the terms and conditions of their appointment have been disclosed in the website of the Company.

All the Independent Directors of the Company at the time of their appointment to the Board and thereafter at the first meeting of the Board in every financial year give, in terms of Regulation 25(8) of SEBI Listing Regulations, they have confirmed that they are not aware of any circumstance or situation which exists or may be reasonably anticipated that could impair or impact their ability to discharge their duties. Based on the declarations received from the Independent Directors, the Board of Directors has confirmed that they meet the criteria of independence as mentioned under Regulation 16(1)(b) of the SEBI Listing Regulations and that they are independent of the management.

Familiarization programme for the Independent directors was held during the year and had been uploaded in the website of the Company under the web-link: <http://www.sambandam.com>

Meeting of Independent Directors

During the year, as required by SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, one separate meeting of Independent directors was held through Other Audio Visual means on 12.02.2022. All the Independent Directors on the Board attended the meeting. The Independent Directors discussed / reviewed the matters specified in Schedule IV of Companies Act, 2013 and Regulation 25 of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015.

(ix) Board Evaluation

Evaluation of performance of all Directors is undertaken annually. Performance of the Board, its Committees and Individual Directors were evaluated on the basis of criteria which includes various performance related aspects.

The Board of Directors has expressed their satisfaction with the evaluation process.



- (x) The Board has identified the following skills/expertise/competencies fundamental for effective functioning of the Company which are currently available with the Board.

S. No.	Name of the Director	skills/expertise/competencies					
		General Administration and Management	Finance	Technical	HR	Sales and marketing	Governance, Compliance and Legal
1.	Sri S. Devarajan	√	√	√	√	√	√
2.	Sri S. Jegarajan	√	√	√	√	√	√
3.	Sri S. Dinakaran	√	√	√	√	√	√
4.	Sri D. Sudharsan	√	√	√	√	√	√
5.	Sri J. Sakthivel	√	√	√	√	√	√
6.	Sri D. Niranjankumar	√	√	√	√	√	√
7.	Smt. Annapoorani Venugopalan	√	√	-	√	-	√
8.	Sri S. Gnanashekar	√	√	-	√	-	√
9.	Sri Kameshwar M. Bhat	√	√	-	√	-	√
10.	Dr. V. Sekar	√	√	-	√	-	√
11.	Sri. D. Balasundaram	√	√	√	√	-	√
12.	Sri S. Bhaskaran	√	√	-	√	-	√

3. COMMITTEES OF THE BOARD

(i) AUDIT COMMITTEE

a. Brief description of terms of reference

Audit Committee assists the Board in its responsibility of overseeing the quality and integrity of the accounting, auditing and reporting practices of the Company and its compliance with the legal and regulatory requirements. The Committee's purpose is to oversee the accounting and financial process of the Company, the audits of the Company's financial statements, the appointment, independence, performance and remuneration of the statutory auditors including the Cost auditors, the performance of internal auditors and the Company's risk management policies. The terms of reference of Audit Committee cover the areas mentioned under Part C of Schedule II of the SEBI (Listing Obligation and Disclosure Requirements) Regulations, 2015 as well as Section 177 of the Companies Act, 2013.

(b) Composition

Audit Committee as on 31 March, 2022 comprises of four members viz., Sri. Kameshwar M. Bhat Independent Director as Chairman, Independent Directors, Sri S. Gnanashekar, Dr. V. Sekar, Sri. D. Balasundaram as Members.

Members of the Audit Committee are financially literate and have expertise in accounting/financial management. CMD, Managing Directors, Chief Financial Officer, Internal Auditor and Statutory Auditors, Cost Auditor attended meetings of the Committee as invitees. Mr. S. Natarajan, Company Secretary is the Secretary to the committee.

(c) Meetings and Attendance

Audit Committee met five times through Other Audio Visual means during the year and the time gap between any two meetings did not exceed more than 120 days or extended permitted days by Government. Audit Committee meetings were held on June 26, 2021, August 14, 2021, November 12, 2021 December 22, 2021 and February 12, 2022. Attendance at the Audit Committee meetings held during the year is as follows:

Name of the Director	Position	No. of Meetings attended
Sri Kameshwar M. Bhat	Chairman	5 of 5
Sri S. Gnanashekar	Member	5 of 5
Dr. V. Sekar	Member	5 of 5
Sri D. Balasundaram	Member	5 of 5

**(ii) NOMINATION AND REMUNERATION COMMITTEE****(a) Brief description of terms of reference**

The Nomination and Remuneration Committee assist the Board in overseeing the method, criteria and quantum of compensation for directors and senior management based on their performance and defined assessment criteria. The Committee formulates the criteria for evaluation of the performance of Independent Directors & the Board of Directors; identifying the persons who are qualified to become directors, and who may be appointed in senior management and recommend to the Board their appointment and removal. The terms of the reference of Nomination and Remuneration Committee covers the areas mentioned under Part D of Schedule II of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 as well as section 178 of the Companies Act, 2013.

(b) Composition

The Nomination and Remuneration Committee as on March 31, 2022 comprises of three members viz., Sri Kameshwar M Bhat, Independent Director as Chairman and Sri S. Gnanashekar and Dr.V.Sekar, Independent Directors as Members.

(c) Meetings and Attendance

During the year one Nomination and Remuneration Committee Meeting was held through Other Audio Visual means on 14.08.2021 Attendance at the Nomination and Remuneration Committee meeting held during the year is as follows:

Name of the Director	Position	No. of Meetings attended
Sri Kameshwar M. Bhat	Chairman	1 of 1
Sri S. Gnanashekar	Member	1 of 1
Dr. V. Sekar	Member	1 of 1

(d) Performance Evaluation criteria for Independent directors

The Company has adopted the following performance evaluation criteria for Independent Directors

- a. Qualifications
- b. Experience
- c. Knowledge & Competency
- d. Fulfillments of functions
- e. Ability to function as a team
- f. Initiative
- g. Availability and Attendance
- h. Commitment
- j. Integrity
- k. Independence
- l. Independent views and Judgment

(iii) CORPORATE SOCIAL RESPONSIBILITY (CSR) COMMITTEE**(a) Brief description of terms of reference**

The Committee formulates CSR policy to undertake social activities as specified under Schedule VII of the Companies Act, 2013 for approval of the Board. The Committee recommends spending on the approved CSR activities and monitors the spending and performance of such activities.

The Company earned net profit for previous three years and so CSR Obligation for the FY 2021-22 is applicable. Company has spent Rs 12.46 lakhs towards CSR during the year. The details are available in annexure V of Board report.

**(b) Composition**

The CSR Committee as on March 31, 2022 comprises of five members viz., Sri S.Devarajan, Chairman and Managing Director as Chairman, Sri S. Gnanashekarana, Independent Director, Sri S. Jegarajan, Joint Managing Director, Sri S.Dinakaran, Joint Managing Director, Sri D.Sudharsan, Non-Executive Director as Members.

(c) Meetings and Attendance

During the year two CSR Meeting was held on 26.06.2021 and 12.02.2022. Attendance at the CSR Committee meeting held during the year is as follows:

Name of the Director	Position	No. of Meetings attended
Sri S. Devarajan	Chairman	2 of 2
Sri S. Gnanashekarana	Member	2 of 2
Sri S. Jegarajan	Member	2 of 2
Sri S. Dinakaran	Member	2 of 2
Sri D. Sudharsan	Member	2 of 1

(iv) STAKEHOLDERS' RELATIONSHIP COMMITTEE

- (a) name of the non-executive director heading the committee ; S. Gnanashekarana
 (b) name and designation of the compliance officer ; S. Natarajan
 (c) number of shareholders' complaints received during the financial year ; Nil
 (d) number of complaints not solved to the satisfaction of shareholders ; Nil
 (e) number of pending complaints. Nil

4. REMUNERATION OF DIRECTORS & AUDITORS

(a) There was no pecuniary relationship or transaction between the Non-Executive Directors and the company during the financial year 2021-2022.

(b) Criteria of making payments to Non-Executive Directors

- Remuneration by way of Sitting fee are paid to Non-Executive/ Independent Directors for attending meetings of the Board of Directors and Committee meetings in which he/she is a member (excluding those committee meetings viz., CSR Committee, Stakeholders' Relationship Committee, Share Transfer Committee and Finance Committee for which no sitting fees is paid) as may be decided by the Board from time to time and for any other purpose as may be decided by the Board from time to time in accordance with the ceiling limits prescribed under the Applicable Law.
- The Independent Directors shall not be entitled to any stock option.
- The sitting fee to the Independent Directors and Woman Director shall not be less than the sitting fee payable to other directors.

The above referred criteria have been disclosed in the website of the Company under the web-link: <http://www.sambandam.com>

**(c) Disclosures with respect to remuneration.**

Non-executive Directors are entitled to get Sitting Fee for attending each meeting of the Board or any Committee(s) of the Board. Details of payment of sitting fees for the year 2021-22 are as follows.

Name of the Director	Sitting fees (#) Rs. Lakhs
Sri S. Devarajan	–
Sri S. Jegarajan	–
Sri S. Dinakaran	–
Sri D. Sudharsan	2.25
Sri S. Gnanashekar	6.15
Sri Kameshwar M Bhat	6.15
Dr. V. Sekar	6.15
Sri D. Balasundaram	5.90
Smt. Annapoorani Venugopalan	2.00
Sri S. Bhaskaran	1.75

Details of remuneration received by CMD and JMD's during the financial year 2021-22 as follows

S. No.	Name of the Director	Salary	Perquisites	Total remuneration (Rs. lakhs)
1.	Sri S. Devarajan	67.20	34.80	102.00
2.	Sri S. Jegarajan	64.80	33.90	98.70
3.	Sri S. Dinakaran	37.80	26.40	64.20

Details of Remuneration to Statutory Auditors

M/s R. Sundararajan & Associates, Chartered Accountants (Firm Registration No .008282S) had been appointed as the Statutory Auditors of the Company for the financial years 2018-19 to 2021-22. The Statutory Auditors had been fixed a remuneration of Rs. 8,00,000/- for conduct of the statutory audit for the FY 2021-22.

Stock Options

The Company has no Employee Stock Options Scheme in force at present.

5. GENERAL BODY MEETINGS**(a) Details of location and time of last three Annual General Meetings held**

Year	Location	Mode	Special Resolutions Passed if any	Date & Time
47th AGM-2021	Mill Premises, Kamaraj Nagar Colony, Salem - 636014.	Through Audio visual means	Five Special Resolutions Passed	September 25, 2021 at 10.45 a.m.
46th AGM-2020	Mill Premises, Kamaraj Nagar Colony, Salem - 636014.	Through Audio visual means	Nil	September 23, 2020 at 10.45 a.m.
45th AGM-2019	Mill Premises, Kamaraj Nagar Colony, Salem - 636014.	Physical	Two Special Resolutions Passed	August 11, 2019 at 10.45 a.m.

(b) A certificate has been received from Shri B. Kalyanasundaram of M/s B.K. Sundaram & Associates, Practising Company Secretaries, that none of the Directors on the Board of the Company has been debarred or disqualified from being appointed or continuing as directors of companies by the Securities and Exchange Board of India, Ministry of Corporate Affairs or any such statutory authority.



6. MEANS OF COMMUNICATION

Quarterly, half-yearly and annual financial results are communicated to the Bombay Stock Exchange at Mumbai immediately after these are considered and recommended by the Audit Committee and approved by the Board; and thereafter regularly published in national (English) business newspaper Trinity Mirror and in one vernacular (Tamil) newspaper Makkal Kural as required. Quarterly and annual financial statements and other required details in accordance with the provisions of SEBI (Listing Obligation and Disclosure Requirements) Regulations, 2015 are posted on the Company's website: www.sambandam.com. Further, all other price sensitive and other information is sent to the Bombay Stock Exchange enabling them to display the same on their website. During the year, no presentation has been made to Institutional Investors or analysts.

7. GENERAL SHARE HOLDER INFORMATION

(a) Details of 48th Annual General Meeting to be held

Day : Saturday
Date : 24-09-2022
Time : 11.30 a.m.

Venue : Annual General Meeting (AGM) to be conducted through Video Conferencing ("VC") / Other Audio Visual Means ("OAVM"), pursuant to MCA circular dated 05.05.2020 read with circulars dated April 8, 2020 and April 13, 2020 and January 13, 2021 and May 05, 2022 and as amended further from time to time, without physical presence of Members at a common venue. The deemed venue for the AGM shall be the Registered Office of the Company – Sambandam Spinning Mills Limited, Kamaraj Nagar Colony, Salem - 636014

(b) **Financial Year** : 1st April, 2021 to 31st March, 2022.

(c) **Dividend Payment Date** : commencing from 16th day from AGM date and will be completed within the statutory time limit,

(d) Stock Exchange on which Company's shares are listed :

The Bombay Stock Exchange, Phiroze Jeejeebhoy Towers, Dalal Street, Fort, Mumbai – 400 001. The Listing Fees as applicable was paid within prescribed time period.

(e) Stock code

Trading Symbol at BSE Limited	(DEMAT)	521240
ISIN under Depository System (NSDL & CDSL)	Equity Shares	INE304D01012

(f) Market Price data – Company share Price and BSE Sensex

Month	Company Share Price		BSE Sensex	
	High (Rs.)	Low (Rs.)	High	Low
Apr - 2021	90.05	73.60	50375.77	47204.50
May - 2021	140.00	80.30	52013.22	48028.07
Jun - 2021	189.80	120.50	53126.73	51450.58
Jul - 2021	279.40	176.10	53290.81	51802.73
Aug - 2021	283.80	186.55	57625.26	52804.08
Sep - 2021	234.90	192.25	60412.32	57263.90
Oct - 2021	251.10	212.00	62245.43	58551.14
Nov - 2021	292.45	214.05	61036.56	56382.93
Dec - 2021	253.85	216.00	59203.37	55132.68
Jan - 2022	294.00	239.95	61475.15	56409.63
Feb - 2022	295.00	206.00	59618.51	54383.20
Mar - 2022	229.50	195.10	58890.92	52260.82



(g) Company securities are not suspended from trading.

(h) Registrar and Share Transfer Agents (RTA)

M/s Cameo Corporate Services Limited, Subramanian Building, No.1 Club house Road, Chennai 600002 deal with all aspects of investor servicing relating to shares in both physical and demat form.

(i) Share Transfer System

The Share transfer committee has been constituted mainly to look into transfer and transmission of shares. Share transfers are effected by the Registrar and Transfer Agent (RTA) Cameo Corporate Services Limited, Chennai, on the authorization given by the Board. The transfers/transmissions effected by the Registrar are submitted to the Share Transfer Committee for confirmation. Sri S. Devarajan, Chairman and Managing Director, chairs the meetings of the committee, Sri S. Jegarajan, Joint Managing Director, and Sri D. Sudharsan, Non-Executive Director are the members of the committee. Sri S. Natarajan, Company Secretary is the secretary to the committee and the compliance officer. As on March 31, 2022, no share transfers/transmission was pending.

(j) Distribution of Shareholding as on 31st March, 2022

No. of Shares	Shareholders		No. of shares	
	Number	%	Number	%
Upto – 100	2644	76.11	149786	3.51
101 – 500	539	15.52	141113	3.31
501 – 1000	119	3.43	93577	2.19
1001 – 2000	62	1.78	96818	2.27
2001 – 3000	20	0.57	49704	1.17
3001 – 4000	11	0.32	38509	0.9
4001 – 5000	9	0.26	41783	0.98
5001 – 10000	15	0.43	116619	2.74
10001 and above	55	1.58	3536691	82.93
Total	3474	100.00	4264600	100.00

Shareholding pattern as on March 31, 2022

Sl. No.	Category	No. of Holders	No. of Shares	% to Paid up Capital
1.	Promoters	21	21,66,009	50.79
2.	Residents (Individuals / Clearing Members HUF)	3,400	20,19,141	47.35
3.	Financial Institutions / Insurance Co./ State Govt./ Foreign Institutional Investors	0	0	0
4.	Non-Resident Indians / OCB / Corporate Bodies - Foreign / Bank - Foreign / Foreign Nationals / Foreign Port Folio Investor / corporate	21	5,195	0.12
5.	Corporate Bodies / Limited Liability Partnership	22	34,079	0.80
6.	IEPF	1	37,909	0.89
7.	Mutual Funds	0	0	0
8.	Trusts	0	0	0
9.	Banks	0	0	0
10.	Clearing Members	9	2,267	0.05
	Total	3,474	42,64,600	100.00

**(k) Dematerialization of shares and liquidity**

Shares of the Company can be held and traded in electronic form. As stipulated by SEBI, the shares of the Company are accepted in the Stock Exchanges for delivery only in dematerialization form. Status of dematerialization of shares as on March 31, 2022 is as follows:

Holders	Physical		Demat		Total	
	No. of Shares	% to paid up capital	No. of Shares	% to paid up capital	No. of Shares	% to paid up capital
Promoters List	0	0	21,66,009	50.79%	21,66,009	50.79%
Others	1,21,073	2.84%	19,77,518	46.37%	20,98,591	49.21%
TOTAL	1,21,073	2.84%	41,43,527	97.16%	42,64,600	100.00%

The equity shares of the Company is regularly traded in BSE Limited

Your Company confirms that the entire Promoter's holdings are in electronic form and the same is in line with the direction issued by SEBI.

(l) Outstanding GDRs/ ADRs/ Warrants/ Convertible instruments

The Company has not issued Global Depository Receipts or American Depository Receipt or Warrants or any Convertible instruments.

(m) Commodity Price Risk/ Foreign Exchange Risk and Hedging - The Company do not engage in hedging activities regularly, however hedging is done on a case to case basis depending on forex market volatility.**(n) Plant Location**

Spinning Mills (Roof top solar plant installed in Unit - I, II, and III)

Unit – I Kamaraj Nagar Colony, Salem 636 014. Tamil Nadu.

Unit – II Ayeepalayam, Athanur 636 301, Namakkal District. Tamil Nadu.

Unit – III Kavarakalpatty, Seshanchavadi P.O., Salem 636 111, Tamil Nadu.

Unit – IV Udayapatti P.O, Salem – 636 140.

Wind energy converters

Panangudi, Pazhavor and Parameshwarapuram villages.

Radhapuram Taluk, Tirunelveli District. Tamil Nadu

Uthumalai Village, Veerakeralam Pudur Taluk, Tirunelveli District. Tamil Nadu

Gudimangalam Village, Udumalpet Taluk, Coimbatore District, Tamil Nadu

Ground mounted Solar energy Plant

Venbavur Village, Veppanthattai Taluk, Perambalur District, Tamil Nadu

(o) Address for Correspondence

Registrar & Share Transfer Agents

: M/s Cameo Corporate Services Limited
Subramanian Building
No.1 Club Road, Chennai 600 002.
Phone : 044 - 28460390 (5 lines)
Fax : 044 – 28460129

e-mail – For all Investor queries
for non-receipt of Annual Reports

: investor@cameoindia.com &
: agm@cameoindia.com

For any other general matters
or in case of any difficulties/

Secretarial Department
Sambandam Spinning Mills Limited
No.1, Kamaraj Nagar Colony, Salem 636 014
Phone : 0427 -2240790 to 94

Website Address
Email ID of Investor Grievance

e-mail: cs@sambandam.com
www.sambandam.com
cs@sambandam.com

Name of the Compliance Officer

Sri S.Natarajan, Company Secretary



OTHER DISCLOSURES

- (a) There were no material significant transactions with the Directors or their relatives or the management that had any potential conflict with the interest of the company. All details relating to the financial and commercial transactions where the Directors had a potential interest were provided to the board, and the interested Directors neither participated in the discussion, nor did they vote on such matters.
- (b) The company has formulated a Policy for dealing with Related Party Transactions. The necessary disclosures regarding the transactions with related parties are given in the Notes to the financial statements. During the year under review. The Policy on Related Party Transactions is hosted on the website of the Company under the web link : <http://www.sambandam.com>
- (c) Neither was any penalties imposed nor were any strictures passed by Stock Exchange or SEBI or any Statutory authority on any capital market related matters during the last three years.
- (d) The Company has established a Vigil Mechanism/Whistle Blower Policy to enable stakeholders (including Directors and employees) to report unethical behavior, actual or suspected fraud or violation of the Company's Code of Conduct. The Policy provides adequate safeguards against victimization of Director(s)/employee(s) and direct access to the Chairman of the Audit Committee in exceptional cases. The Protected Disclosures, if any reported under this Policy will be appropriately and expeditiously investigated by the Chairman. Your Company hereby affirms that no Director / employee has been denied access to the Chairman of the Audit Committee and that no complaints were received during the year. The Whistle Blower Policy has been disclosed on the Company's website.
- (e) The Company has complied with the mandatory requirements of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015. The Company has adopted various non-mandatory requirements as well as discussed under relevant headings.
- (f) The Company has no subsidiary.
- (g) The Company has followed Indian Accounting Standards ("Ind AS") in the preparation of the financial statements. The significant accounting policies are set out in the notes to the accounts.
- (h) The Company laid down procedures to inform Board members about risk assessment and minimization and has implemented the Risk Management plan and continuously monitors it.
- (i) As required by the provisions of SEBI (Prohibition of Insider Trading) Regulations, 2015, the Company has adopted a Code of Conduct for prevention of Insider Trading. Company Secretary of the Company is the Compliance Officer. The Code of Conduct is applicable to all Directors and such identified employees of the Company as well as who are expected to have access to unpublished price sensitive information relating to the Company.
- (j) The Company has adopted a Code of Conduct for Directors and Senior Management of the Company, as required by Regulation 17(5) of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015. The Company has received confirmation from the Directors and Senior Management regarding compliance with the code for the year ended March 31, 2022. A Certificate from Managing Director to this effect is attached to this report. The code has been displayed on the Company's website.
- (k) The details of credit rating for Bank facilities and Fixed deposits obtained from Brick Work Ratings India Pvt Ltd., during the FY 2021-22 as given below:

S. No.	FACILITIES	RATINGS
1.	Long/Short -Term Bank Facilities	BWR BBB/Stable upgrade
2.	Fixed Deposits	BWR FBBB/Stable upgrade



(l) The Managing Director and Chief Financial Officer of the Company give annual Compliance Certificate in accordance with Regulation 17(8) read with Part B of Schedule II of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 with the Stock Exchange(s). The annual Compliance Certificate given by Managing Director and Chief Financial Officer is published in Annual Report.

(m) Transfer of Unclaimed/Unpaid dividends along with underlying shares to IEPF

Pursuant to Section 124 & 125 of the Companies Act, 2013 read with Investor Education and Protection Fund Authority (Accounting, Audit, Transfer and Refund) Rules, 2016 which came into effect from 07.09.2016 with subsequent amendments thereto, in addition to transfer of unpaid/unclaimed dividend of seven years to IEPF a/c, the underlying shares with respect to unpaid/unclaimed dividend of seven consecutive years has to be transferred by the company to the Investor Education and Protection Fund (IEPF) established by the Central Government.

Shareholders can claim the respective dividends and shares from IEPF by filing the requisite forms and following the procedures as stated in the IEPF rules.

(n) Details relating to appointment and re-appointment of Directors by rotation as required under the provisions of MCA/ SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 is provided in the Notice to the Annual General Meeting.

8. There has been no instance of non-compliance of any requirement of Corporate Governance Report.

9. ADOPTION OF NON- MANDATORY ITEMS

(a) The Board

The Company has a Executive Chairman and the respective compliance has been duly complied.

(b) Share holder Rights

Quarterly/Half yearly financial results are forwarded to the Stock Exchanges and also uploaded on the website of the Company.

(c) Modified Opinion in Audit Report

There was no modified opinion in Independent Auditors' Report for the FY 2021-22.

(d) Separate posts of Chairman and CEO

The company has one "Chairman and Managing Director" and two Joint Managing Directors.

(e) Reporting of Internal Auditor

The Internal Auditor of the Company is a permanent invitee to the Audit Committee Meeting and regularly attends the Meeting for reporting his findings of the internal audit to the Audit Committee Members.

10. The Company has fully complied with the applicable requirement specified in Reg. 17 to 27 and clause (b) to (i) of sub-regulation (2) of regulation 46 of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015

11. There are no shares lying in the demat suspense account/unclaimed suspense account as on 31.3.2022

Certificate on Compliance with Code of Conduct for the Senior Management

In accordance with Regulation 34(3) of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, I hereby confirm that all the Board members and senior management personnel of the Company have affirmed compliance to the Code of Conduct of the Company for the financial year ended March 31, 2022.

Salem
May 29, 2022

S. Devarajan
Chairman and Managing Director
DIN: 00001910

**INDEPENDENT AUDITOR'S CERTIFICATE ON CORPORATE GOVERNANCE****To The Members of Sambandam Spinning Mills Limited**

1. We have examined the compliance of conditions of Corporate Governance by Sambandam Spinning Mills Limited ("the Company"), for the year ended on March 31, 2022, as stipulated in Regulations 17 to 27 and clauses (b) to (i) of Regulation 46(2) and para C and D of Schedule V of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 as amended ("SEBI Listing Regulations").

Management's Responsibility

2. The compliance of conditions of Corporate Governance is the responsibility of the Management. This responsibility includes the design, implementation and maintenance of internal control and procedures to ensure the compliance with the conditions of the Corporate Governance stipulated in the SEBI Listing Regulations.

Auditors' Responsibility

3. Our responsibility is limited to examining the procedures and implementation thereof, adopted by the Company for ensuing compliance with the conditions of the Corporate Governance. It is neither an audit nor an expression of opinion on the financial statements of the Company.
4. We have examined the books of account and other relevant records and documents maintained by the Company for the purpose of providing reasonable assurance on the compliance with Corporate Governance requirements by the Company.
5. We have carried out an examination of the relevant records of the Company in accordance with the Guidance Note on Certification of Corporate Governance issued by the Institute of the Chartered Accountants of India (the ICAI), the Standards on Auditing specified under Section 143(10) of the Companies Act, 2013, in so far as applicable for the purposes of this certificate and as per the Guidance Note on Reports or Certificates for Special Purposes issued by the ICAI which requires that we comply with the ethical requirements of the Code of Ethics issued by the ICAI.
6. We have complied with the relevant applicable requirements of the Standard on Quality Control (SQC) 1, Quality Control for Firms that Perform Audits and Reviews of Historical Financial Information, and Other Assurance and Related Services Engagements.

Opinion

7. Based on our examination of the relevant records and according to the information and explanations provided to us and the representations provided by the Management, we certify that the Company has complied with the conditions of Corporate Governance as stipulated in Regulations 17 to 27 and clauses (b) to (i) of Regulation 46(2) and para C and D of Schedule V of the SEBI Listing Regulations during the year ended March 31, 2022.
8. We state that such compliance is neither an assurance as to the future viability of the Company nor the efficiency or effectiveness with which the Management has conducted the affairs of the Company.

For R. Sundararajan & Associates
Chartered Accountants
Firm Registration No. 08282S

S. Krishnan - Partner
Membership No. 26452
UDIN : 22026452AMHKA7073

Chennai
May 29, 2022



INDEPENDENT AUDITORS' REPORT

TO THE MEMBERS OF SAMBANDAM SPINNING MILLS LIMITED Report on the Audit of the Standalone Financial Statements

Opinion

We have audited the accompanying standalone financial statements of **Sambandam Spinning Mills Limited** ("the Company"), which comprise the standalone balance sheet as at March 31, 2022, the standalone statement of profit and loss (including other comprehensive income), the standalone statement of changes in equity, the standalone statement of cash flows for the year then ended and notes to the standalone financial statements, including a summary of the significant accounting policies and other explanatory information.

In our opinion and to the best of our information and according to the explanations given to us, the aforesaid standalone 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 standards) Rules 2015, as amended ("INDAS") and other accounting principles generally accepted in India, of the state of affairs of the company as at March 31, 2022, and its profit, total comprehensive income, changes in equity and its cash flows for the year ended on that date.

Basis for Opinion

We conducted our audit of the standalone financial statements in accordance with the Standards on Auditing (SAs) specified under section 143(10) of the Companies Act, 2013. Our responsibilities under those Standards are further described in the Auditor's Responsibilities for the Audit of the standalone 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 (ICAI) together with the ethical requirements that are relevant to our audit of the financial statements under the provisions of Act, and the Rules thereunder, 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 on the standalone financial statements.

Key Audit Matters

Key audit matters are those matters that, in our professional judgment, were of most significance in our audit of the standalone financial statements of the financial year ended March 31, 2022. These matters were addressed in the context of our audit of the standalone financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters. We have determined the matters described below to be the key audit matters to be communicated in our report. We have fulfilled the responsibilities described in the Auditor's responsibilities for the audit of the standalone financial statements section out of report, including in relation to these matters. Accordingly, our audit included the performance of procedures designed to respond to our assessment of the risks of material misstatement of the standalone financial statements. The results of our audit procedures, including the procedures performed to address the matters below, provide the basis of our opinion on the accompanying standalone financial statements.

A. Revenue Recognition

Key Audit Matter Description

Reference may be made to note 2(c) of significant accounting policies and note 27 to the standalone financial statements of the Company.

Revenue recognition is inherently an area of audit risk, which we have substantially focused on mainly covering the aspects of cut off and the impact of Ind AS 115 as key audit matters.

Response to Key Audit Matter

Principal Audit Procedures

Our audit procedures relating to revenue comprised of test of controls and substantive procedures including the following:

- a. We assessed whether the policy of recognizing revenue was in line with Ind AS – 115.
- b. We performed procedures to assess the design and internal controls established by the management and tested the operating effectiveness of relevant controls related to the recognition of revenue.



- c. Selected a sample of continuing and new contracts, and tested the operating effectiveness of the internal control, relating to identification of the distinct performance obligations and determination of transaction price. We carried out a combination of procedures involving enquiry and observation, reperformance and inspection of evidence in respect of operation of these controls.
- d. We have tested, on a sample basis, whether specific revenue transactions around the reporting date has been recognised in the appropriate period by comparing the transactions selected with relevant underlying documentation, including goods delivery notes, customer acknowledgement/proof of acceptance and the terms of sales.
- e. We have also validated subsequent credit notes and sales returns up to the date of this Report to ensure the appropriateness and accuracy of the revenue recognition.
- f. We tested journal entries on a sample basis to identify any unusual or irregular items.
- g. We also considered the adequacy of the disclosures in Company's standalone financial statements in relation to Ind AS 115 and whether they meet the disclosure requirements.

Conclusion

Based on the procedures performed above, we did not find any material exceptions with regards to adoption of Ind AS 115 and timing of revenue recognition.

Other information

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

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

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

Management and Board of Directors' Responsibilities for the Standalone Financial Statements

The Company's Management and Board of Directors are responsible for the matters stated in section 134(5) of the Companies Act, 2013 ("the Act") with respect to the preparation of these standalone financial statements that give a true and fair view of the state of affairs, profit and other comprehensive income, changes in equity and cash flows of the company in accordance with the accounting principles generally accepted in India, including the Indian Accounting Standards (Ind AS) specified under section 133 of the Act. This responsibility also includes maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding of the assets of the Company and for preventing and detecting frauds and other irregularities; selection and application of appropriate accounting policies; making judgments and estimates that are reasonable and prudent; and design, implementation and maintenance of adequate internal financial controls that were operating effectively for ensuring the accuracy and completeness of the accounting records, relevant to the preparation and presentation of the standalone financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error.

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

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

Auditor's Responsibilities for the Audit of the Standalone Financial Statements

Our objectives are to obtain reasonable assurance about whether the standalone 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 standalone 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 standalone financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances. Under section 143(3)(i) of the Companies Act, 2013, we are also responsible for expressing our opinion on whether the company has adequate internal financial controls system in place and the operating effectiveness of such controls.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Company to cease to continue as a going concern.
- Evaluate the overall presentation, structure, and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

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

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

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

Report on Other Legal and Regulatory Requirements

1. 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 standalone balance sheet, the standalone statement of profit and loss including other Comprehensive income, the standalone statement of changes in equity and the statement of cash flows dealt with by this report are in agreement with the books of account.
 - (d) In our opinion, the aforesaid standalone financial statements comply with the IND AS specified under Section 133 of the Act read with the relevant rules issued thereunder.
 - (e) On the basis of the written representations received from the directors as on March 31, 2022, taken on record by the board of directors, none of the directors is disqualified as on March 31, 2022 from being appointed as a director in terms of Section 164(2) of the Act.



- (f) With respect to the adequacy of the Internal Financial Controls Over Financial Reporting of the Company and the operating effectiveness of such controls, refer to our separate report in Annexure "A". Our report expresses an unmodified opinion on the adequacy and operating effectiveness at the company's internal financial controls over financial reporting.
- (g) With respect to the other matters to be included in the Auditor's Report under section 197(16) of the Act, in our opinion and according to the information and explanations given to us, the remuneration paid by the company to its directors during the current year is in accordance with the provisions of section 197 of the Act. The remuneration paid to any 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) of the Act 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 Auditor's) Rules, 2014 as amended, in our opinion and to the best of our information and according to the explanation given to us:
- i. The Company has disclosed the impact of pending litigations on its financial position in its standalone financial statements. (Refer Note 42).
 - ii. The company did not have any long-term contracts including derivative contracts for which there were any material foreseeable losses as at March 31, 2022.
 - 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 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 persons or entities, including foreign entities ("Intermediaries"), with the understanding, whether recorded in writing or otherwise, that the Intermediary shall, 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 have been received by the Company from any persons or entities, including foreign entities ("Funding Parties"), with the understanding, whether recorded in writing or otherwise, that the Company shall, 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. During the company paid equity shares dividend of Rs.170.58 lakhs (Rs.4 per equity share of Rs.10 each) relating to the financial year 2020-21, which was declared at the Annual General Meeting held on September 25, 2021.
2. As required by the Companies (Auditor's Report) Order, 2020 ("the Order") issued by the Central Government in terms of Section 143(11) of the Act, we give in "Annexure B" a statement on the matters specified in paragraphs 3 and 4 of the Order.

Date : May 29, 2022
Place : Salem

For **R.Sundararajan & Associates**
Chartered Accountants
Firm Registration No. 08282S
S.Krishnan - Partner
Membership No. 26452
UDIN : 22026452AJVLTW7668



ANNEXURE “A” TO THE INDEPENDENT AUDITOR'S REPORT

(Referred to in paragraph 1(f) under 'Report on Other Legal and Regulatory Requirements' section of our report of even date to the members of Sambandam Spinning Mills Limited)

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

We have audited the Internal Financial Controls Over Financial Reporting of **Sambandam Spinning Mills Limited** (“the Company”) as of March 31, 2022, in conjunction with our audit of the Standalone Financial Statements of the Company for the year ended on that date.

Management's Responsibility for Internal Financial Controls

The Company's management is responsible for establishing and maintaining internal financial controls based on the internal control over financial reporting criteria established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting issued by the Institute of Chartered Accountants of India. 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 ('Act').

Auditor's Responsibility

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

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

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

Meaning of Internal Financial Controls Over Financial Reporting

A company's internal financial control over financial reporting is a process designed to provide reasonable assurance regarding the reliability of financial reporting and the preparation of Financial Statements for external purposes in accordance with generally accepted accounting principles. A company's internal financial control over financial reporting includes those policies and procedures that (i) pertain to the maintenance of records that, in reasonable detail, accurately and fairly reflect the transactions and disposition of the assets of the company; (ii) 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 (iii) 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 Standalone Financial Statements.



Inherent Limitations of Internal Financial Controls Over Financial Reporting

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

Opinion

In our opinion, to the best of our information and according to the explanations given to us, the Company has, in all material respects, an adequate internal financial controls system over financial reporting and such internal financial controls over financial reporting were operating effectively as at March 31, 2022, based on the internal control over financial reporting criteria established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting issued by the Institute of Chartered Accountants of India.

For **R.Sundararajan & Associates**
Chartered Accountants
Firm Registration No. 08282S

S.Krishnan - Partner
Membership No. 26452
UDIN : 22026452AJVLTW7668

Date : May 29, 2022
Place : Salem

ANNEXURE “B” TO THE INDEPENDENT AUDITORS' REPORT

(Referred to in paragraph 2 under 'Report on Other Legal and Regulatory Requirements' section of our report of even date to the members of Sambandam Spinning Mills Limited (“the Company”) for the year ended March 31, 2022).

1. In respect of the Company's Property, Plant and Equipment:
 - (a) (i) The company has maintained proper records showing full particulars, including quantitative details and situation of Property, Plant and Equipment and relevant details of right-of-use assets.
 - (ii) The company has maintained proper records showing full particulars of intangible assets.
 - (b) The Company has a programme of verification to cover all the items of Property, Plant and Equipment and right of use assets in a phased manner of covering all assets once every 3 years which, in our opinion, is reasonable having regard to the size of the Company and the nature of its assets. Pursuant to the programme, certain Property, Plant and Equipment were physically verified by the management during the year. According to the information and explanation given to us, no material discrepancies were noticed during the year on such verification.
 - (c) Based on our examination of the property tax receipts and lease agreement for land and building, registered sale deed provided to us, we report that, the title in respect of self-constructed buildings and title deeds of all other immovable properties disclosed in the standalone 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 its Property, Plant and Equipment (including right- of-use assets) or intangible assets during the year.
 - (e) No proceedings have been initiated during the year or are pending against the company as at March 31, 2022 for holding any benami property under the Benami Transactions (Prohibition) Act, 1988 (45 of 1988) and rules made thereunder.



2. (a) As explained to us, inventories, other than the Goods in transit, have been physically verified at periodic intervals by the management. The coverage and procedure of such verification by the management were, in our opinion, appropriate. No discrepancies (of 10% or more in value, in the aggregate for each class of inventory) were noticed on such physical verification.
- (b) The company has been sanctioned working capital limits in excess of five crore rupees, in aggregate, during the year by banks or financial institutions on the basis of security of current assets during the year and the quarterly returns or statements, filed by the company with such banks or financial institutions are in agreement with the books of account of the Company.
3. The Company has made investments in, companies, firms, Limited Liability Partnerships or any other parties and has not provided any guarantee or security, or not granted any loans or advances in the nature of loans, secured or unsecured to companies, firms, Limited Liability Partnerships or any other parties, during the year, in respect of which:
 - (a) The company has not provided any loans or advances in the nature of loans or stood guarantee, or provided security to any other entity during the year, and hence reporting under clause 3(iii)(a) to 3(iii)(f) of the Order is not applicable.
 - (b) In our opinion, the investments made are, prima facie, not prejudicial to the Company's interest.
The company has not provided any guarantee or security or granted any advances in the nature of loans, secured or unsecured, to companies, firms, Limited Liability Partnerships or any other parties.
4. According to information and explanation given to us, the Company has not granted any loans, secured or unsecured, furnished guarantees or provided security to any party covered by provisions of sections 185 and 186 of the Companies Act, 2013. Hence reporting on whether there is a compliance with the said provisions does not arise. In respect of investments made, the company has complied with the provisions of section 185 and 186 of the Companies Act, 2013.
5. According to information and explanations given to us, the Company has accepted any deposits or amounts which are deemed to be deposits from public. However, the company has accepted deposits from shareholders during the year and there are no unclaimed deposits as at March 31, 2022. The company has complied with the directives issued by the Reserve Bank of India and the provisions of section 73 to 76 or any other relevant provisions of the Companies Act, 2013 and the Companies (Acceptance of Deposits) Rules 2014.
6. As per the information and explanation given to us, the maintenance of the cost records has been specified by the Central Government under Section 148(1) of the Act. We have broadly reviewed the cost records maintained by the company pursuant to the Companies (Cost Records and Audit) Rules, 2014 as amended and prescribed by the Central Government under Section 148(1) of the Act and we are of opinion that prima facie, the prescribed accounts and records have been made and maintained. We have however not made a detailed examination of Cost records with a view to determine whether they are accurate and complete.
7. According to the information and explanations given to us and the books of account examined by us, in respect of statutory dues:
 - (i) the company is generally regular in depositing amounts of undisputed statutory dues including Goods and Services Tax, Provident Fund, Employees' State Insurance, Income-tax, Sales-tax, Service tax, Goods and Service tax, duty of customs, duty of excise, value added tax, Cess, and other material statutory dues as applicable to the appropriate authorities during the year. There were no material undisputed amounts payable in respect of the aforesaid statutory dues outstanding as at March 31, 2022, for a period of more than six months from the date they became payable.
 - (ii) there are no statutory dues referred to in above sub-clause, which have not been deposited on account of any dispute with the relevant authorities, except dues of corporation tax, state levies and employees state insurance that have not been deposited on account of disputes as detailed hereunder:



Name of the Statute	Nature of Dues	Net Amount (In Rs. Lakhs) of Disputed dues	Period to which the Amount relates	Forum where dispute is pending
Corporation Property Tax Act	Property tax	36.10	1998 - 2021	Madras High Court
Corporation Property Tax Act	Infrastructure and development charges	66.75	2012 - 2013	Madras High Court
Employees State Insurance Act	ESI	25.08	2003 - 2004 to 2004 - 2005	Salem Labour Court
TN VAT	ITC input	12.92	2015 - 2016	TN VAT Appeal

8. As per the information and explanation given to us, there were no transactions previously not recorded in the books of account that have been surrendered or disclosed as income during the year in the tax assessments under the Income Tax Act, 1961.
9. (a) In our opinion and according to information and explanation given to us, the Company has not defaulted in repayment of dues to any financial Institution or bank. The Company does not have any borrowings from Government or by way of Debentures.
- (b) As per the information and explanation given to us, the company has not been declared willful defaulter by any bank or financial institution or other lender.
- (c) As per the information and explanation given to us, the monies raised by way of term loans have been applied for the purposes for which they were obtained.
- (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) On an overall examination of the standalone financial statements of the company, the company has not taken any loans from any entity or person on account of or to meet the obligations of its associates. The company does not have any subsidiaries and joint venture companies.
- (f) On an overall examination of the standalone financial statements of the company, the company has not raised any loans during the year on the pledge of securities held in subsidiaries, joint venture or associate companies.
10. (a) As per the information and explanation given to us, the Company has not raised any monies by way of initial public offer or further public offer (including debt instruments) during the year and hence reporting under the provisions of Clause 3(x)(a) of the Order does not arise.
- (b) During the year, the Company has not made any preferential allotment or private placement of shares (covered by section 42 and section 62 (1)c of the Companies Act, 2013) or fully or partly convertible debentures and hence reporting under clause 3(x)(b) of the Order is not applicable.
11. (a) No fraud by the company and no material fraud on the company has been noticed or reported during the year.
- (b) No report under sub-section (12) of section 143 of the Companies Act has been filed in Form ADT-4 as prescribed under rule 13 of Companies (Audit and Auditors) Rules, 2014 with the Central Government, during the year and up to the date of this report.
- (c) As per the information and explanation given to us, there are no whistle-blower complaints received during the year by the company up to the date of this report.



12. The Company is not a Nidhi Company and accordingly the provisions of Clause 3(xii) of the Order is not applicable to the Company.
13. In our opinion and according to the information and explanations given to us all transactions with related parties are in compliance with sections 177 and 188 of the Companies Act, 2013, where applicable. The details of the transactions during the year have been disclosed in the Standalone Financial Statements as required by the applicable Accounting Standards.
14. (a) In our opinion, the Company has an internal audit system commensurate with the size and nature of its business.
(b) We have considered the internal audit reports for the year under audit, issued to the Company during the year, in determining the nature, timing and extent of our audit procedures.
15. In our opinion, the Company has not entered into any non-cash transactions during the year, with its Directors or persons connected with its directors. and hence provisions of section 192 of the Companies Act, 2013 are not applicable to the Company.
16. The Company is not required to be registered under section 45 - IA of the Reserve Bank of India Act, 1934 and it is not a Core Investment Company. Accordingly, the provisions of Clause 3(xvi) (a), (b) and (c) of the Order is not applicable to the Company.
17. The company has not incurred cash losses during the financial year covered by our audit and the immediately preceding financial year.
18. There has been no resignation of the statutory auditors of the Company during the year. Accordingly, the provisions of Clause 3(xviii) of the Order are not applicable to the Company.
19. According to the information and explanations given to us and on the basis of (i) the financial ratios, (ii) ageing and expected dates of realization of financial assets and payment of financial liabilities, (iii) other information accompanying the financial statements, (iv) our knowledge of the Board of Directors and management plans and (v) 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 the 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.
20. There are no unspent amounts towards Corporate Social Responsibility (CSR) in compliance the provisions of section 135 and accordingly reporting under clause 3(xx)(a) of the Order is not applicable to the Company.
21. According to the information and explanations given to us, there are no qualification or adverse remarks in the auditor's report of the associates. The Company does not have any subsidiaries or joint ventures.

For **R.Sundararajan & Associates**
Chartered Accountants
Firm Registration No. 08282S

S.Krishnan - Partner
Membership No. 26452
UDIN : 22026452AJVLTW7668

Date : May 29, 2022
Place : Salem



Standalone Balance Sheet as at March 31, 2022

Particulars	Note No.	31.03.2022 Rs. in Lakhs	31.03.2021 Rs. in Lakhs
ASSETS			
Non current assets			
Property, plant and equipment	1	13,758.06	10,402.04
Capital work in progress		105.65	28.61
Right-of-use assets	2	541.40	675.55
Intangible assets	3	0.04	0.04
Financial assets			
Investments	4	175.25	175.33
Other financial asset	5	355.04	280.84
Other non-current assets	6	570.74	287.54
Total non-current assets		15,506.18	11,849.95
Current assets			
Inventories	7	10,302.26	9,710.50
Financial assets			
Trade receivables	8	3,692.06	3,939.10
Cash and cash equivalents	9a	343.61	9.92
Other Bank balances	9b	462.71	87.10
Other financial assets	10	309.70	583.95
Current tax assets (net)	11	-	-
Other current assets	12	1,399.49	790.28
Total current assets		16,509.83	15,120.85
Total assets		32,016.01	26,970.80
EQUITY AND LIABILITIES			
Equity			
Equity share capital	13	427.55	427.55
Other equity	14	11,098.76	9,677.30
Total equity		11,526.31	10,104.85
Non-current liabilities			
Financial liabilities			
Borrowings	15	6,519.69	2,782.29
Lease liabilities	16	473.92	584.51
Other non current liabilities	17	5.23	32.13
Long term Provisions	18	453.98	319.19
Deferred tax liabilities (Net)	19	1,167.00	928.20
Other non current liabilities	20	11.35	11.35
Total non-current liabilities		8,631.17	4,657.67
Current liabilities			
Financial liabilities			
Borrowings	21	6,324.03	6,481.06
Lease liabilities	22	110.59	109.10
Trade payables			
(a) total outstanding dues of micro and small enterprises	23	384.63	536.61
(b) total outstanding dues other than micro and small enterprises	23	4,029.29	3,967.65
Provisions	24	14.57	9.97
Other financial liabilities	25	717.22	879.64
Current tax liabilities (net)	11	15.40	46.23
Other current liabilities	26	262.80	178.02
Total current liabilities		11,858.53	12,208.28
Total equity and liabilities		32,016.01	26,970.80

Significant Accounting Policies and Notes to accounts form an integral part of the Standalone Ind AS Financial Statements

As per our report of even date

For **R. Sundararajan & Associates**Chartered Accountants
Firm Registration no.08282S**S. Krishnan** - Partner

Membership No.26452

Salem

May 29, 2022

For and on behalf of the board

S. Devarajan

Chairman and Managing Director

DIN : 00001910

S. Natarajan

Company Secretary

S. Dinakaran

Joint Managing Director

DIN : 00001932

P. Boopalan

Chief Financial Officer


Standalone Statement of Profit and Loss for the year ended March 31, 2022

Particulars	Note No.	31.03.2022 Rs. in Lakhs	31.03.2021 Rs. in Lakhs
Income			
Revenue from operations	27	35,493.93	23,106.91
Other income	28	42.89	32.11
Total income		<u>35,536.82</u>	<u>23,139.02</u>
Expenses			
Cost of materials consumed	29	23,863.66	13,163.10
Changes in inventories of finished goods and work-in- progress	30	(2,768.82)	(69.94)
Employee benefits expense	31	4,051.03	2,950.92
Finance cost	32	1,204.78	1,029.62
Depreciation and amortization expense	33,1,2,3	1,334.17	1,242.68
Other expenses	34	5,702.91	3,781.32
Total Expenses		<u>33,387.73</u>	<u>22,097.70</u>
Profit before tax		2,149.09	1,041.32
Tax expense :			
Current tax - current year		512.36	386.28
Deferred tax		185.00	(152.00)
Income tax expense		<u>697.36</u>	<u>234.28</u>
Profit for the period from continuing operations		<u>1,451.73</u>	<u>807.04</u>
Other comprehensive income			
Other comprehensive income not to be reclassified to profit and loss			
Re-measurement gains/(losses) on defined employee benefit plans		197.95	(98.11)
Income tax relating to above		57.64	(27.28)
Other comprehensive income (net of tax)		<u>140.31</u>	<u>(70.83)</u>
Total comprehensive income for the year		<u>1,592.04</u>	<u>736.21</u>
Earning per share (Face value Rs.10 per share)			
'-Basic and diluted (Rs.) Refer note no. 37		34.04	18.92

Significant Accounting Policies and Notes to accounts form an integral part of the Standalone Ind AS Financial Statements

As per our report of even date

For **R. Sundararajan & Associates**

Chartered Accountants

Firm Registration No.08282S

S. Krishnan - Partner

Membership No. 26452

Salem

May 29, 2022

For and on behalf of the board

S. Devarajan

Chairman and Managing Director

DIN : 00001910

S. Natarajan

Company Secretary

S. Dinakaran

Joint Managing Director

DIN : 00001932

P. Boopalan

Chief Financial Officer


Standalone Statement of Cash Flow for the year ended March 31, 2022

Particulars	31.03.2022 Rs. in Lakhs	31.03.2021 Rs. in Lakhs
Cash Flows from Operating Activities		
Profit Before Tax	2,149.09	1,041.32
Adjustments for :		
Depreciation and amortisation expense	1,334.17	1,242.68
Finance cost	1,204.78	1,029.62
Interest Income	(19.05)	(14.05)
Unrealised Exchange Fluctuation	(23.03)	(11.36)
Dividend income	(0.75)	-
Lease payment	(180.00)	(150.00)
(Net gain) or loss arising on financial asset mandatorily measured at FVTPL	0.08	(0.34)
Loss / (Profit) on sale of property, plant and equipments	(8.37)	1.45
Operating profit before working capital changes	4,456.92	3,139.32
Adjustments for changes in :		
Inventories	(591.75)	(4,210.44)
Trade receivables	247.04	(80.50)
Non current and current financial assets	(175.56)	145.95
Other non-current and current assets	(892.43)	(144.86)
Trade payables	(90.34)	1,088.47
Non current and current financial liabilities	(369.65)	87.91
Other non-current and current liabilities	84.77	78.44
Other non-current and current provisions	139.39	21.61
Cash Generated from Operations	2,808.39	125.90
Income Tax paid	(600.83)	(160.72)
Net Cash Flow from Operating Activities (A)	2,207.56	(34.82)
Cash Flows from Investing Activities		
Payments for acquisition of property, plant and equipment	(4,556.04)	(172.10)
Movement in capital work in progress	(77.04)	(25.98)
Movement in Right of use of assets	-	-
Proceeds from sale of property, plant and equipment	8.37	50.42
Interest received	19.05	14.05
Dividend received	0.75	-
Sale/(Purchase) of Long term investments	-	-
Net cash flow from investing activities (B)	(4,604.91)	(133.61)
Cash Flows from Financing Activities		
Finance cost	(1,133.88)	(965.57)
Dividends Paid	170.58	-
Refund of Inter corporate deposit	-	-
Proceeds from working capital borrowings	(157.03)	104.63
Proceeds from non current borrowings	5,164.21	2,717.72
Repayments of non current borrowings	(1,312.84)	(1,687.77)
Net Cash Flow from Financing Activities (C)	2,731.04	169.01
Net increase/(decrease) in cash and cash equivalents (A+B+C)	333.69	0.58
Opening Cash and Cash equivalents at the beginning of the financial year (D)	9.92	9.34
Closing Cash and Cash equivalents at the end of the financial year (E)	343.61	9.92
Net increase/(decrease) in cash and cash equivalents (E-D)	333.69	0.58

Significant Accounting Policies and Notes to accounts form an integral part of the Standalone Ind AS Financial Statements

As per our report of even date

For **R. Sundararajan & Associates**

Chartered Accountants

Firm Registration No.08282S

S. Krishnan - Partner

Membership No. 26452

Salem

May 29, 2022

For and on behalf of the board

S. Devarajan

Chairman and Managing Director

DIN : 00001910

S. Dinakaran

Joint Managing Director

DIN : 00001932

S. Natarajan

Company Secretary

P. Boopalan

Chief Financial Officer


Standalone Statement of Changes in Equity for the year ended March 31, 2022
A. Equity share Capital

(Rs. in Lakhs)

	Balance at the End of March 31, 2021	Changes in equity share capital during the year	Balance as on March 31, 2022
Equity share capital	427.55	–	427.55

B. Other Equity

(Rs. in Lakhs)

Particulars	Reserves & Surplus			Total
	Securities Premium	General Reserve	Retained Earnings	
Balance at the beginning of April 1, 2020	539.09	4,464.67	3,937.33	8,941.09
Changes in accounting policy or prior period errors				
Profit for the year	–	–	807.04	807.04
Other Comprehensive income	–	–	(70.83)	(70.83)
Total Comprehensive income for the year	–	–	736.21	736.21
Dividend including tax thereon	–	–	–	–
Balance at the end of March 31, 2021	539.09	4,464.67	4,673.54	9,677.30
Changes in accounting policy or prior period errors				
Profit for the year	–	–	1,451.73	1,451.73
Other Comprehensive income	–	–	140.31	140.31
Total Comprehensive income for the year	–	–	1,592.04	1,592.04
Dividend including tax thereon	–	–	170.58	170.58
Balance at the end of March 31, 2022	539.09	4,464.67	6,095.00	11,098.76

Other comprehensive income includes Actuarial Gain/(Loss) on remeasurement of defined benefit plans.

Notes : (a) Dividends declared/paid during the year and amounts transferred to Retained Earnings Rs.170.58 lakhs (2020-21 Rs.Nil).

(b) Share application money pending allotment, Equity component of Compound financial instruments, Capital Reserves, Debt/Equity instruments through OCI, effective portion of cash flow hedges, etc Rs.Nil (2020-21 Rs.Nil)

Significant Accounting Policies and Notes to accounts form an integral part of the Standalone Ind AS Financial Statements

As per our report of even date

For **R. Sundararajan & Associates**

Chartered Accountants

Firm Registration No.08282S

S. Krishnan - Partner

Membership No. 26452

Salem

May 29, 2022

For and on behalf of the board

S. Devarajan

Chairman and Managing Director

DIN : 00001910

S. Natarajan

Company Secretary

S. Dinakaran

Joint Managing Director

DIN : 00001932

P. Boopalan

Chief Financial Officer



Notes to the Standalone Ind AS Financial Statements for the year ended March 31, 2022
1. NON-CURRENT ASSETS - PROPERTY, PLANT AND EQUIPMENT (PPE) (Rs. in Lakhs)

2021 - 2022	Gross Carrying Amount (Cost/deemed cost)				Depreciation / amortisation			Net Carrying Amount	
	01.04.2021	Additions	Deletions	31.03.2022	Upto 31.03.2021	Charge for the year	Disposal		Upto 31.03.2022
Freehold land	2,212.16	31.96	-	2,244.12	-	-	-	-	2,244.12
Buildings	3,259.65	37.75	-	3,297.40	672.39	133.07	-	805.46	2,491.94
Plant and Equipment	7,836.89	447.97	1.94	8,282.92	3,001.16	814.78	1.94	3,814.00	4,468.92
Solar Equipment	-	4,024.92	-	4,024.92	-	21.24	-	21.24	4,003.67
Wind Energy Converters	1,742.32	-	-	1,742.32	1,190.92	183.15	-	1,374.07	368.25
Furniture and Fixtures	6.09	1.41	-	7.50	4.95	0.23	-	5.18	2.32
Vehicles	355.87	5.91	-	361.78	184.02	38.72	-	222.74	139.04
Office equipment	65.31	6.12	-	71.43	22.81	8.83	-	31.64	39.79
Total	15,478.29	4,556.04	1.94	20,032.39	5,076.25	1,200.02	1.94	6,274.33	13,758.06

Description	01.04.2021	Additions	Capitalisation	31.03.2022
Capital work in progress	28.61	105.65	28.61	105.65

Description	31.03.2022			
	Less than 1 year	1-2 years	2-3 years	More than 3 years
Projects in progress	105.65	-	-	-
Projects temporarily suspended	-	-	-	-
				Total
				105.65



(Rs. in Lakhs)											
2020 - 2021	Gross Carrying Amount (Cost/deemed cost)					Depreciation / amortisation				Net Carrying Amount	
	Description	01.04.2020	Additions	Deletions	31.03.2021	Upto 31.03.2020	Charge for the year	Disposal	Upto 31.03.2021	31.03.2021	
	Freehold land	2,212.16	-	-	2,212.16	-	-	-	-	2,212.16	
	Buildings	3,252.63	7.02	-	3,259.65	540.49	131.90	-	672.39	2,587.26	
	Plant and Equipment	7,757.43	122.64	43.18	7,836.89	2,226.82	776.28	1.94	3,001.16	4,835.73	
	Wind Energy Converters	1,742.32	-	-	1,742.32	1,007.58	183.34	-	1,190.92	551.40	
	Furniture and Fixtures	6.09	-	-	6.09	4.74	0.21	-	4.95	1.14	
	Vehicles	320.03	41.16	5.32	355.87	150.76	37.91	4.65	184.02	171.85	
	Office equipment	64.03	1.28	-	65.31	15.83	6.98	-	22.81	42.50	
	Total	15,354.69	172.10	48.50	15,478.29	3,946.22	1,136.62	6.59	5,076.25	10,402.04	

Description	31.03.2021			
	01.04.2020	Additions	Capitalisation	31.03.2021
Capital work in progress	2.63	28.61	2.63	28.61

Description	31.03.2021			
	Less than 1 year	1-2 years	2-3 years	More than 3 years
Projects in progress	-	-	-	-
Projects temporarily suspended	-	-	-	-
				Total

Note :

1. Impairment loss recognized/reversed during the year Rs.Nil (2020-21 Rs.Nil)
2. Amount of contractual commitments for acquisition of property, plant and equipment - Refer Note No. 43
3. For details of asset given as security against borrowings - Refer Note No. 41
4. There are no overdue/overrun projects in CWIP
5. There is no proceedings have been initiated during the year or are pending against the company as at March 31, 2022 for holding any benami property under the Benami Transactions (Prohibition) Act, 1988 (as amended in 2016) and rules made thereunder.
6. Capital work-in-progress (CWIP) whose completion is overdue or has exceeded its cost compared to its original plan Rs.Nil (2020-21 Rs.Nil)
7. CWIP is to be completed in less than 1 year.



Notes to the Standalone Ind AS Financial Statements for the year ended March 31, 2022

2. Right of use of Assets

		Gross Carrying Amount (Cost/deemed cost)				Amortisation			Net Carrying Amount
		01.04.2021	Additions	Deletions	31.03.2022	Upto 31.03.2021	Charge for the year	Disposal	Upto 31.03.2022
2021 - 2022									
Description									
Lease hold Land and buildings		787.34	-	-	787.34	111.79	134.15	-	245.94
Total		787.34	-	-	787.34	111.79	134.15	-	245.94
		(Rs. in Lakhs)							
2020 - 2021									
Description									
Lease hold Land and buildings		799.58	-	12.24	787.34	5.73	106.06	-	111.79
Total		799.58	-	12.24	787.34	5.73	106.06	-	111.79
		(Rs. in Lakhs)							

Note : 1. Lease hold land and buildings is pursuant to application of Ind As 116. Refer Note No. 2. Lease agreements are duly executed in favour of the company.

3. Intangible assets

		Gross Carrying Amount (Cost/deemed cost)				Amortisation			Net Carrying Amount
		01.04.2021	Additions	Deletions	31.03.2022	Upto 31.03.2021	Charge for the year	Disposal	Upto 31.03.2022
2021 - 2022									
Description									
Computer Software - acquired		0.48	-	-	0.48	0.44	-	-	0.44
Total		0.48	-	-	0.48	0.44	-	-	0.44
		(Rs. in Lakhs)							
2020 - 2021									
Description									
Computer Software - acquired		0.48	-	-	0.48	0.44	-	-	0.44
Total		0.48	-	-	0.48	0.44	-	-	0.44
		(Rs. in Lakhs)							

Note : 1. Impairment loss recognized/reversed during the year Rs.Nil (2020-21 Rs.Nil)



Notes annexed to and forming part of the Standalone Ind AS Financial Statements

Particulars	31.03.2022 Rs. in Lakhs	31.03.2021 Rs. in Lakhs
4. Non current financial asset - Investments		
Unquoted		
Investments in Equity instruments		
Associates		
19,90,000 (2021 : 19,90,000) Equity shares of Rs.10 each in SPMM Health Care Services Private Limited	153.71	153.71
7,04,060 (2021 : 7,04,060) Equity shares of Rs.10 each in Salem IVF Centre Private Limited	70.41	70.41
Others		
1,463 (2021 : 1,463) Equity shares of Rs.10 each in Karnataka Bank Limited #	0.81	0.89
1,07,500 (2021 : 1,07,500) Equity shares of Rs.10 each in Sambandam Dairy Farm Private Limited (Previously known as Sambandam Investment and Leasing Limited)	20.73	20.73
	<u>245.66</u>	<u>245.74</u>
Less : Provision for diminution in value towards Salem IVF Centre Private Limited	70.41	70.41
	<u>175.25</u>	<u>175.33</u>
a. # represents quoted investments		
Aggregate value of quoted investments (at fair value)	0.81	0.89
Aggregate market value of quoted investments	0.81	0.89
Aggregate value of unquoted investments	244.85	244.83
Aggregate value of impairment in value of investments	70.41	70.41
b. Investments are fully paid-up unless otherwise stated		
5. Non current - Other financial asset		
Unsecured and considered good		
Security deposits with maturity of more than 12 months with related parties	3.00	3.00
with others	352.04	276.65
Bank deposits with original maturity of greater than 12 months		
Employee advances	-	1.19
	<u>355.04</u>	<u>280.84</u>
6. Other non current assets		
Unsecured, considered good		
Capital advances	337.75	54.55
Balances with TNEB authorities, Sales tax (paid under protest)	232.99	232.99
	<u>570.74</u>	<u>287.54</u>
7. Inventories		
Raw materials	4,563.76	6,738.05
Work-in-progress	2,000.91	1,826.38
Finished goods - Yarn	3,676.81	1,082.52
Stores and spares	60.78	63.55
	<u>10,302.26</u>	<u>9,710.50</u>
Note :		
1. Goods in transit included above are as follows		
Raw materials	-	-
2. Cost of materials consumed during the year, Refer Note No. 29		
3. Provision for obsolete/slow moving stock - Rs. Nil (2020-21 Rs. Nil)		
8. Trade receivables		
Unsecured, considered good		
Trade receivables		
- Related Parties (Refer Note 39)	1.11	1.07
- Others	3,690.95	3,938.03
	<u>3,692.06</u>	<u>3,939.10</u>


Notes annexed to and forming part of the Standalone Ind AS Financial Statements

Particulars	31.03.2022 Rs. in Lakhs	31.03.2021 Rs. in Lakhs
-------------	----------------------------	----------------------------

Trade receivables - Ageings

Particulars	Out standing as at March 31, 2022 for the following periods from due date of payment						Total
	Not due	Less than 6 months	6 months - 1 year	1 year - 2 year	2 year - 3 year	More than 3 year	
a) Undisputed Trade receivables - considered good-Related Parties	1.11	-	-	-	-	-	1.11
b) Undisputed Trade receivables - considered good-Others	1,702.29	1,881.99	4.89	101.78	-	-	3,690.95
Total	1,703.40	1,881.99	4.89	101.78	-	-	3,692.06

Particulars	Out standing as at March 31, 2021 for the following periods from due date of payment						Total
	Not due	Less than 6 months	6 months - 1 year	1 year - 2 year	2 year - 3 year	More than 3 year	
a) Undisputed Trade receivables - considered good-Related Parties	1.07	-	-	-	-	-	1.07
b) Undisputed Trade receivables - considered good-Others	1,905.45	1,805.24	38.62	188.72	-	-	3,938.03
Total	1,906.52	1,805.24	38.62	188.72	-	-	3,939.10

9a. Cash and cash equivalents

Balances with banks in current accounts	342.39	5.24
Cash on hand	1.22	4.68
	<u>343.61</u>	<u>9.92</u>

9b. Bank balances other than above

Earmarked balances with banks		
Unclaimed dividend accounts	9.83	9.16
Liquid assets deposits #	50.00	50.00
Deposits with Banks held as margin money #	402.88	27.94
	<u>462.71</u>	<u>87.10</u>

represents deposits with original maturity of more than 3 months and less than 12 months

10. Current Financial Assets - Others

Unsecured considered good, unless otherwise stated		
Amount recoverable from employee (Refer Note 45)		
Considered good	250.00	250.00
Considered doubtful	1,059.26	1,059.26
	<u>1,309.26</u>	<u>1,309.26</u>
Less : Provision for doubtful amount considered recoverable	1,059.26	1,059.26
	<u>250.00</u>	250.00
Interest accrued on deposits	14.75	2.24
Interest subsidy receivable	-	289.76
Export incentive receivable	-	1.03
Employee advances	17.53	10.19
Rent receivable - from related party	4.05	5.17
- from others	1.25	0.97
Other receivable	22.12	24.59
	<u>309.70</u>	<u>583.95</u>



Notes annexed to and forming part of the Standalone Ind AS Financial Statements

Particulars	31.03.2022 Rs. in Lakhs	31.03.2021 Rs. in Lakhs
11. Non current - Advance tax assets (net)		
Opening balance	(46.23)	25.04
Add : Taxes paid (net of refunds)	600.83	160.73
Less : Current tax expense for the year	570.00	232.00
Less : Tax relating to prior years	-	-
(Income tax payable) / advance tax paid (net of provisions)	<u>(15.40)</u>	<u>(46.23)</u>
12. Other current assets		
Unsecured considered good		
Prepaid expenses	119.75	121.65
Supplier advances	188.17	157.60
Balance with government authorities-GST input credit	1,091.57	511.03
Accrued income on windmills	-	-
	<u>1,399.49</u>	<u>790.28</u>
13. Equity		
Authorised share capital		
50,00,000 equity shares (March 31, 2021 50,00,000) of Rs. 10 each with voting rights	<u>500.00</u>	<u>500.00</u>
Issued share capital		
42,86,400 equity shares (March 31, 2021 42,86,400) of Rs. 10 each with voting rights	<u>428.64</u>	<u>428.64</u>
Subscribed and paid up share capital		
42,64,600 equity shares (March 31, 2021 42,64,600) of Rs. 10 each with voting rights	426.46	426.46
Add Forfeited shares (amount originally paid in respect of 21,800 equity shares)	<u>1.09</u>	<u>1.09</u>
	<u>427.55</u>	<u>427.55</u>

Notes :**1. Reconciliation of the shares outstanding at the beginning and at the end of the reporting period**

Outstanding at the beginning and end of the year	4,264,600	4,264,600
--------------------------------------------------	-----------	-----------

2. Terms/rights and restrictions in respect of equity shares

The company has one class of equity shares having a par value of Rs.10 each. Each holder of equity shares is entitled to one vote per share. In the event of liquidation of the Company, holders of equity shares will be entitled to receive remaining assets of the Company after distribution of all preferential amount. The distribution will be in proportion to number of equity shares held by the shareholders.



Notes annexed to and forming part of the Standalone Ind AS Financial Statements

Particulars	31.03.2022 Rs. in Lakhs	31.03.2021 Rs. in Lakhs
3. Shareholding of Promoter and Promoter Group		
Name of the shareholder	No. of shares	
	2022	2021
	%	%
Equity shares with voting rights		
S. Devarajan	5,25,419	12.32
S. Jegarajan	4,88,576	11.46
S. Dinakaran	4,19,044	9.83
R. Natarajan	1,92,390	4.51
D. Saradhamani	1,01,180	2.37
D. Sudharsan	88,760	2.08
D. Senthilnathan	81,180	1.90
N. Porkodi	61,880	1.45
D. Rathipriya	41,580	0.97
V. Valarnila	37,160	0.87
D. Manjula	30,540	0.71
Ramya Jegarajan	26,540	0.62
J. Parameswari	22,575	0.53
J. Sakthivel	14,700	0.35
N. Usha	14,250	0.33
S. Sivakumar	6,923	0.16
D. Niranjankumar	5,800	0.14
D. Minusakthipriya	4,000	0.09
D. Anupama	3,220	0.07
R. Selvarajan	101	0.00
A. Sarayu	186	0.00
4. Shareholders holding more than 5% of the total share capital:		
Name of the shareholder	No. of shares	
	2022	2021
	%	%
Equity shares with voting rights		
S. Devarajan	5,25,419	12.32
S. Jegarajan	4,88,576	11.46
S. Dinakaran	4,19,044	9.83
5. Share issue in preceeding five years		
Aggregate number and class of shares allotted for consideration other than cash, bonus, etc. in the five years immediately preceeding the Balance Sheet date as on March 31, 2022 is Rs. Nil (2021 : Nil).		
14. Other equity		
Securities premium - Note A	539.09	539.09
General reserve - Note B	4,464.67	4,464.67
Retained earnings - Note C	6,095.00	4,673.54
	<u>11,098.76</u>	<u>9,677.30</u>

Refer Statement of Changes in Equity for additions/ deletions in each reserve.

Notes :

- A. Securities premium reserve represents premium received on equity shares issued, which can be utilised only in accordance with the provisions of the Companies Act, 2013 (the Act) for specified purposes.
- B. General reserve is created from time to time by transferring profits from retained earnings and can be utilised for purposes such as dividend payout, Bonus issue, etc.
- C. Retained earnings includes revaluation reserve of Rs 27,07,94,401 which was transferred to Retained earnings on the transition date, may not be available for distribution.



Notes annexed to and forming part of the Standalone Ind AS Financial Statements

Particulars	31.03.2022 Rs. in Lakhs	31.03.2021 Rs. in Lakhs	
15. Non current - Financial liabilities - Borrowings			
Secured Borrowings			
Term loan from banks	4,750.98	2,404.94	
Buyers Credit facility in foreign currency	1,232.89	-	
Unsecured Borrowings			
Fixed deposits from directors and shareholders	535.82	377.35	
	<u>6,519.69</u>	<u>2,782.29</u>	
Note :			
1. Refer note 21 for current maturities of non current borrowings			
2. Refer note 40 for security and terms of borrowings			
3. Refer note 39 for deposits from related parties			
4. The Company has applied the monies raised by way of term loans for the purposes for which they were obtained			
5. The Company has not been utilised the funds raised on short term basis for long term purposes			
16. Non current Financial liabilities - Lease liabilities			
Lease liability on account of land and building lease from related party	473.92	584.51	
	<u>473.92</u>	<u>584.51</u>	
Note :			
1. Refer note 22 for current maturities of lease liability			
2. Refer note 41 for disclosure under Ind AS 116			
3. Refer note 39 for lease liabilities from related parties			
17. Non current Financial liabilities - others			
Security deposits			
from related parties	4.50	4.50	
from others	0.73	27.63	
	<u>5.23</u>	<u>32.13</u>	
18. Non current liabilities - Provisions			
Provision for employee benefits			
Compensated absences	453.98	319.19	
	<u>453.98</u>	<u>319.19</u>	
Movement in provision for compensated absences is as follows : (refer 18 & 24)	Opening	Additions (net of utilisation)	Closing
31.03.2022	329.16	139.39	468.55
31.03.2021	307.55	21.61	329.16
19. Deferred tax liability (net)			
Deferred tax liability	1,290.89	1,068.55	
Deferred tax assets	123.89	86.55	
	<u>1,167.00</u>	<u>982.00</u>	
Unused tax credits (MAT credit entitlement)	-	53.80	
Net deferred tax liability	<u>1,167.00</u>	<u>928.20</u>	
Note : Refer Note. 35 for details of deferred tax liability and asset			
20. Other non current liabilities			
Deferred government grant(EPCG)	11.35	11.35	
	<u>11.35</u>	<u>11.35</u>	
21. Current financial liabilities - borrowings			
Secured borrowings - from banks			
Cash credit facilities	4,851.14	5,275.80	
Current maturities of long term borrowings	1,472.89	1,205.26	
	<u>6,324.03</u>	<u>6,481.06</u>	
Note :			
1. Refer note 40 for security and terms of borrowings			
2. The quarterly returns/statement of current assets filed by the company with banks are in agreement with the books of account			



Notes annexed to and forming part of the Standalone Ind AS Financial Statements

Particulars	31.03.2022 Rs. in Lakhs	31.03.2021 Rs. in Lakhs
22. Current financial liabilities - Lease liabilities		
Lease liability on account of land and building lease from related party	110.59	109.10
	<u>110.59</u>	<u>109.10</u>
Note :		
1. Refer Note. 41 for disclosure under Ind AS 116		
23. Current financial liabilities - trade payables		
Trade payables		
(a) total outstanding dues of micro and small enterprises (Refer Note No. 44)	384.63	536.61
(b) total outstanding dues of trade payables other than micro and small enterprises	4,029.29	3,967.65
	<u>4,413.92</u>	<u>4,504.26</u>

Trade payables - Ageings

Particulars	Out standing as at March 31, 2022 for the following periods from due date of payment					
	Not due	Less than 1 year	1 - 2 years	2 - 3 years	More than 3 years	Total
a) MSME	382.38	2.25	-	-	-	384.63
b) Others	2,733.52	1,295.77	-	-	-	4,029.29
c) Disputed dues - Others	-	-	-	-	-	-
Total	3,115.90	1,298.02	-	-	-	4,413.92

Particulars	Out standing as at March 31, 2021 for the following periods from due date of payment					
	Not due	Less than 1 year	1 - 2 years	2 - 3 years	More than 3 years	Total
a) MSME	536.61	-	-	-	-	536.61
b) Others	2,272.42	1,692.15	0.30	0.42	0.36	3,967.65
c) Disputed dues - Others	-	-	-	-	-	-
Total	2,809.03	1,692.15	0.30	0.42	0.36	4,504.26

24. Current provisions

Provision for employee benefits - Compensated absences	14.57	9.97
	<u>14.57</u>	<u>9.97</u>

25. Other Current financial liabilities

Interest accrued and not due on borrowings	6.80	0.89
Interest accrued and due on borrowings	8.34	10.14
Unclaimed Dividends	9.83	9.16
Contribution to Gratuity Fund	108.05	394.74
Employee payables	584.20	464.71
	<u>717.22</u>	<u>879.64</u>

26. Other Current liabilities

Advance from customers	211.62	143.98
Statutory liabilities	51.18	34.04
	<u>262.80</u>	<u>178.02</u>



Notes annexed to and forming part of the Standalone Ind AS Financial Statements

Particulars	31.03.2022 Rs. in Lakhs	31.03.2021 Rs. in Lakhs
27. Revenue from operations		
Sale of products		
Yarn	34,296.10	22,337.52
Fabric sales	87.41	41.39
Process waste	971.67	605.08
	<u>35,355.18</u>	<u>22,983.99</u>
Revenue from services		
Yarn testing charges	-	-
Yarn conversion charges	-	8.85
	<u>-</u>	<u>8.85</u>
Other operating revenues		
Power generated by wind energy converters (net of captive consumption)	117.07	106.21
Scrap sales	5.25	4.78
Export incentives	16.43	3.08
	<u>138.75</u>	<u>114.07</u>
Total revenue from operations	<u>35,493.93</u>	<u>23,106.91</u>
28. Other income		
Interest income from		
Loans	-	-
Others	19.05	14.05
Dividend income from Non-current investments	0.75	-
Other non-operating income		
Rent received	10.66	10.66
Certification charges	4.14	7.06
Profit on sale of assets	8.37	-
Net gain or loss arising on financial asset mandatorily measured at FVTPL	(0.08)	0.34
Foreign exchange gain (net)	-	-
	<u>42.89</u>	<u>32.11</u>
29. Cost of materials consumed		
Cotton, viscose, modaal	22,557.62	12,815.14
Others	1,306.04	347.96
	<u>23,863.66</u>	<u>13,163.10</u>
30. Changes in Inventories of finished goods and work-in-progress		
Closing stock		
Finished goods	3,676.81	1,082.52
Work-in-progress	2,000.91	1,826.38
	<u>5,677.72</u>	<u>2,908.90</u>
Opening stock		
Finished goods	1,082.52	1,243.44
Work-in-progress	1,826.38	1,595.52
	<u>2,908.90</u>	<u>2,838.96</u>
Net change in inventories	<u>(2,768.82)</u>	<u>(69.94)</u>
31. Employee benefits expense		
Salaries, wages and bonus	3,340.10	2,584.44
Contribution to provident, gratuity and other funds	407.37	92.60
Welfare expenses	303.56	273.88
	<u>4,051.03</u>	<u>2,950.92</u>



Notes annexed to and forming part of the Standalone Ind AS Financial Statements

Particulars	31.03.2022 Rs. in Lakhs	31.03.2021 Rs. in Lakhs
32. Finance costs		
Interest on borrowings *	1,156.91	976.93
Interest on lease liability	70.90	64.05
Other borrowing costs - premium on forward contracts	(23.03)	(11.36)
	<u>1,204.78</u>	<u>1,029.62</u>
33. Depreciation and amortisation expense		
Property, plant and equipment		
Buildings	133.07	131.90
Plant and machinery	814.78	776.28
Wind energy converters	183.15	183.34
Solar equipments	21.24	-
Furniture and fittings	0.23	0.21
Office equipments	8.83	6.98
Vehicles	38.72	37.91
Sub Total (A)	<u>1,200.02</u>	<u>1,136.62</u>
Right of Use of Asset		
Land and Buildings	134.15	106.06
Sub Total (B)	<u>134.15</u>	<u>106.06</u>
Intangible assets		
Computer software - acquired	-	-
Sub Total (C)	<u>-</u>	<u>-</u>
Total (A + B + C)	<u>1,334.17</u>	<u>1,242.68</u>
Refer note 1, 2 and 3 on property, plant and equipments, Right to use asset and intangible assets		
34. Other expenses		
Cotton dyeing charges	243.30	194.94
Fabric conversion charges	28.03	12.32
Yarn mercirising and doubling charges	129.03	14.91
Consumption of stores and spares	716.80	433.53
Power and fuel-net	2,684.36	1,818.50
Rent	8.99	9.39
Repairs and maintenance - Buildings	248.61	31.32
- Plant and machinery	347.50	302.53
Insurance	25.66	26.97
Rates and taxes	51.86	53.71
Packing and forwarding chages	315.23	219.84
Printing and stationery	10.14	7.31
Brokerage and commission on sales	330.49	236.97
Auditor remuneration (Refer Note 46)	7.00	7.00
Legal and Professional charges	38.06	39.46
Travel and vehicle upkeep expenses	275.68	209.47
Donation and charity	5.06	0.45
Directors' sitting fees	30.60	13.65
Expenditure on corporate social responsibility (Refer Note No. 43)	12.46	16.80
Loss on sale of property, plant and equipment	-	1.45
Bad debts	4.67	-
Bank and other financial charges	77.59	72.84
Miscellaneous expenses	111.79	57.96
	<u>5,702.91</u>	<u>3,781.32</u>



Statement on Significant Accounting Policies forming part of the Standalone Financial Statements for the year ended March 31, 2022

1. Corporate Information

Sambandam Spinning Mills Limited is a listed Public Company having its registered office in Mill Premises, Kamaraj Nagar Colony, Salem District – 636 014, Tamil Nadu State. The Company shares are listed on the Bombay Stock Exchange (BSE). The Company is into the business of manufacture of Yarn (cotton, synthetic etc) and fabric. The company has four manufacturing locations around Salem and has 12.35 MW Wind Energy Converters locations located in Tirunelveli District, Tamil Nadu State, which produce electricity for own consumption and for sale.

The Board of Directors approved the standalone financial statement for the year ended March 31, 2022 at their Board meeting held on 29th May 2022.

2. Significant Accounting Policies

This note provides a list of the significant accounting policies adopted in the preparation of these financial statements. These policies have been consistently applied to all the years presented, unless otherwise stated.

a) Basis of preparation of financial statements

(i) Compliance with Indian Accounting Standards (Ind AS):

These financial statements (the financial statements) have been prepared in accordance with Indian Accounting Standards ("Ind AS") notified under Section 133 of the Companies (Indian Accounting Standards) Rules, 2015 and relevant amendment rules issued thereafter. The financial statements comply in all material aspects with Indian Accounting Standards (Ind AS) notified under section 133 of the Companies Act, 2013 (the Act) (Companies (Indian Accounting Standards) Rules, 2015) and other relevant provisions of the Act.

(ii) Historical cost convention

The financial statements have been prepared on a historical cost basis, except the following:

- Certain financial assets and liabilities that are measured at fair value.
- Defined benefit plans – plan assets measured at fair value.

b) Foreign currency translation

(i) Functional and presentation currency

Items included in the financial statements are measured using the currency of the primary economic environment in which the entity operates ('the functional currency'). The financial statements are presented in Indian rupee(Rs), which is the Company's functional and presentation currency.

(ii) Transactions and balances

Foreign currency transactions are translated into the functional currency using the exchange rates at the dates of the transactions. Foreign exchange gains and losses resulting from the settlement of such transactions and from the translation of monetary assets and liabilities denominated in foreign currencies at year end and exchange rates are generally recognized in the statement of profit and loss.



Statement on Significant Accounting Policies forming part of the Standalone Financial Statements for the year ended March 31, 2022 (Contd...)

c) Revenue Recognition

Revenue is measured at the fair value of the consideration received or receivable. Amounts disclosed as revenue are net of returns, trade allowances, rebates, GST.

Sale of products

Timing of recognition – Revenue from sale of products is recognized when control of the products is transferred to customers based on the terms of sale. Revenue is recognised when collectability of the resulting receivable is reasonably assured.

Measurement of revenue -Revenue from sales is based on the price specified in the sales contracts.

A receivable is recognized when the goods are dispatched, delivered or upon formal customer acceptance depending on terms of contract with the customer.

Rendering of Services

Revenue from services is recognized in accordance with the specific terms of contract on performance when the collectability of the resulting receivable is reasonably assured.

Income from energy generated

Revenue from energy generated through windmills is recognised based on the contractual rates with the customers and the credit granted by the regulatory authorities to the said customers for units generated.

Other operating revenues

Other operating revenues comprise of income from ancillary activities incidental to the operations of the company and is recognised when the right to receive the income is established as per the terms of the contract.

d) Other income

Other income comprises of dividend, interest income and rental income are accounted on accrual basis.

Dividend income from investments is recognised when the company's right to receive payment has been established (provided that it is probable that the economic benefits will flow to the company and the amount of income can be measured reliably).

Interest income is accrued on a time basis, by reference to the principal outstanding and at the effective interest rate applicable (provided that it is probable that the economic benefits will flow to the Company and the amount of income can be measured reliably).

e) Government grants

Grants from the government (including export incentives) are recognised at fair value where there is a reasonable assurance that the grant will be received and the Company will comply with all attached conditions.

Government grants are recognised in profit and loss account on a systematic basis over the periods in which they accrue. Income is deferred in case the Income is recognized in future periods.

f) Income tax

Current income tax

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

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

**Statement on Significant Accounting Policies forming part of the Standalone Financial Statements for the year ended March 31, 2022 (Contd...)****Deferred tax**

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

Deferred tax assets are recognised for all deductible temporary differences, the carry forward of unused tax credits and any unused tax losses. Deferred tax assets are recognised to the extent that it is probable that taxable profit will be available against which the deductible temporary differences, and the carry forward of unused tax credits and unused tax losses can be utilized.

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

Deferred tax assets and liabilities are measured at the tax rates that are expected to apply in the year when the asset is realized or the liability is settled, based on tax rates and tax laws that have been enacted or substantively enacted at the reporting date. Deferred tax items are recognised in correlation to the underlying transaction either in OCI or directly in equity. Deferred tax assets and deferred tax liabilities are offset if a legally enforceable right exists to set off current tax assets against Current tax liabilities and the deferred taxes relate to the same taxable entity and the same taxation authority.

g) Leases**As a lessee :**

The Company recognizes a right-of-use asset (ROU) and a Corresponding lease liability for all lease arrangements in which it is a lessee, except for leases with a term of twelve months or less (short-term leases) and low value leases. For these short-term and low value leases, the Company recognizes the lease payments as an operating expense on a straight-line basis over the term of the lease. Certain lease arrangements includes the options to extend or terminate the lease before the end of the lease term. ROU Assets and lease liabilities includes these options when it is reasonably certain that they will be exercised.

The right-of-use assets are initially recognized at cost, which comprises the initial amount of the lease liability adjusted for any lease payments made at or prior to the commencement date of the lease plus any initial direct costs less any lease incentives.

They are subsequently measured at cost less accumulated depreciation and impairment losses. Right-of-use assets are depreciated from the commencement date on a straight-line basis over the shorter of the useful life of the asset or the balance lease term of the underlying asset. Right of use assets are evaluated for recoverability whenever events or changes in circumstances indicate that their carrying amounts may not be recoverable.

The lease liability is initially measured at amortized cost at the present value of the future lease payments. The lease payments are discounted using the interest rate implicit in the lease or, if not readily determinable, using the incremental borrowing rates in the country of domicile of the leases. Lease Liabilities are re-measured with a corresponding adjustment to the related right of use asset if the company changes its assessment if whether it will exercise an extension or a termination option. Lease liability and ROU asset shall be separately presented in the Balance Sheet and Lease payments shall be classified as financing cash flows.



Statement on Significant Accounting Policies forming part of the Standalone Financial Statements for the year ended March 31, 2022 (Contd...)

h) Property, plant and equipment

Freehold land is carried at historical cost. All other items of property, plant and equipment are stated at historical cost less depreciation. Historical cost includes expenditure that is directly attributable to the acquisition of the items. 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 derecognized when replaced. All other repairs and maintenance are charged to profit or loss during the reporting period in which they are incurred.

Transition to Ind AS

On transition to Ind As, the Company has elected to continue with the carrying value of all its property, plant and equipment cost of the Property, plant and equipment.

Depreciation/Amortisation methods, estimated useful lives and residual value

Depreciation is calculated using the straight-line basis at the rates arrived at based on the useful lives prescribed in Schedule II to the Companies Act, 2013 except in respect of the following assets, where useful life is different than those specified in Schedule II to the Companies Act are used:

Asset Description	Life of the asset (in years)
Plant and equipment (continuous process plant)	Over its useful life of 18 years as Technically assessed
Wind energy convertors	Over its useful life of 18 years as Technically assessed

The company follows the policy of charging depreciation on pro- rate basis on the assets acquired during the year. Leasehold assets are amortised over the period of lease or useful life whichever is less. The residual values are not more than 5% of the original cost of the asset. The assets' residual values and useful lives are reviewed, and adjusted if appropriate, at the end of each reporting period. An asset's carrying amount is written down immediately to its recoverable amount if the asset's carrying amount is greater than its estimated recoverable amount. Gains or losses on disposal are determined by comparing proceeds with the carrying amount.

i) Intangible assets

i) Recognition

Intangible assets are recognised only when future economic benefits arising out of the assets flow to the enterprise and are amortised over their useful life.

ii) Amortization methods and periods

The Company amortizes intangible assets on a straight line method over their estimated useful life not exceeding 5 years. Software is amortised over a period of three years.

j) Impairment of assets

Property, plant and equipment and intangible assets are tested for impairment annually whenever events or changes in circumstances indicate that the carrying amount may not be recoverable. An Impairment loss is recognised for the amount by which the asset's carrying amount exceeds its recoverable amount. The recoverable amount is the higher of an asset's fair value less costs of disposal and value in use. For the purposes of assessing impairment, assets are grouped at the lowest levels for which there are separately identifiable cash inflows which are largely independent of the cash inflows from other assets or groups of assets (cash-generating units). Non- financial assets other than good will that suffered an impairment are reviewed for possible reversal of the impairment at the end of each reporting period.



Statement on Significant Accounting Policies forming part of the Standalone Financial Statements for the year ended March 31, 2022 (Contd...)

k) Cash and cash equivalents

For the purpose of presentation in the statement of cash flows, cash and cash equivalents includes cash on hand, deposits held at call with financial institutions, 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.

l) Trade receivables

Trade receivables are recognised initially at fair value less provision for impairment.

m) Inventories

Raw materials and stores, work-in-progress, finished goods are stated at the lower of cost and net realizable value. Cost of raw materials comprise of cost of purchase. Cost of work-in-progress and finished goods comprises direct materials, direct labour and an appropriate proportion of variable and fixed overhead expenditure, the later being allocated on the basis of normal operating capacity. Cost of inventories also include all other cost incurred in bringing the inventories to their present location and condition. Costs are assigned to individual items of inventory on weighted average basis. Costs of purchased inventory are determined after deducting rebates and discounts. Net realizable value is the estimated selling price in the ordinary course of business less the estimated costs of completion and the estimated costs necessary to make the sale.

n) Investment in Associates

The investment in associates are carried in the financial statements at historical cost except when the investment is classified as held for sale in which case it is accounted for as non – current assets held for sale and discontinued operations.

Investments in associates carried at cost are tested for impairment in accordance with IndAs 36. Any impairment loss reduces the carrying value of the investment.

o) Other investments and financial assets

i) Classification

The company classifies its financial assets in the following measurement categories:

- those to be measured subsequently at fair value (either through other comprehensive income, or through profit or loss), and
- those measured at amortised cost.

The classification depends on the entity's business model for managing the financial assets and the contractual terms of the cash flows.

For assets measured at fair value, gains and losses will either be recorded in Statement of profit or loss or other comprehensive income. For investments in debt instruments, this will depend on the business model in which the investment is held. For investments in equity instruments, this will depend on whether the Company has made an irrevocable election at the time of initial recognition to account for equity investment at fair value through other comprehensive income.

The Company reclassifies debt investments when and only when its business model for managing those assets changes.

ii) Measurement

At initial recognition, the company measures a financial asset at its fair value plus, in the case of a financial asset not at fair value through profit or loss, transaction costs that are directly attributable to the Acquisition of the financial asset. Transaction costs of financial assets carried at fair value through profit or loss are expensed in profit or loss.



Statement on Significant Accounting Policies forming part of the Standalone Financial Statements for the year ended March 31, 2022 (Contd...)

Debt instruments :

Subsequent measurement of debt instruments depends on the Company's business model for managing the asset and the cash flow characteristics of the asset. There are three measurement categories into which the Company classifies its debt instruments:

Amortised cost : Assets that are held for collection of contractual cash flows where those cash represent solely payments of principal and interest are measured at amortised cost. A gain or loss on a debt investment that is subsequently measured at amortised cost and is not part of a hedging relationship is recognised in profit or loss when the asset is derecognized or impaired. Interest income from these financial assets is included in finance income using the effective interest rate method.

Fair value through other comprehensive income (FVOCI) : Assets that are held for collection of contractual cash flows and for selling the financial assets, where the assets' cash flows represent solely payments of principal and interest, are measured at fair value through other comprehensive income (FVOCI). Movements in the carrying amount are taken through OCI, except for the recognition of impairment gains or losses, interest revenue and foreign exchange gains and losses which are recognised in profit and loss. When the financial asset is derecognized, the cumulative gain or loss previously recognised in OCI is reclassified from equity to profit or loss and recognised in other gains / (losses). Interest income from these financial assets is included in other income using the effective interest rate method.

Fair value through profit or loss : Assets that do not meet the criteria for amortised cost or FVOCI are measured at fair value through profit or loss. A gain or loss on debt investment that is subsequently measured at fair value through profit or loss is recognised in profit or loss and presented net in the statement of profit and loss in the period in which it arises. Interest income from these financial assets is included in other income.

Equity instruments :

The Company subsequently measures all equity investments (other than investment in subsidiary) at fair value. Where the company's management has elected to present fair value gains and losses on equity investments in other comprehensive income, there is no subsequent reclassification of fair value gains and losses to profit or loss. Dividends from such investment are recognised in profit or loss as other income when the Company's right to receive payments is established.

Changes in the fair value of financial assets at fair value through profit or loss are recognised in the other income. Impairment losses (and reversal of impairment losses) on equity investments measured at FVOCI are not reported separately from other changes in fair value.

iii) Impairment of financial assets

The Company assesses on a forward looking basis the expected credit losses associated with its assets carried at amortised cost and FVOCI debt instrument. The impairment methodology applied depends on whether there has been a significant increase in credit risk. Note 34 details how the Company determines whether there has been a significant increase in credit risk. For trade receivables only, the Company applies the simplified approach permitted by Ind AS 109 financial Instruments, which requires expected lifetime losses to be recognised from initial recognition of the receivables.

iv) Derecognition of financial assets

A financial asset is derecognized only when

- The company has transferred the rights to receive cash flow from the financial asset or
- Retains the contractual rights to receive the cash flows of the financial assets, but assumes a contractual obligation to pay cash flows to one or more recipients.



Statement on Significant Accounting Policies forming part of the Standalone Financial Statements for the year ended March 31, 2022 (Contd...)

Where the entity has transferred an asset, the Company evaluates whether it has transferred substantially all risks and rewards of ownership of the financial asset. In such cases, the financial asset is derecognized. Where the entity has not transferred substantially all risks and rewards of ownership of the financial asset is not derecognized.

Where the entity has neither transferred a financial asset nor retains substantially all risks and rewards of ownership of the financial asset, the financial asset is derecognised if the Company has not retained control of the financial asset. Where the Company retains control of the financial asset, the asset is continued to be recognised to the extent of continuing involvement in the financial asset.

p) Derivatives

The Company enters into certain derivative contracts to hedge risks which are not designated as hedges. Such contracts are accounted at fair value through profit or loss and are included in profit and loss account.

q) Offsetting financial instruments

Financial assets and liabilities are offset and the net amount is reported in the balance sheet where there is a legally enforceable right to offset the recognized amounts and there is an intention to settle on a net basis or realize the asset and settle the liability simultaneously. The legally enforceable right must not be contingent on future events and must be enforceable in the normal course of business and in the event of default, insolvency or bankruptcy of the Company or the counter party.

r) Trade and other payables

These amounts represent liabilities for goods and services provided to the company prior to the end of financial year which are unpaid. The amounts which are unsecured are presented as current liabilities unless payment is not due within 12 months after the reporting period. They are recognized initially at their fair value and subsequently measured at amortized cost using the effective interest method.

s) Borrowing costs

General and specific borrowing costs that are directly attributable to the acquisition, construction or production of a qualifying asset are capitalized during the period of time that is required to complete and prepare the asset for its intended use or sale. Qualifying assets are assets that necessarily take a substantial period of time to get ready for their intended use or sale.

Investment income earned on the temporary investment of specific borrowings pending their expenditure on qualifying assets is deducted from the borrowing cost eligible for capitalization.

Other borrowings costs are expensed in the period in which they are incurred.

t) Provisions

Provisions for legal claims and returns are recognised when the company has a present legal or constructive obligation as a result of past event, it is probable that an outflow of resources will be required to settle the obligation and the amount can be reliably estimated. Provisions are not recognised for future operating losses.

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. 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 provisions due to the passage of time is recognized as interest expense.



Statement on Significant Accounting Policies forming part of the Standalone Financial Statements for the year ended March 31, 2022 (Contd...)

u) 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 obligations

The liabilities for earned leave is 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 at the present value of expected future payments to be made in respect of services provided by employees up to the end of the 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 obligations. Remeasurements as a result of the 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 the 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 obligations

The company operates the following post-employment schemes:

- (a) Defined benefit plans such as gratuity; and
- (b) Defined contribution plans such as provident fund.

Gratuity obligations

The liability or assets recognized in the balance sheet in respect of gratuity plans is the present value of the defined benefit obligation at the end of the reporting period less the fair value of plan assets. The defined benefit obligation is calculated annually by actuaries using the projected unit credit method.

The present value of the defined benefit obligation is determined by discounting the estimated future cash outflows by reference to market yields at the end of the reporting period on government bonds that have terms approximating to the terms of the related obligation.

The net interest cost is calculated by applying the discount rate to the net balance of the defined benefit obligation and the fair value plan assets. This cost is included in employee benefit expense in the statement of profit and loss.

Remeasurement gains and losses arising from experience adjustments and changes in actuarial assumptions are Recognized in the period in which they occur, directly in other comprehensive income. They are included in retained earnings in the statement of changes in equity and in the balance sheet.

Changes in the present value of the defined benefit obligation resulting from plan amendments or curtailments are recognized immediately in profit or loss.

Defined contribution plans

The company pays provident fund contributions to publicly administered funds as per local regulations. The Company has no further payment obligations once the contributions have been paid. The contributions are accounted for as defined contribution plan and the contributions are recognized as employee benefit expense when they are due.



Statement on Significant Accounting Policies forming part of the Standalone Financial Statements for the year ended March 31, 2022 (Contd...)

(iv) Bonus plans

The Company recognizes a liability and an expense for bonuses. The Company recognizes a provision where contractually obliged or where there is a past practice that has created a constructive obligation.

V) Earning per share

(i) Basic earnings per share

Basic earnings per share is calculated by dividing:

- The profit attributable to owners of the company
- By the weighted average number of equity shares outstanding during the financial year, adjusted for bonus elements in equity shares issued during the year and excluding treasury shares.

(ii) Diluted earnings per share

Diluted earnings per share adjusts the figures used in the determination of basic earnings per share to take into account:

- The after income tax effect of interest and other financing costs associated with dilutive potential equity shares, and
- The weighted average number of additional equity shares that would have been outstanding assuming the conversion of all dilutive potential equity shares.

w) Rounding of amounts

All amounts disclosed in the financial statements and notes have been rounded off to the nearest two decimal places of lakhs as per the requirement of Schedule III, unless otherwise stated.

x) Critical estimates and Judgements

The preparation of financial statements requires the use of accounting estimates which, by definition, will seldom equal the actual results. Management also needs to exercise judgement in applying the Company's accounting policies.

This note provides an overview of the areas that involved a higher degree of judgement 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 judgements is included in relevant notes together with information about the basis of calculation for each affected line item in the financial statements.

The areas involving critical estimates or judgements are:

1. Estimation of defined benefit obligation
2. Useful lives of fixed assets

Estimates and judgements are continually evaluated. They are based on historical experience and other factors, including expectations of future events that may have a financial impact on the Company and that are believed to be reasonable under the circumstances.



Notes annexed to and forming part of the Standalone Financial Statements

35. Income taxes relating to continuing operations

Particulars	31.03.2022 Rs. in Lakhs	31.03.2021 Rs. in Lakhs
a) Income tax recognised in Statement of profit and loss		
Current tax		
In respect of the current year	512.36	386.28
In respect of the earlier year	—	—
	<u>512.36</u>	<u>386.28</u>
Deferred tax		
In respect of the current year	185.00	(152.00)
	<u>185.00</u>	<u>(152.00)</u>
Total income tax expense recognised in the current year relating to continuing operations	<u>697.36</u>	<u>234.28</u>
b) The income tax expense for the year can be reconciled to the accounting profit as follows:		
Profit before tax from continuing operations	<u>2,149.09</u>	<u>1,041.32</u>
Income tax expense calculated at 27.82% (2020-21:27.82%)	597.88	289.70
Others	(85.52)	96.58
Income tax expense recognised in Statement of profit and loss (relating to continuing operations)	<u>512.36</u>	<u>386.28</u>

The tax rate used for the reconciliations above is the corporate tax rate of 27.82% (for FY 2020-21 = 27.82%) payable by corporate entities in India on taxable profits under tax law in Indian jurisdiction.

c) Income tax recognised in other comprehensive income

Current tax	57.64	(27.28)
Total income tax recognised in other comprehensive income	<u>57.64</u>	<u>(27.28)</u>

Deferred tax assets and liabilities are recognized for the future tax consequences of temporary differences between the carrying values of assets and liabilities and their respective tax bases, and unutilized business loss, depreciation carry-forwards and tax credits. Such deferred tax assets and liabilities are computed separately for each taxable entity and for each taxable jurisdiction.

Deferred tax assets are recognized to the extent that it is probable that future taxable income will be available against which the deductible temporary differences, unused tax losses, depreciation carry-forwards and unused tax credits could be utilized.

Movement of deferred tax expense during the year ended March 31, 2022 (Rs.in Lakhs)

Particulars	Opening balance	Recognised in statement of profit and loss	Closing balance
Deferred tax (liabilities)/assets in relation to:			
Property, plant, and equipment and Intangible Assets	(1,068.55)	(222.34)	(1,290.89)
Provision for compensated absences and lease liability	86.55	37.34	123.89
Unused tax credit (MAT credit entitlement) *	53.80	(53.80)	—
	<u>(928.20)</u>	<u>(238.80)</u>	<u>(1,167.00)</u>

Movement of deferred tax expense during the year ended March 31, 2021 (Rs.in Lakhs)

Particulars	Opening balance	Recognised in statement of profit and loss	Closing balance
Deferred tax (liabilities)/assets in relation to:			
Property, plant, and equipment and Intangible Assets	(1,220.56)	152.01	(1,068.55)
Provision for compensated absences and lease liability	86.56	(0.01)	86.55
Unused tax credit (MAT credit entitlement) *	181.80	(128.00)	53.80
	<u>(952.20)</u>	<u>24.00</u>	<u>(928.20)</u>

* Adjusted against current tax provision for the respective years.


Notes annexed to and forming part of the Standalone Financial Statements

Particulars	31.03.2022 Rs. in Lakhs	31.03.2021 Rs. in Lakhs
-------------	----------------------------	----------------------------

36. Retirement benefit plans
Defined contribution plans

In accordance with Indian law, eligible employees of the Company are entitled to receive benefits in respect of provident fund, a defined contribution plan, in which both employees and the Company make monthly contributions at a specified percentage of the covered employees' salary.

The total expense recognised in Statement of profit and loss of Rs.407.37 lakhs (for the year ended March 31, 2021 : Rs.92.59 lakhs)

Defined benefit plans

The Company has an obligation towards gratuity, a defined benefit retirement plan covering eligible employees. The plan provides for a lump-sum payment to vested employees at retirement, death, while in employment or on termination of employment of an amount equivalent to 15 days salary payable for each completed year of service. Vesting occurs upon completion of five years of service. The Company accounts for the liability for gratuity benefits payable in the future based on an actuarial valuation. The Company makes annual contributions to a funded Company gratuity scheme administered by the SBI Life Insurance Company Limited.

Company's liability towards gratuity (funded), other retirement benefits and compensated absences are actuarially determined at each reporting date using the projected unit credit method.

These plans typically expose the Company to actuarial risks such as: investment risk, interest rate risk and salary risk.

Investment risk	The present value of the defined benefit plan liability is calculated using a discount rate determined by reference to the market yields on government bonds denominated in Indian Rupees. If the actual return on plan asset is below this rate, it will create a plan deficit.
Interest risk	A decrease in the bond interest rate will increase the plan liability. However, this will be partially offset by an increase in the return on the plan's debt investments.
Longevity risk	The present value of the defined benefit plan liability is calculated by reference to the best estimate of the mortality of plan participants both during and after their employment. An increase in the life expectancy of the plan participants will increase the plan's liability.
Salary risk	The present value of the defined benefit plan liability is calculated by reference to the future salaries of plan participants. As such, an increase in the salary of the plan participants will increase the plan's liability.

Gratuity

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

Discount rate(s)	7.13%	6.41%
Expected rate(s) of salary increase	5.00%	5.00%

The estimates of future salary increases, considered in actuarial valuation, take account of inflation, seniority, promotion and other relevant factors, such as supply and demand in the employment market.

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

Current service cost	44.11	28.82
Net interest expense	9.19	24.90
Components of defined benefit costs recognised in Statement of profit and loss	53.30	53.72



Notes annexed to and forming part of the Standalone Financial Statements

36. Retirement benefit plans continued

Particulars	31.03.2022 Rs. in Lakhs	31.03.2021 Rs. in Lakhs
Remeasurement on the net defined benefit liability comprising:		
Actuarial (gains)/losses arising from changes in demographic assumptions	-	-
Actuarial (gains)/losses arising from changes in financial assumptions	(30.56)	(20.25)
Actuarial (gains)/losses arising from experience adjustments	262.23	(7.19)
Return on plan assets (excluding amounts included in net interest expense)	(33.71)	-
Components of defined benefit costs recognised in other comprehensive income	197.95	(27.44)
Total	251.25	26.28

The current service cost and the net interest expense for the year are included in the 'employee benefits expense' in Statement of profit and loss.

The remeasurement of the net defined benefit liability is included in other comprehensive income.

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

Present value of defined benefit obligation	788.11	522.49
Fair value of plan assets	563.44	209.08
Net liability arising from defined benefit obligation - Funded	224.67	313.41

The above provisions are reflected under 'Current Financial Liabilities-Others(Refer note 26) to the Standalone Financial Statements.

Movements in the present value of the defined benefit obligation in the current year were as follows:

Opening defined benefit obligation	522.49	529.91
Current service cost	44.11	28.82
Interest cost	32.14	34.34
Plan amendments : vested portion at end of period (past service)	-	-
Plan amendments : non vested portion at end of period (past service)	-	-
Actuarial (gains)/losses arising from changes in demographic assumptions	-	-
Actuarial (gains)/losses arising from changes in financial assumptions	-	20.25
Actuarial (gains)/losses arising from experience adjustments	231.67	(47.70)
Benefits paid	(42.30)	(61.79)
Closing defined benefit obligation	788.11	522.49

Movements in the fair value of the plan assets in the current year were as follows:

Opening fair value of plan assets	209.08	186.44
Interest Income	22.94	9.44
Return on plan assets (excluding amounts included in net interest expense)	-	-
Contributions	340.00	75.00
Benefits paid	42.30	61.79
Others	33.71	(0.01)
Closing fair value of plan assets	563.44	209.08

The Company funds the cost of the gratuity expected to be earned on a yearly basis to SBI Life Insurance Company Limited, which manages the plan assets.

The actual return on plan assets was Rs.56.66 (2020-21:Rs.9.43 lakhs)

Significant actuarial assumptions for the determination of the defined obligation are discount rate and expected salary increase. The sensitivity analyses below have been determined based on reasonably possible changes of the respective assumption occurring at the end of the reporting period, while holding all other assumptions constant.

1. Gratuity

If the discount rate is 100 basis points higher/lower, the defined benefit obligation would

Decrease by	745.67	337.01
Increase by	836.01	294.00

If the expected salary is 100 basis points higher/lower, the defined benefit obligation would

Decrease by	745.44	294.38
Increase by	835.49	335.19


Notes annexed to and forming part of the Standalone Financial Statements
36. Retirement benefit plans continued

Particulars	31.03.2022 Rs. in Lakhs	31.03.2021 Rs. in Lakhs
<p>The sensitivity analysis presented above may not be representative of the actual change in the defined benefit obligation as it is unlikely that the change in assumptions would occur in isolation of one another as some of the assumptions may be correlated.</p> <p>Furthermore, in presenting the above sensitivity analysis, the present value of the defined benefit obligation has been calculated using the projected unit credit method at the end of the reporting period, which is the same as that applied in calculating the defined benefit obligation liability recognised in the balance sheet.</p> <p>There was no change in the methods and assumptions used in preparing the sensitivity analysis from previous year.</p> <p>The Company expects to make a contribution of Rs 53.10 lakhs (as at March 31, 2021:Rs.313.41 lakhs) to the defined benefit plans during the next financial year.</p> <p>The average duration of the benefit obligation as at March 31, 2022 is 16.98 years (as at March 31, 2021: 16.32 years)</p>		
Compensated Balances		
The principal assumptions used for the purposes of the actuarial valuations were as follows:		
Discount rate(s)	7.37%	6.97%
Expected rate(s) of salary increase	5.00%	5.00%
The estimates of future salary increases, considered in actuarial valuation, take account of inflation, seniority, promotion and other relevant factors, such as supply and demand in the employment market.		
Amounts recognised in total comprehensive income in respect of these defined benefit plans are as follows:		
Current service cost	5.47	5.75
Net interest expense	21.04	19.32
Actuarial (gain)/losses arising during the period	125.61	(10.63)
Components of defined benefit costs recognised in statement of profit and loss	152.12	14.44
The current service cost and the net interest expense for the year are included in the 'employee benefits expense' in Statement of profit and loss.		
The remeasurement of the net defined benefit liability is included in other comprehensive income.		
The amount included in the Balance Sheet arising from the Company's obligation in respect of its defined benefit plans is as follows:		
Present value of defined benefit obligation	453.98	301.86
Fair value of plan assets	-	-
Net liability arising from defined benefit obligation - Unfunded	453.98	301.86
The above provisions are reflected under 'Current Financial Liabilities – Others (Refer Note 18)		
Movements in the present value of the defined benefit obligation in the current year were as follows:		
Opening defined benefit obligation	301.86	287.43
Current service cost	5.47	5.75
Interest cost	21.04	19.31
Actuarial (gains)/losses arising during the period	125.61	(10.63)
Benefits paid	-	-
Closing defined benefit obligation	453.98	301.86
Movements in the fair value of the plan assets in the current year were as follows:		
Opening fair value of plan assets	-	-
Interest Income	-	-
Return on plan assets (excluding amounts included in net interest expense)	-	-
Contributions	-	-
Benefits paid	-	-
Others	-	-
Closing fair value of plan assets	-	-

Significant actuarial assumptions for the determination of the defined obligation are discount rate and expected salary increase. The sensitivity analyses below have been determined based on reasonably possible changes of the respective assumption occurring at the end of the reporting period, while holding all other assumptions constant.


Notes annexed to and forming part of the Standalone Financial Statements

Particulars	Year ended March 31, 2022 Rs. in Lakhs	Year ended March 31, 2021 Rs. in Lakhs
37. Earnings per share		
Basic and Diluted earnings per share		
From continuing operations	34.04	18.92
From discontinued operations	-	-
Total basic earnings per share	<u>34.04</u>	<u>18.92</u>
The earnings and weighted average number of ordinary shares used in the calculation of basic and diluted earnings per share are as follows:		
Profit for the year attributable to owners of the Company	1,451.73	807.04
Earnings used in the calculation of basic earnings per share	1,451.73	807.04
Profit for the year from discontinued operations used in the calculation of basic earnings per share from discontinued operations	-	-
Others	-	-
Earnings used in the calculation of basic earnings per share from continuing operations	<u>1,451.73</u>	<u>807.04</u>
Weighted average number of ordinary shares for the purposes of basic earnings per share	<u>42,64,600</u>	<u>42,64,600</u>

38. Financial Instruments
Capital management

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

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

The capital structure of the Company consists of net debt (borrowings as detailed in notes 15 and 20 offset by cash and bank balances) and total equity of the Company. The Company monitors the capital structure on the basis of total debt to equity ratio and maturity profile of the overall debt portfolio of the Company.

Particulars	31.03.2022 Rs. in Lakhs	31.03.2021 Rs. in Lakhs
Gearing Ratio :		
Debt	12,843.72	9,263.35
Less: Cash and bank balances	806.32	97.02
Net debt	12,037.40	9,166.33
Total equity	11,526.31	10,104.85
Net debt to total equity ratio	1.04	0.91
Categories of Financial Instruments:		
a. Measured at amortised cost:		
Cash and bank balances	806.32	97.02
Trade Receivables	3,692.06	3,939.10
Loans	-	-
Others	2,634.97	1,942.61
b. Mandatorily measured at fair value through profit or loss (FVTPL):		
Investments	175.25	175.33
Derivative instruments	-	-


Notes annexed to and forming part of the Standalone Financial Statements

Particulars	31.03.2022 Rs. in Lakhs	31.03.2021 Rs. in Lakhs
Financial liabilities		
a. <u>Measured at amortised cost:</u>		
Borrowings	12,843.72	9,263.95
Trade Payables	4,413.92	4,504.26
Others	1,986.86	1,411.95
b. <u>Mandatorily measured at fair value through profit or loss (FVTPL):</u>		
Derivative instruments	-	-

Financial risk management objectives

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

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

Market risk

Market risk is the risk that changes in market prices, liquidity and other factors that could have an adverse effect on realisable fair values or future cash flows to the Company. The Company's activities expose it primarily to the financial risks of changes in foreign currency exchange rates and interest rates as future specific market changes cannot be normally predicted with reasonable accuracy.

Interest rate risk management

The Company is exposed to interest rate risk because it borrow funds at floating interest rates.

Interest rate sensitivity analysis

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

If interest rates had been 25 basis points higher/lower and all other variables were held constant, the Company's profit for the year ended March 31, 2022 would decrease/increase by Rs.62.66lakhs (March31, 2021: decrease / increase by Rs.59.45 lakhs). This is mainly attributable to the Company's exposure to interest rates on its variable rate borrowings.

Equity price risk

Equity price risk is related to the change in market reference price of the investments in equity securities. The fair value of some of the Company's investments in available-for-sale securities exposes the Company to equity price risks. In general, these securities are not held for trading purposes.

Equity price sensitivity analysis

The fair value of equity instruments as at March 31, 2022 was Rs.175.25 lakhs(March 31, 2021: Rs.175.33 lakhs). A 5% change in prices of equity instruments held as at March 31, 2022 would result in an impact of Rs 0.90 on equity (March 31, 2021: Rs.0.85 lakhs).

Offsetting related disclosures :

Offsetting of cash and cash equivalents to borrowings as per the consortium agreement is available only to the bank in the event of a default. Company does not have the right to offset in case of the counter party's bankruptcy, therefore, these disclosures are not required.


Notes annexed to and forming part of the Standalone Financial Statements

Particulars	31.03.2022 Rs. in Lakhs	31.03.2021 Rs. in Lakhs
-------------	----------------------------	----------------------------

Liquidity risk management:

Liquidity risk refers to the risk that the Company cannot meet its financial obligations. The objective of liquidity risk management is to maintain sufficient liquidity and ensure that funds are available for use as per requirements.

The Company has obtained fund and non-fund based working capital lines from various banks.

The Company also constantly monitors funding options available in the debt and capital markets with a view to maintaining financial flexibility.

Liquidity tables :

The following tables detail the Company's remaining contractual maturity for its non-derivative financial liabilities with agreed repayment periods. The tables have been drawn up based on the undiscounted cash flows of financial liabilities based on the earliest date on which the Company can be required to pay.

Particulars	Due in 1st year	Due in 2nd to 5th year	Due after 5th year	Carrying amount
March 31, 2022				
Trade payables	4,413.92	–	–	4,413.92
Other financial liabilities	1,301.59	473.92	–	1,775.51
Borrowings (including interest accrued thereon upto the reporting date)	6,324.03	–	–	12,843.72
	<u>12,039.54</u>	<u>473.92</u>	<u>–</u>	<u>19,033.15</u>
March 31, 2021				
Trade payables	4,504.26	–	–	4,504.26
Other financial liabilities	1,350.03	584.51	–	1,934.54
Borrowings (including interest accrued thereon upto the reporting date)	6,481.06	2,782.29	–	9,263.35
	<u>12,335.35</u>	<u>3,366.80</u>	<u>–</u>	<u>15,702.15</u>



Notes annexed to and forming part of the Standalone Financial Statements

39. Related party disclosure

a) List of related parties :

Name of the Related Party	Relationship
SPMM Health Care Services Private Limited	Associate
Salem IVF Centre Private Limited	Associate
Sambandam Siva Textiles Private Limited	Enterprises in which KMP or their relatives have a significance influence
S. Palaniandi Mudaliar Charitable Trust	Enterprises in which KMP or their relatives have a significance influence
Sambandam Spinning Mills Gratuity Trust	Enterprises in which KMP or their relatives have a significance influence
\Sambandam Dairy Farm Private Limited	Enterprises in which KMP or their relatives have a significance influence
Sambandam Fabrics Private Limited	Enterprises in which KMP or their relatives have a significance influence
S. Devarajan - Chairman and Managing Director	Key managerial personnel (KMP)
S. Devarajan – HUF	Relative of KMP
S. Jegarajan - Joint Managing Director	Key managerial personnel (KMP)
S. Jegarajan – HUF	Relative of KMP
S. Dinakaran - Joint Managing Director	Key managerial personnel (KMP)
S. Dinakaran - HUF	Relative of KMP
D. Niranjan Kumar – Director – Marketing	Key managerial personnel (KMP)
P. Boopalan - Chief Financial Officer	Key managerial personnel (KMP)
S. Natarajan - Company Secretary	Key managerial personnel (KMP)
J. Sakthivel – Director -Technical	Key managerial personnel (KMP)
D. Anupama	Relative of KMP
D. Sudharsan - Non Executive Director	Relative of KMP
S. Kandaswarna	Relative of KMP
D. Manjula	Relative of KMP
D. Minusakthipriya	Relative of KMP
J. Ramya	Relative of KMP
D. Rathipriya	Relative of KMP
S. Saradhamani	Relative of KMP
V. Valarnila	Relative of KMP
Parameshwari Jegarajan	Relative of KMP
V. Akcchaya	Relative of KMP

Notes : As per sec 149(6) of Companies Act, 2013 independent directors are not considered as KMP. Also considering the roles & functions of independent director stated under schedule IV of Companies Act 2013 they have not been disclosed as KMP for the purpose of disclosure requirement as per Ind AS 24 Related Party.

b) Details of Transactions with Related Parties :

(Rs. in Lakhs)

Name of Related Party	Nature of Transaction	2021 - 22	2020 - 21
Salem IVF Centre Private Limited	Rent received	9.00	10.62
	Security deposit - Rent	4.50	4.50
	Rent receivable at the end of the year	4.05	5.17
Sambandam Siva Textiles Private Limited	Sale of wind power	117.07	106.21
	Sale of Milk	9.50	7.20
	Sale of Waste Cotton	–	–
	Purchase of food for Company canteen purpose	25.17	21.20
	Purchase of Agricultural product	3.52	–
	Amount receivable at the end of the year	6.47	2.33
S. Palaniandi Mudaliar Charitable Trust	Employee welfare services expenses	9.18	20.98
	Sale of Milk	2.21	1.21
	Employee welfare expenses payable	2.28	0.34



Notes annexed to and forming part of the Standalone Financial Statements

Name of Related Party	Nature of Transaction	2021 - 22	2020 - 21
Sambandam Dairy Farm Private Limited	Purchase of Milk	13.79	13.20
	Corporate loan received	100.00	–
	Sale of Cow	26.00	25.00
	Corporate loan repaid	100.00	–
	Inter Corporate Loan interest paid	4.33	–
Sambandam Fabrics Private Limited	Corporate Guarantee received from Sambandam Fabrics Private Limited in favour of CSB Bank towards loans from CSB Bank availed by Sambandam Spinning Mills Limited	2,435.00	1,490.00
Sambandam Spinning Mills Gratuity Trust	Contribution towards Gratuity	53.30	75.00
S. Devarajan Chairman and Managing Director	Interest Payment	–	0.13
	Dividend Payment	20.86	–
	Remuneration	102.00	84.00
	Fixed deposits received	–	40.00
	Fixed deposits repaid	–	40.00
	Balances outstanding - Fixed deposits	–	–
S. Devarajan - HUF	Interest Payment - HUF	0.35	0.36
	Dividend Payment - HUF	–	–
	Balances outstanding - Fixed deposits - HUF	3.00	3.00
S. Jegarajan - Joint Managing Director	Interest Payment	–	3.70
	Dividend Payment	19.36	–
	Remuneration	98.70	81.00
	Fixed deposits received	–	9.00
	Fixed deposits repaid	–	199.50
	Balances outstanding - Fixed deposits	–	–
S. Jegarajan - HUF	Interest Payment - HUF	0.11	0.12
	Dividend Payment - HUF	–	–
	Balances outstanding - Fixed deposits - HUF	1.00	1.00
S. Dinakaran - Joint Managing Director	Interest Payment	0.06	1.83
	Dividend Payment	16.62	–
	Remuneration	64.20	54.00
	Fixed deposits received	–	19.00
	Fixed deposits repaid	–	128.50
	Balances outstanding - Fixed deposits	0.50	0.50
S. Dinakaran - HUF	Interest Payment - HUF	3.04	2.84
	Dividend Payment - HUF	–	–
	Fixed deposit – received-HUF	–	8.00
	Balances outstanding - Fixed deposits - HUF	26.25	26.25
D. Niranjana Kumar Director - Marketing	Interest Payment	1.02	1.02
	Dividend Payment	0.23	–
	Remuneration	37.50	27.00
	Balances outstanding - Fixed deposits	9.00	9.00



Notes annexed to and forming part of the Standalone Financial Statements

Name of Related Party	Nature of Transaction	2021 - 22	2020 - 21
P. Boopalan - Chief Financial Officer	Remuneration	28.00	22.00
S. Natarajan - Company Seceratory	Remuneration	15.20	12.10
D. Anupama	Interest Payment	1.25	1.38
	Dividend Payment	0.13	–
	Balances outstanding - Fixed deposits	12.50	12.50
	Rent paid	4.60	4.60
	Rent advance paid	3.00	3.00
J. Sakthivel - Director Technical	Remuneration	37.50	27.00
	Dividend Payment	0.59	–
S. Kandaswarna	Interest Payment	0.24	0.27
	Dividend Payment	Rs. 1,200 Only	–
	Balances outstanding - Fixed deposits	2.00	2.00
D. Manjula	Interest Payment	6.09	5.04
	Dividend Payment	1.22	–
	Fixed deposits received	10.00	12.00
	Balances outstanding - Fixed deposits	58.25	48.25
D. Minusakthipriya	Interest Payment	2.08	2.10
	Dividend Payment	0.16	–
	Fixed deposits received	–	2.00
	Balances outstanding - Fixed deposits	18.75	18.75
J. Ramya	Dividend Payment	1.06	–
D. Rathipriya	Interest Payment	2.80	2.80
	Dividend Payment	1.66	–
	Balances outstanding - Fixed deposits	25.50	25.50
S. Saradhamani	Interest Payment	0.24	0.24
	Dividend Payment	4.05	–
	Balances outstanding - Fixed deposits	2.00	2.00
V. Valarnila	Interest Payment	1.93	1.30
	Dividend Payment	1.48	–
	Fixed deposits received	6.00	2.50
	Balances outstanding - Fixed deposits	18.50	12.50
Parameshwari Jegarajan	Interest Payment	0.34	0.36
	Dividend Payment	0.90	–
	Fixed deposits received	–	–
	Balances outstanding - Fixed deposits	3.00	3.00
D. Sudharsan	Dividend Payment	3.55	–
V. Akcchaya	Interest Payment	0.24	0.24
	Dividend Payment	Rs. 400 Only	–
	Balances outstanding - Fixed deposits	2.00	2.00



Notes annexed to and forming part of the Standalone Financial Statements							(Rs. in Lakhs)	
40. Details of non-current/current borrowings								
Particulars	Particulars of repayment	Year	Non current	Current Maturities	Total	Rate of interest		
a. Secured Borrowings								
i. Term loans from banks		As at March 31, 2022		106.06	106.06	12.55		
State Bank of India TL 5	5 monthly instalment of Rs 18.75 lakhs each and 1 monthly instalment of Rs 12.31 lakhs (22-23 – Rs 106.06 lakhs)	As at March 31, 2021	– 112.50	262.50	375.00	13.65		
State Bank of India – Covid GECL 1		As at March 31, 2022	–	–	–	–		
		As at March 31, 2021	–	168.68	168.68	7.75		
State Bank of India – Covid GECL 2	45 monthly instalment of Rs 13.92 lakhs each and 1 monthly instalment of Rs 13.53	As at March 31, 2022	472.93	167.00	639.93	7.95		
		As at March 31, 2021	640.17	27.83	668.00	7.65		
State Bank of India – Covid GECL	47 monthly instalment of Rs 6.96 lakhs each and 1 monthly instalment of Rs 6.88 lakhs	As at March 31, 2022	334.00	–	334.00	7.65		
		As at March 31, 2021	–	–	–	–		
Karnataka Bank TL 5	6 monthly instalment of Rs 7.70 lakhs each and 1 monthly instalment of Rs 3.76 lakhs	As at March 31, 2022	–	49.96	49.96	10.75		
		As at March 31, 2021	50.57	94.50	145.07	11.10		
Karnataka Bank – Covid DPN 1	34 monthly instalment of Rs 5.20 lakhs each and 1 monthly instalment of Rs 5.00 lakhs	As at March 31, 2022	119.40	62.40	181.80	9.15		
		As at March 31, 2021	179.21	7.79	187.00	8.96		
Karnataka Bank – Covid Loan	47 monthly instalment of Rs 1.97 lakhs each and 1 monthly instalment of Rs 1.85 lakhs	As at March 31, 2022	94.44	–	94.44	9.00		
		As at March 31, 2021	–	–	–	–		
Canara Bank – Covid GECL1		As at March 31, 2022	–	–	–	–		
		As at March 31, 2021	5.58	66.64	72.22	8.35		
Canara Bank – Covid GECL2		As at March 31, 2022	–	–	–	–		
		As at March 31, 2021	185.00	8.00	193.00	7.95		
Canara Bank Term loan GM Solar	42 monthly instalment of R 31.95 lakhs each and 1 monthly instalment of Rs 3.8 lakhs	As at March 31, 2022	1,154.00	191.70	1,345.70	8.25		
		As at March 31, 2021	–	–	–	–		



Notes annexed to and forming part of the Standalone Financial Statements
40. Details of non-current/current borrowings

Particulars	Particulars of repayment	Year	Non current	Current Maturities	Total	(Rs. in Lakhs)	
						Rate of interest	
CSB Bank TL 1	12 monthly instalment of Rs 26.22 lakhs each and 12 monthly instalment of Rs 27.97 lakhs each, 11 monthly instalment of Rs 34.96 lakhs each and 1 monthly instalment of Rs 34.74 lakhs	As at March 31, 2022	754.92	314.66	1,069.58	10.50	
		As at March 31, 2021	1,069.84	235.99	1,305.83	12.15	
CSB Bank TL 2	17 monthly instalments of Rs 6.12 lakhs each and 1 monthly instalment of Rs 5.74 lakh	As at March 31, 2022	36.34	73.44	109.78	10.50	
		As at March 31, 2021	109.84	73.44	183.28	12.15	
CSB Bank TL 3	69 monthly instalments of Rs 2.45 lakhs each and 1 monthly instalment of Rs 0.20 lakh	As at March 31, 2022	159.47	9.78	169.25	10.50	
		As at March 31, 2021	—	—	—	—	
CSB Bank TL 4	21 monthly instalments of Rs 9.43 lakhs each and 1 monthly instalment of Rs 3.17 lakh	As at March 31, 2022	191.77	9.43	201.20	10.50	
		As at March 31, 2021	—	—	—	—	
HDFC Bank – COVID LOAN	46 monthly instalments of Rs 4.02 lakhs each and 1 monthly instalment of Rs 4.06 lakh	As at March 31, 2022	140.73	48.25	188.98	7.50	
		As at March 31, 2021	—	—	—	—	
HDFC Bank – Solar TL 1	59 monthly instalments of Rs 18.03 lakhs each and 1 monthly instalment of Rs 18.06 lakh	As at March 31, 2022	937.56	144.24	1,081.80	7.50	
		As at March 31, 2021	—	—	—	—	
HDFC Bank – Solar TL 2	59 monthly instalments of Rs 3.37 lakhs each and 1 monthly instalment of Rs 3.28 lakh	As at March 31, 2022	175.16	26.95	202.11	7.63	
		As at March 31, 2021	—	—	—	—	
HDFC Bank Solar TL 3	59 monthly instalments of Rs 0.63 lakhs each and 1 monthly instalment of Rs 0.72 lakh	As at March 31, 2022	32.84	5.05	37.89	7.59	
		As at March 31, 2021	—	—	—	10.01	



Notes annexed to and forming part of the Standalone Financial Statements
40. Details of non-current/current borrowings

(Rs. in Lakhs)						
Particulars	Particulars of repayment	Year	Non current	Current Maturities	Total	Rate of interest
HDFC Bank - Car loan	Monthly instalments 2022-23 Rs.7.22 lakhs and 2023-24 Rs.4.48 lakhs	As at March 31, 2022 As at March 31, 2021	4.49 11.70	7.21 15.35	11.70 27.05	10.01 10.01
HDFC Bank - Car loan	Monthly instalments 2022-23 Rs.4.97 lakhs, 2023-24 Rs.5.42 lakhs and 2024-25 Rs.3.39 lakhs	As at March 31, 2022 As at March 31, 2021	8.81 13.78	4.97 4.56	13.78 18.34	9.50 9.50
HDFC Bank – car loan	Monthly instalments 2022-23 Rs.1.32 lakhs, 2023-24 Rs.1.44 lakhs, 2024-25 Rs.1.56 lakhs and 2025-26 Rs.0.97	As at March 31, 2022 As at March 31, 2021	3.97 5.26	1.32 1.22	5.29 6.51	8.70 8.70
HDFC Bank – tempo loan	Monthly instalments 2022-23 Rs.7.80 lakhs, 2023-24 Rs.7.80 lakhs, and 2024-25 Rs.5.86)	As at March 31, 2022 As at March 31, 2021	13.65 21.46	7.80 7.80	21.45 29.26	8.70 8.70
South Indian Bank Covid loan 1	48 monthly instalments of Rs 1.50 lakhs each	As at March 31, 2022 As at March 31, 2021	55.50 –	16.50 –	72.06 –	9.00 –
South Indian Bank Covid loan 2	47 monthly instalments of Rs 1.27 lakhs each and 1 monthly installment of Rs 1.31 lakh	As at March 31, 2022 As at March 31, 2021	61.00 –	– –	61.00 –	9.15 –
Sub Total		As at March 31, 2022 As at March 31, 2021	4,750.98 2,404.94	1,246.72 974.30	5,997.76 3,379.24	– –
Buyers Credit Loan - Canara Bank	Repayable on 13.09.2022 which is to be converted into Term Loan	As at March 31, 2022 As at March 31, 2021	1,232.89 –	– –	1,232.89 –	– –



Notes annexed to and forming part of the Standalone Financial Statements
40. Details of non-current/current borrowings

Particulars	Particulars of repayment	Year	(Rs. in Lakhs)		
			Non current	Current Maturities	Rate of interest
ii Secured Borrowings					
b. Unsecured Borrowings					
Fixed deposits	Shareholders – Repayable on 2023-23 Rs 72.90 lakhs, 2023-24 Rs 267.70 lakhs, 2024-25 Rs 414.87 lakhs, Directors- 2022-23 Rs 2.00 lakhs, 2023-24 Rs 0.50 lakhs, 2024-25 Rs 4.00 lakhs	As at March 31, 2022 As at March 31, 2021	535.82 377.35	226.15 230.96	10to11 10to11

Notes :

- Term loans aggregating to Rs 5945.54 lakhs (2021 : Rs 3298.08 lakhs,) are secured by a first charge on pariassu basis on all Property, Plant and Equipment and second charge on pariassu basis on all current assets.
- Term loans from banks aggregating to Rs 52.22 lakhs (2021 Rs 81.16 lakhs) are secured by hypothecation of certain cars.
- All the above loans are guaranteed by four directors.
- CSB Bank, TL 1 to TL 4 loans are secured by extending Corporate Guarantee received from Kandagiri Spinning Mills Limited and Sambandam Fabrics Private Limited (Related party) and also additionally secured with the equitable mortgage of land pertaining to Kandagiri Spinning Mills Limited and Land pertaining to Sambandam Fabrics Private Limited.
- Buyers credit loan – canara bank is secured by a first charge on Ground mounted solar power property, its plant and equipment

Details of current borrowings

Particulars	Particulars of repayment	Year	(Rs. in Lakhs)		
			Non current	Current Maturities	rate of interest
a. Secured Borrowings					
1. Cash Credit facilities					
State Bank of India	on demand	As at March 31, 2022 As at March 31, 2021	–	2,740.75 2,957.50	9.15 9.70
Karnataka Bank	on demand	As at March 31, 2022 As at March 31, 2021	–	780.15 830.15	10.28 9.70
HDFC Bank	on demand	As at March 31, 2022 As at March 31, 2021	–	900.51 –	8.45 –
Canara Bank	on demand	As at March 31, 2022 As at March 31, 2021	–	–	–
South Indian Bank	on demand	As at March 31, 2022 As at March 31, 2021	–	429.72 517.17	9.94 10.65
Total Cash credit facilities	On demand	As at March 31, 2022 As at March 31, 2021	–	4,851.13 5,275.80	–

- Notes :**
- Cash Credit facilities are secured by a first charge on the Company's current assets and by a second charge on the Company's Property, Plant and Equipment excluding the charges.
 - All the above loans are guaranteed by four directors.


Notes annexed to and forming part of the Standalone Financial Statements

Particulars	31.03.2022 Rs. in Lakhs	31.03.2021 Rs. in Lakhs
-------------	----------------------------	----------------------------

41. Lease

The Company has adopted IND AS 116 Leases with effect from 1st April, 2019. The lease arrangements subsisting as on that date and eligible for recognition as right of use of assets under IND AS 116 is disclosed in Note No.2 All other lease arrangements as on that date were either Low value asset or short term leases and the lease rentals recognised as on expenses in the statement of Profit and loss. The following are the disclosures in terms of INDAS 116 :

Payments recognised as expense for the Non-cancellable lease :
Non-cancellable lease commitments

Maturity analysis of future lease payments :

Not later than 1 year	8.99	9.39
Later than 1 year but not later than 5 years	-	-
Later than 5 years	-	-

Rental payment for which exemption is availed under IND AS 116
Particulars

Lease asset for low value asset	-	-
Short term leases	-	-

Other disclosures

Particulars	Notes No.	31.03.2022	31.03.2021
a. Carrying value of right of use of (ROU) asset	2	541.40	675.55
b. Depreciation charge for ROU asset	33	134.15	106.06
c. Interest expense on lease liability	32	70.90	64.05
d. Total cashflow during the year for leases (Cash flow statement)	-	180.00	150.00
e. Additions to ROU (Other than upon transition)	2	-	(12.24)
f. Lease commitments for short term leases	22	110.59	109.10
g. Lease liability outstanding	16	473.92	584.51

Lease terms are negotiated on an individual basis and contain a range of different terms and conditions. The lease agreements do not impose any covenants other than that the company cannot provide the leased as security for its borrowings etc, nor can it be subleased without the permission of the lessor.

The lease payment are discounted using the company's incremental borrowing rate @ 11% being the rate that the company would have to pay to borrow funds necessary to obtain as asset of similar value to ROU asset in a similar economic environment with similar terms, security and conditions.

Company as lessee
Leasing arrangements

Operating leases relate to land and building with lease term ranging from 11 months to 15 years.



Notes annexed to and forming part of the Standalone Financial Statements

Particulars	31.03.2022 Rs. in Lakhs	31.03.2021 Rs. in Lakhs
42. Contingent liabilities and Capital Commitments		
Contingent liabilities		
a) Claims against the Company not acknowledged as debt		
(i) ESI	33.81	33.81
(ii) Others (self generation tax / cross subsidy charges to TNEB and etc.)	595.10	565.78
	<u>628.91</u>	<u>599.59</u>

These have been disputed by the Company on account of issues of applicability and classification. Future cash outflows in respect of the above are determinable only on receipt of judgment / decisions pending with various forums / authorities.

b) Customer bills discounted with bankers	-	64.76
c) Capital Commitments		
Capital Commitments (net of advances) not provided for	706.46	1,187.00
d) Company has received corporate guarantee from Kandagiri Spinning Mills Limited and Sambandam Fabrics private limited to the extent of	2,435.00	1,490.00

The outflow in respect of the above is not practicable to ascertain in view of the uncertainties involved.

43. CSR Expenditure :

Particulars	2021-22	2020-21
(a) Gross amount required to be spent by the company during the year	12.43	7.78
(b) Amount spent during the year on:		
(i) Construction/acquisition of any asset	-	-
(ii) On purposes other than (i) above		
Contribution to S. Palaniandi Mudaliar Charitable Trust		
- On account of health care services	5.01	16.75
Amount spent directly by the company towards		
Artificial limb fitment project	7.45	0.05
(c) Amount unspent as at the year end	-	-

44. Based on and to the extent of information available with the Company under Micro, Small and Medium Enterprises Development Act, 2006 (MSMED Act), the relevant particulars as at reporting date are furnished below:

Particulars	As at March 31, 2022	As at March 31, 2021
(i) Principal amount due to suppliers under MSMED Act, as at the end of the year	384.63	536.61
(ii) Interest accrued and due to suppliers under MSMED Act, on the above amount as at the end of the year	-	-
(iii) Payment made to suppliers (other than interest) beyond the appointed day, during the year	-	-
(iv) Interest paid to suppliers under MSMED Act (other than Section 16)	-	-
(v) Interest paid to suppliers under MSMED Act (Section 16)	-	-
(vi) Interest due and payable to suppliers under MSMED Act, for payments already made	-	-
(vii) Interest accrued and remaining unpaid at the end of the year to suppliers under MSMED Act (ii) + (vi)	-	-

Dues to Micro and Small Enterprises have been determined to the extent such parties have been identified on the basis of information collected by the Management. This has been relied upon by the auditors.

45. During the financial year 2017-18 the Company's management has identified embezzlement of funds by an employee of the Company whose services have since been terminated. The above has also been intimated to BSE Limited and necessary disclosures made under Regulation 30 of SEBI (Listing Obligation and Disclosure Requirements), Regulations 2015 vide letter dated November 21, 2017.

Pending the recovery procedures, suitable adjustments/provisions have been made in the earlier year, to the financial statements and a sum of (i) Rs.250 lakhs has been considered recoverable and (ii) Rs.283.01 lakhs has been provided for, and reflected as extraordinary item of the earlier year.



Notes annexed to and forming part of the Standalone Financial Statements

46. Auditor's Remuneration : (Rs. in lakhs)

Particulars	March 31, 2022	March 31, 2021
1. Statutory audit	8.00	6.00
Cost audit	1.00	1.00
2. Taxation matters	—	—
3. Other services	—	—

47. Net Debt Reconciliation (Rs. in lakhs)

Particulars	March 31, 2022	March 31, 2021
1. Cash and Cash equivalents	343.61	9.92
2. Liquid investments	50.00	50.00
3. Current Borrowings (including current maturities of non current borrowings)	(6,324.03)	(6,481.06)
4. Non current borrowings	(6,519.69)	(2,782.29)
Net Debt	(12,450.11)	(9,203.43)

Particulars	Other Assets		Liabilities from financing activities			Total
	Cash and Bank overdraft	Liquid Investments	Finance lease Obligations	Non current borrowings	Current Borrowings	
Net debt as at March 31, 2021						(9,203.43)
Cash Flows	333.69	—	—	(3,737.40)	(157.03)	(3,246.68)
Interest expense	1,133.88	—	—	—	—	1,133.88
Interest paid	(1,133.88)	—	—	—	—	(1,133.88)
Net debt as at March 31, 2022	333.69	—	—	(3,737.40)	(157.03)	(12,450.11)

48. The Company's primary segment is identified as business segment based on nature of products, risk, returns and internal reporting business systems the company is principally engaged in a single business segment viz. manufacture and sale of cotton yarn.

49. Disclosure as required under section 186(4) of the Companies Act, 2013: (Rs. in lakhs)

Particulars	As at March 31, 2022	As at March 31, 2021	Purpose
i. Investments (Refer note 4)	175.25	175.33	Funding for operations
ii. Guarantees	—	—	

50. Revenue from contract with customers (Ind AS 115)

a) Disaggregated revenue information

(Rs. in Lakhs)

Particulars	March 31, 2022	March 31, 2021
Type of goods and service		
Sale of products		
Yarn	34,296.10	22,337.52
Fabric sales	87.41	41.39
Process waste	971.67	605.08
Revenue from services		
Yarn testing charges	—	—
Yarn conversion charges	—	8.85
Other operating revenues	138.75	114.07
Total revenue from contract with customers	35,493.93	23,106.91
India	34,600.71	22,921.63
Outside India	893.22	185.28
Total revenue from contract with customers	35,493.93	23,106.91



Notes annexed to and forming part of the Standalone Financial Statements

Timing of revenue recognition

(Rs. in Lakhs)

Particulars	March 31, 2022		March 31, 2021	
	At a point in time	Over a period of time	At a point in time	Over a period of time
Sale of products and other operating income	35,493.93	—	23,106.91	—
Less : Rebates and discounts	—	—	—	—
Total revenue from contract with customers	35,493.93	—	23,106.91	—

b) Contract balance

(Rs. in Lakhs)

Particulars	March 31, 2022	March 31, 2021
Trade receivables	3,692.06	3,939.10
Contract assets / Liabilities	—	—

Trade receivables are non-interest bearing and are generally on approval terms

c) Reconciliation of revenue recognised in the statement of profit and loss with the contracted price

(Rs. in Lakhs)

Particulars	March 31, 2022	March 31, 2021
Revenue as per contracted price	35,493.93	23,106.91
Adjustments:-		
Rebates and discounts	—	—
Revenue from contract with customers	35,493.93	23,106.91

51. The title deeds of immovable properties are held in the name of the Company.
52. The Company has not revalued any of its Property, Plant and Equipment during the year.
53. (a) During the year, the company has received corporate guarantee of Rs 789.38 lakhs (totaling to Rs 2279.38 lakhs as on 31.3.2022) from M/s Kandagiri spinning mills Ltd for the term loan availed from CSB Bank. Also Kandagiri spinning Mills Ltd., gave its immovable properties as collateral security for the above loan
- (b) During the year , the company has received corporate guarantee of Rs 945 lakhs (totaling to Rs 2435 lakhs as on 31.3.2022) from M/s Sambandam fabrics Pvt Ltd., for the term loan availed from CSB Bank. Also, M/s Sambandam fabrics Pvt Ltd has extended its immovable property as collateral security for the above loan
54. The Company does not have any Benami property, where any proceedings initiated or pending against the Company for holding any Benami property.
55. The Company had availed (1) Covid Loan of Rs 193 lakhs from HDFC bank and (2) working capital loan of Rs 1076 lakhs from canara bank .Two separate charges were created in ROC on above two loans .The working capital loan (2) was subsequently taken over by HDFC bank. Later, above two loans were included in the consortium total funding on which separate identifiable charge is made with ROC. Hence earlier created charges on (1) and (2) became redundant for which the satisfaction of charge is yet to be registered with ROC and the banker HDFC Bank is yet to give NOC for satisfaction of such charge of above mentioned (1) and (2) loans.
56. The Company is not declared as willful defaulter by any Bank or Financial Institution (as defined under the Companies Act, 2013) or consortium thereof or other Lender in accordance with the guidelines on willful defaulters issued by the Reserve Bank of India
57. The Company does not have any transaction with Companies struck off under section 248 of the companies Act, 2013 or section 560 of the Companies Act, 1956
58. The Company has not advanced or loaned or invested funds to any other persons or entities including foreign entities (intermediaries) with the understanding that the intermediary shall (a) directly or indirectly lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the Funding party (ultimate Beneficiaries) or (b) provide any guarantee or security or the like on behalf of the Ultimate Beneficiaries.



Notes annexed to and forming part of the Standalone Financial Statements

59. The Company has not received any fund from other persons or entities including foreign entities (intermediaries) with the understanding that the intermediary shall (a) directly or indirectly lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the Funding party (ultimate Beneficiaries) or (b) provide any guarantee or security or the like on behalf of the Ultimate Beneficiaries
60. The Company does not have any transaction which is not recorded in the books of accounts that has been surrendered or disclosed as income during the year in the tax assessments under the Income Tax Act, 1961 (such as search or survey or any other relevant provisions of the Income Tax Act, 1961)
61. The Company does not have any subsidiary Company and accordingly the provisions with respect to the number of layers prescribed under clause (87) of section 2 of the Companies Act, 2013 read with the Companies (Restriction on number of Layers) Rules, 2017 is not applicable to the Company
62. The Company has not traded or invested in Crypto currency or Virtual currency during the financial year 2021-22
63. The company has utilised the borrowings only for the intended purpose.

64. Ratios:-

S.No.	Particulars	2021-22	2020-21	Change(%)	Reasons
(a)	Current ratio [Current Assets /Current liability]	1.39	1.24	12.10%	
(b)	Debt-Equity Ratio (no of times) [Total debt ¹ / Total shareholder's equity ²]	1.17	0.99	18.18%	
(c)	Debt Service Coverage Ratio [(Profit / (loss) before exceptional items and tax + interest on Borrowings + Depreciation) / (Interest on Borrowings + Repayment of long term debt+lease liability ³)]	1.55	1.02	51.96%	Due to more profit earned during current year
(d)	Return on Equity(in %) [Net Profit after tax / Average Shareholder's Equity]	13.42%	8.29%	61.88%	Due to more profit earned during current year
(e)	Inventory Turnover Ratio (in No of days) [Average Inventory ⁴ No of days =365] / [Raw Material Consumed ⁵	173	212	(18.40)%	
(f)	Trade Receivable Turnover Ratio (In No of days) [Average Trade receivables* No of days = 365 / Revenue from operations]	39	62	(37.10)%	Due to Better collection from customers
(g)	Trade Payables turnover Ratio (in No of days) [Average Trade payables* No of days=365] / Cost of materials consumed ⁶ /	77	108	(28.70)%	Due to Better payment to vendors
(h)	Net Capital Turnover ratio (in Times) [Revenue from operations/ Working Capital ⁷]	5.69	5.47	(4.14)%	
(i)	Net Profit ratio in % [Net profit after Tax / Revenue from continuing Operations]	4.09%	3.49%	17.11%	
(j)	Return on Capital Employed % [Profit before Interest and Tax / Average Capital employed]	14.24%	10.47%	36.01%	Due to more profit earned during current year
(k)	Return on Investment [Income generated from investment /Average Investments]	0.43%	-%	100%	Dividend income earned during current year



Notes annexed to and forming part of the Standalone Financial Statements

Previous period amounts of assets and liabilities were recomputed to make the ratios comparable with current period

1. Total debt includes Non current and current borrowings of term loans
2. Equity = Equity Share Capital + other equity
3. Repayment of borrowings includes Repayment of current and non current borrowings
4. Working capital=Current assets Less current liabilities
5. Raw material consumed includes cost of material consumed ,purchases of products for sale and changes in inventories of finished goods, work in progress and products for sale
6. Inventory includes Raw material, and components, working progress, finished goods, stores and
7. Capital Employed includes shareholders equity, non-current and current borrowings
8. Cost of materials consumed includes raw materials and yarn purchases for trading

Other Statutory Information

- (i) The company does not have any Benami property, where any proceeding has been initiated or pending against the company for holding any Benami Property.
 - (ii) The Company does not have any charges or satisfaction which is yet to be registered with ROC beyond the statutory period.
 - (iii) The Company has not traded or invested in Crypto currency or Virtual Currency during the financial year.
 - (iv) The company has not advanced or loaned or invested funds to any other person(s) or entity(is), including foreign entities.
 - (v) The company has not received any fund from any person(s) or entity(is), including foreign entities.
 - (vi) The Company is not declared as wilful defaulter by any bank or financial institution (as defined under the companies Act, 2013) or consortium thereof or other lender in accordance with the guidelines on wilful defaulters issued by the Reserve Bank of India.
 - (vii) The Company does not have any transaction which are not recorded in the books of accounts that have been surrendered or disclosed as income during the year in the tax assessments under the Income Tax Act, 1961.
 - (viii) The Company has not revalued any of its Property, Plant and Equipment (including Right-of-Use Assets) during the year
65. Previous year figures have been regrouped / reclassified / amended wherever necessary to conform to current year classification

As per our report of even date
For **R. Sundararajan & Associates**
Chartered Accountants
Firm Registration No.08282S

S. Krishnan - Partner
Membership No. 26452

Salem
May 29, 2022

For and on behalf of the board

S. Devarajan
Chairman and Managing Director
DIN : 00001910

S. Natarajan
Company Secretary

S. Dinakaran
Joint Managing Director
DIN : 00001932

P. Boopalan
Chief Financial Officer



INDEPENDENT AUDITORS' REPORT

TO THE MEMBERS OF SAMBANDAM SPINNING MILLS LIMITED Report on the audit of the Consolidated Financial Statements

Opinion

We have audited the accompanying Consolidated Financial Statements of **SAMBANDAM SPINNING MILLS LIMITED** ("Investee Company/the Company") and its associates, which comprise the Consolidated Balance Sheet as at March 31, 2022, the Consolidated Statement of Profit and Loss including Other Comprehensive Income, the Consolidated Cash Flow Statement and the Consolidated Statement of Changes in Equity for the year then ended, and notes to the consolidated financial Statements, including a summary of the significant accounting policies and other explanatory information (hereinafter referred to as "the consolidated financial statements").

In our opinion and to the best of our information and according to the explanations given to us and based on the consideration of reports of other auditors on separate financial statements and on the other financial information of the associate, the aforesaid Consolidated Financial Statements give the information required by the Companies Act, 2013, as amended ("the Act") in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India, of the consolidated state of affairs of the Company, its associates as at March 31, 2022, their consolidated income including other comprehensive income, their consolidated cash flow and the consolidated changes in equity for the year ended on that date.

Basis for Opinion :

We conducted our audit of the consolidated 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 Consolidated Financial Statements' section of our report. We are independent of the Company and its associate 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 consolidated financial statements under the provisions of the Act, and the Rules thereunder, and we have fulfilled our other ethical responsibilities in accordance with these requirements and the Code of Ethics. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion on the consolidated financial statements.

Key Audit Matters

Key audit matters are those matters that, in our professional judgment, were of most significance in our audit of the consolidated financial statements of the financial year ended March 31, 2022. These matters were addressed in the context of our audit of the consolidated financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters. We have determined the matters described below to be the key audit matters to be communicated in our report. We have fulfilled the responsibilities described in the Auditor's responsibilities for the audit of the consolidated financial statements section out of report, including in relation to these matters. Accordingly, our audit included the performance of procedures designed to respond to our assessment of the risks of material misstatement of the consolidated financial statements. The results of our audit procedures, including the procedures performed to address the matters below, provide the basis of our opinion on the accompanying consolidated financial statements.

A. Revenue Recognition

Key Audit Matter Description

Reference may be made to note 2(c) of significant accounting policies and note 27 to the consolidated financial statements of the Company.

Revenue recognition is inherently an area of audit risk, which we have substantially focused on mainly covering the aspects of cut off and the impact of Ind AS 115 as key audit matters.

Response to Key Audit Matter

Principal Audit Procedures

Our audit procedures relating to revenue comprised of test of controls and substantive procedures including the following:

- a. We assessed whether the policy of recognizing revenue was in line with Ind AS – 115.



- b. We performed procedures to assess the design and internal controls established by the management and tested the operating effectiveness of relevant controls related to the recognition of revenue.
- c. Selected a sample of continuing and new contracts, and tested the operating effectiveness of the internal control, relating to identification of the distinct performance obligations and determination of transaction price. We carried out a combination of procedures involving enquiry and observation, reperformance and inspection of evidence in respect of operation of these controls.
- d. We have tested, on a sample basis, whether specific revenue transactions around the reporting date has been recognised in the appropriate period by comparing the transactions selected with relevant underlying documentation, including goods delivery notes, customer acknowledgement/proof of acceptance and the terms of sales.
- e. We have also validated subsequent credit notes and sales returns up to the date of this Report to ensure the appropriateness and accuracy of the revenue recognition.
- f. We tested journal entries on a sample basis to identify any unusual or irregular items.
- h. We also considered the adequacy of the disclosures in Company's consolidated financial statements in relation to Ind AS 115 and whether they meet the disclosure requirements.

Conclusion

Based on the procedures performed above, we did not find any material exceptions with regards to adoption of Ind AS 115 and timing of revenue recognition.

Other Information

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

Our opinion on the consolidated 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 consolidated financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the consolidated 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 Consolidated Financial Statements

The Company's Board of Directors is responsible for the matters stated in section 134(5) of the Act with respect to the preparation of these consolidated 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 and its associate in accordance with the accounting principles generally accepted in India, including the Indian Accounting Standards (Ind AS) specified under section 133 of the Act read with the Companies (Indian Accounting Standards) Rules, 2015, as amended. The respective Board of Directors of the Company and its associate are responsible for maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding of the assets of the Company and its associate and for preventing and detecting frauds and other irregularities; selection and application of appropriate accounting policies; making judgments and estimates that are reasonable and prudent; and design, implementation and maintenance of adequate internal financial controls, that were operating effectively for ensuring the accuracy and completeness of the accounting records, relevant to the preparation and presentation of the consolidated financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error.

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

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



Auditor's Responsibilities for the Audit of the Consolidated Financial Statements

Our objectives are to obtain reasonable assurance about whether the consolidated 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 consolidated 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 consolidated financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances. Under section 143(3)(i) of the Act, we are also responsible for expressing our opinion on whether the company and its associate 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 consolidated 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 and its associate to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the consolidated financial statements, including the disclosures, and whether the consolidated financial statements represent the underlying transactions and events in a manner that achieves fair presentation.
- Obtain sufficient appropriate audit evidence regarding the financial results of the associate to express an opinion on the consolidated annual financial results. We are responsible for the direction, supervision and performance of the audit of financial information of such entity included in the consolidated annual financial results of which we are the independent auditors. For the other entities included in consolidated annual financial results, which have been audited by other auditors, such other auditors remain responsible for the direction, supervision and performance of the audits carried out by them. We remain solely responsible for our audit opinion.

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

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

From the matters communicated with those charged with governance, we determine those matters that were of most significance in the audit of the consolidated financial statements for the year ended March 31, 2022 and are therefore the key audit matters. We describe these matters in our auditor's report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.



Other Matter

The consolidated annual financial results include the share of net profit after tax of Rs.63.04 lakhs and Rs.4.75 lakhs for the year ended March 31, 2022 and for the year ended March 31, 2021 respectively, as considered in the consolidated annual financial results, in respect of two associates, whose financial statements have not been audited by us. These financial statements have been audited by other auditors whose reports have been furnished to us by the Management and our opinion on the consolidated annual financial results, in so far it relates to the amounts and disclosures included in respect of these associate, is based solely on the reports of the other auditors.

Our opinion on the Consolidated Annual Financial Results is not modified in respect of the above matters with respect to our reliance on the work done and the reports of the other auditors.

Report on Other Legal and Regulatory Requirements

2. As required by Section 143 (3) of the Act, based on our audit and on the consideration of report of the other auditors on separate financial statements and the other financial information of associate, as noted in the "other matter" paragraph we report, to the extent applicable, that:

- (a) We/the other auditors whose report we have relied upon 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 of the aforesaid consolidated financial statements;
- (b) In our opinion, proper books of account as required by law relating to the preparation of the aforesaid consolidation of the financial statements have been kept by the Company so far as it appears from our examination of those books and reports of the other auditors;
- (c) The consolidated Balance Sheet, the consolidated Statement of Profit and Loss including Other Comprehensive Income, the consolidated Statement of Cash Flows and the consolidated Statement of Changes in Equity dealt with by this report are in agreement with the relevant books of account.
- (d) In our opinion, the aforesaid Consolidated Financial Statements comply with the Ind AS specified under Section 133 of the Act.
- (e) On the basis of the written representations received from the directors of the Investee company and its associate as on March 31, 2022 taken on record by the Board of Directors of the investee company and its associate, none of the directors is disqualified as on March 31, 2022 from being appointed as a director in terms of Section 164(2) of the Act.
- (f) With respect to the adequacy of the Internal Financial Controls Over Financial Reporting of the Company with reference to these consolidated financial statements of the company and its associate and the operating effectiveness of such controls, refer to our separate report in "Annexure 1" to this report. Our report expresses an unmodified opinion on the adequacy and operating effectiveness of the Company's internal financial controls over financial reporting.
- (g) With respect to the other matters to be included in the Auditor's Report in accordance with the requirements of section 197 (16) of the Act, as amended:

In our opinion and to the best of our information and according to the explanation given to us, the remuneration paid by the Company and its associate to its directors during the year is in accordance with the provisions of section 197 of the Act:

- (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) Rule 2014, as amended in our opinion and to the best of our information and according to the explanations given to us and based on the consideration of the report of the other auditors on separate financial statements as also the other financial information of the associate, as noted in the "Other matter" paragraph :



- i. The Company and its associate have disclosed the impact of pending litigations on its financial position in its consolidated financial Statements.
- ii. The company and its associate did not have any long-term contracts including derivative contracts for which there were any material foreseeable losses as at March 31, 2022.
- iii. There has been no delay in transferring amounts, required to be transferred, to the Investor Education and Protection Fund by the Company and its associate.
- iv. (a) The Management has represented that, to the best of its knowledge and belief, no funds have been advanced or loaned or invested (either from borrowed funds or share premium or any other sources or kind of funds) by the Company to or in any other persons or entities, including foreign entities ("Intermediaries"), with the understanding, whether recorded in writing or otherwise, that the Intermediary shall, 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 have been received by the Company from any persons or entities, including foreign entities ("Funding Parties"), with the understanding, whether recorded in writing or otherwise, that the Company shall, 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. The company has not declared or paid any dividend during the year.

For **R. Sundararajan & Associates**
Chartered Accountants
Firm Registration No. 08282S

S. Krishnan - Partner
Membership No. 26452
UDIN : 22026452AJVLVW7264

Date : May 29, 2022
Place : Salem

"ANNEXURE 1" to the Independent Auditor's Report of even date on the Consolidated Financial Statements of Sambandam Spinning Mills Limited

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

We have audited the internal financial controls over financial reporting of Sambandam Spinning Mills Limited ("the investee Company") and its associate as of March 31, 2022 in conjunction with our audit of the Consolidated financial statements of the Company for the year ended on that date.

Management's Responsibility for Internal Financial Controls

The respective Board of Directors of the company and its associate are responsible for establishing and maintaining internal financial controls based on the internal control over financial reporting criteria established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting issued by the Institute of Chartered Accountants of India. 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.



Auditor's Responsibility

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

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

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

Meaning of Internal Financial Controls over Financial Reporting

A company's internal financial control over financial reporting is a process designed to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles. A company's internal financial control over financial reporting includes those policies and procedures that (i) pertain to the maintenance of records that, in reasonable detail, accurately and fairly reflect the transactions and disposition of the assets of the company; (ii) 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 authorisations of management and directors of the company; and (iii) provide reasonable assurance regarding prevention or timely detection of unauthorised acquisition, use, or disposition of the company's assets that could have a material effect on the financial statements.

Inherent Limitations of Internal Financial Controls over Financial Reporting

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

Opinion

In our opinion, to the best of our information and according to the explanations given to us, the Company and its associate have, in all material respects, an adequate internal financial controls system over financial reporting and such internal financial controls over financial reporting were operating effectively as at March 31, 2022, based on the internal control over financial reporting criteria established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting issued by the Institute of Chartered Accountants of India.

Other Matters

Our report under section 143(3)(i) of the Act on the adequacy and operating effectiveness of the internal financial controls over financial reporting with reference to these consolidated financial statements of the company, in so far as it relates to one associate, is based on the corresponding reports of the auditors of such associate company.

For **R. Sundararajan & Associates**
Chartered Accountants
Firm Registration No: 008282S

S. Krishnan – Partner
Membership No. 26452
UDIN : 22026452AJVLVW7264

Date : May 29, 2022
Place : Salem



Consolidated Balance Sheet as at March 31, 2022

Particulars	Note No.	31.03.2022 Rs. in Lakhs	31.03.2021 Rs. in Lakhs
ASSETS			
Non current assets			
Property, plant and equipment	1	13,758.06	10,402.04
Capital work in progress		105.65	28.61
Right-of-use assets	2	541.40	675.55
Intangible assets	3	0.04	0.04
Financial assets			
Investments	4	218.22	155.26
Other financial asset	5	355.04	280.84
Other non-current assets	6	570.74	287.54
Total non-current assets		15,549.15	11,829.88
Current assets			
Inventories	7	10,302.26	9,710.50
Financial assets			
Trade receivables	8	3,692.06	3,939.10
Cash and cash equivalents	9a	343.61	9.92
Other Bank balances	9b	462.71	87.10
Other financial assets	10	309.70	583.95
Current tax assets (net)	11	—	—
Other current assets	12	1,399.49	790.28
Total current assets		16,509.83	15,120.85
Total assets		32,058.98	26,950.73
EQUITY AND LIABILITIES			
Equity			
Equity share capital	13	427.55	427.55
Other equity	14	11,141.73	9,657.23
Total equity		11,569.28	10,084.78
Non-current liabilities			
Financial liabilities			
Borrowings	15	6,519.69	2,782.29
Lease liabilities	16	473.92	584.51
Other non current liabilities	17	5.23	32.13
Long term Provisions	18	453.98	319.19
Deferred tax liabilities (Net)	19	1,167.00	928.20
Other non current liabilities	20	11.35	11.35
Total non-current liabilities		8,631.17	4,657.67
Current liabilities			
Financial liabilities			
Borrowings	21	6,324.03	6,481.06
Lease liabilities	22	110.59	109.10
Trade payables			
(a) total outstanding dues of micro and small enterprises	23	384.63	536.61
(b) total outstanding dues other than micro and small enterprises	23	4,029.29	3,967.65
Provisions	24	14.57	9.97
Other financial liabilities	25	717.22	879.64
Current tax liabilities (net)	11	15.40	46.23
Other current liabilities	26	262.80	178.02
Total current liabilities		11,858.53	12,208.28
Total equity and liabilities		32,058.98	26,950.73

Significant Accounting Policies and Notes to accounts form an integral part of the Consolidated Ind AS Financial Statements

As per our report of even date

For **R. Sundararajan & Associates**

Chartered Accountants
Firm Registration no.08282S
S. Krishnan - Partner
Membership No.26452
Salem
May 29, 2022

For and on behalf of the board

S. Devarajan Chairman and Managing Director DIN : 00001910	S. Dinakaran Joint Managing Director DIN : 00001932
S. Natarajan Company Secretary	P. Boopalan Chief Financial Officer


Consolidated Statement of Profit and Loss for the year ended March 31, 2022

Particulars	Note No.	31.03.2022 Rs. in Lakhs	31.03.2021 Rs. in Lakhs
Income			
Revenue from operations	27	35,493.93	23,106.91
Other income	28	42.89	32.11
Total income		<u>35,536.82</u>	<u>23,139.02</u>
Expenses			
Cost of materials consumed	29	23,863.66	13,163.10
Changes in inventories of finished goods and work-in- progress	30	(2,768.82)	(69.94)
Employee benefits expense	31	4,051.03	2,950.92
Finance cost	32	1,204.78	1,029.62
Depreciation and amortization expense	33,1,2,3	1,334.17	1,242.68
Other expenses	34	5,702.91	3,781.32
Total Expenses		<u>33,387.73</u>	<u>22,097.70</u>
Profit before share of profit of associates and tax		2,149.09	1,041.32
Share of profit of associates		63.04	4.75
		<u>2,212.13</u>	<u>1,046.07</u>
Tax expense :			
Current tax - current year		512.36	386.28
Deferred tax		185.00	(152.00)
Income tax expense		<u>697.36</u>	<u>234.28</u>
Profit for the period from continuing operations		<u>1,514.77</u>	<u>811.79</u>
Other comprehensive income			
Other comprehensive income not to be reclassified to profit and loss			
Re-measurement gains/(losses) on defined employee benefit plans		197.95	(98.11)
Income tax relating to above		57.64	(27.28)
Other comprehensive income (net of tax)		<u>140.31</u>	<u>(70.83)</u>
Total comprehensive income for the year		<u>1,655.08</u>	<u>740.96</u>
Earning per share (Face value Rs.10 per share)			
'-Basic and diluted (Rs.) Refer Note No. 38		35.52	19.03

Significant Accounting Policies and Notes to accounts form an integral part of the Consolidated Ind AS Financial Statements

As per our report of even date

For **R. Sundararajan & Associates**

Chartered Accountants

Firm Registration No.08282S

S. Krishnan - Partner

Membership No. 26452

Salem

May 29, 2022

For and on behalf of the board

S. Devarajan

Chairman and Managing Director

DIN : 00001910

S. Natarajan

Company Secretary

S. Dinakaran

Joint Managing Director

DIN : 00001932

P. Boopalan

Chief Financial Officer



Consolidated Statement of Cash Flow for the year ended March 31, 2022

Particulars	31.03.2022 Rs. in Lakhs	31.03.2021 Rs. in Lakhs
Cash Flows from Operating Activities		
Profit Before Tax	2,212.13	1,046.07
Adjustments for :		
Share of profits of associates	(63.04)	(4.75)
Depreciation and amortisation expense	1,334.17	1,242.68
Finance cost	1,204.78	1,029.62
Interest Income	(19.05)	(14.05)
Unrealised Exchange Fluctuation	(23.03)	(11.36)
Dividend income	(0.75)	-
Lease payment	(180.00)	(150.00)
(Net gain) or loss arising on financial asset mandatorily measured at FVTPL	0.08	(0.34)
Loss / (Profit) on sale of property, plant and equipments	(8.37)	1.45
Operating profit before working capital changes	4,456.92	3,139.32
Adjustments for changes in :		
Inventories	(591.75)	(4,210.44)
Trade receivables	247.04	(80.50)
Non current and current financial assets	(175.56)	145.95
Other non-current and current assets	(892.43)	(144.86)
Trade payables	(90.34)	1,088.47
Non current and current financial liabilities	(369.65)	87.91
Other non-current and current liabilities	84.77	78.44
Other non-current and current provisions	139.39	21.61
Cash Generated from Operations	2,808.39	125.90
Income Tax paid	(600.83)	(160.72)
Net Cash Flow from Operating Activities (A)	2,207.56	(34.82)
Cash Flows from Investing Activities		
Payments for acquisition of property, plant and equipment	(4,556.04)	(172.10)
Movement in capital work in progress	(77.04)	(25.98)
Movement in Right of use of assets	-	-
Proceeds from sale of property, plant and equipment	8.37	50.42
Interest received	19.05	14.05
Dividend received	0.75	-
Sale/(Purchase) of Long term investments	-	-
Net cash flow from investing activities (B)	(4,604.91)	(133.61)
Cash Flows from Financing Activities		
Finance cost	(1,133.88)	(965.57)
Dividends Paid	170.58	-
Refund of Inter corporate deposit	-	-
Proceeds from working capital borrowings	(157.03)	104.63
Proceeds from non current borrowings	5,164.21	2,717.72
Repayments of non current borrowings	(1,312.84)	(1,687.77)
Net Cash Flow from Financing Activities (C)	2,731.04	169.01
Net increase/(decrease) in cash and cash equivalents (A+B+C)	333.69	0.58
Opening Cash and Cash equivalents at the beginning of the financial year (D)	9.92	9.34
Closing Cash and Cash equivalents at the end of the financial year (E)	343.61	9.92
Net increase/(decrease) in cash and cash equivalents (E-D)	333.69	0.58

Significant Accounting Policies and Notes to accounts form an integral part of the Consolidated Ind AS Financial Statements

As per our report of even date

For **R. Sundararajan & Associates**

Chartered Accountants

Firm Registration No.08282S

S. Krishnan - Partner

Membership No. 26452

Salem

May 29, 2022

For and on behalf of the board

S. Devarajan

Chairman and Managing Director

DIN : 00001910

S. Dinakaran

Joint Managing Director

DIN : 00001932

S. Natarajan

Company Secretary

P. Boopalan

Chief Financial Officer


Consolidated Statement of Changes in Equity for the year ended March 31, 2022
A. Equity share Capital

(Rs. in Lakhs)

	Balance at the End of March 31, 2021	Changes in equity share capital during the year	Balance as on March 31, 2022
Equity share capital	427.55	–	427.55

B. Other Equity

(Rs. in Lakhs)

Particulars	Reserves & Surplus			Total
	Securities Premium	General Reserve	Retained Earnings	
Balance at the beginning of April 1, 2020	539.09	4,464.67	3,937.33	8,941.09
Changes in accounting policy or prior period errors				
Profit for the year	–	–	807.04	807.04
Other Comprehensive income	–	–	(70.83)	(70.83)
Total Comprehensive income for the year	–	–	736.21	736.21
Dividend including tax thereon	–	–	–	–
Balance at the end of March 31, 2021	539.09	4,464.67	4,653.47	9,657.23
Changes in accounting policy or prior period errors				
Profit for the year	–	–	1,514.77	1,514.77
Other Comprehensive income	–	–	140.31	140.31
Total Comprehensive income for the year	–	–	1,655.08	1,655.08
Dividend including tax thereon	–	–	170.58	170.58
Balance at the end of March 31, 2022	539.09	4,464.67	6,137.97	11,141.73

Other comprehensive income includes Actuarial Gain/(Loss) on remeasurement of defined benefit plans.

Notes : (a) Dividends declared/paid during the year and amounts transferred to Retained Earnings Rs.170.58 lakhs (2020-21 Rs.Nil).

(b) Share application money pending allotment, Equity component of Compound financial instruments, Capital Reserves, Debt/Equity instruments through OCI, effective portion of cash flow hedges, etc Rs.Nil (2020-21 Rs.Nil)

Significant Accounting Policies and Notes to accounts form an integral part of the Consolidated Ind AS Financial Statements

As per our report of even date

For **R. Sundararajan & Associates**

Chartered Accountants

Firm Registration No.08282S

S. Krishnan - Partner

Membership No. 26452

Salem

May 29, 2022

For and on behalf of the board

S. Devarajan

Chairman and Managing Director

DIN : 00001910

S. Natarajan

Company Secretary

S. Dinakaran

Joint Managing Director

DIN : 00001932

P. Boopalan

Chief Financial Officer



Notes to the Consolidated Ind AS Financial Statements for the year ended March 31, 2022
1. NON-CURRENT ASSETS - PROPERTY, PLANT AND EQUIPMENT (PPE)
(Rs. in Lakhs)

2021 - 2022	Gross Carrying Amount (Cost/deemed cost)				Depreciation / amortisation			Net Carrying Amount 31.03.2022	
	01.04.2021	Additions	Deletions	31.03.2022	Upto 31.03.2021	Charge for the year	Disposal		Upto 31.03.2022
Freehold land	2,212.16	31.96	-	2,244.12	-	-	-	-	2,244.12
Buildings	3,259.65	37.75	-	3,297.40	672.39	133.07	-	805.46	2,491.94
Plant and Equipment	7,836.89	447.97	1.94	8,282.92	3,001.16	814.78	1.94	3,814.00	4,468.92
Solar Equipment	-	4,024.92	-	4,024.92	-	21.24	-	21.24	4,003.67
Wind Energy Converters	1,742.32	-	-	1,742.32	1,190.92	183.15	-	1,374.07	368.25
Furniture and Fixtures	6.09	1.41	-	7.50	4.95	0.23	-	5.18	2.32
Vehicles	355.87	5.91	-	361.78	184.02	38.72	-	222.74	139.04
Office equipment	65.31	6.12	-	71.43	22.81	8.83	-	31.64	39.79
Total	15,478.29	4,556.04	1.94	20,032.39	5,076.25	1,200.02	1.94	6,274.33	13,758.06

Description	01.04.2021	Additions	Capitalisation	31.03.2022
Capital work in progress	28.61	105.65	28.61	105.65

Description	31.03.2022			
	Less than 1 year	1-2 years	2-3 years	More than 3 years
Projects in progress	105.65	-	-	-
Projects temporarily suspended	-	-	-	-
				Total
				105.65



(Rs. in Lakhs)											
2020 - 2021	Gross Carrying Amount (Cost/deemed cost)				Depreciation / amortisation				Net Carrying Amount		
	Description	01.04.2020	Additions	Deletions	31.03.2021	Upto 31.03.2020	Charge for the year	Disposal	Upto 31.03.2021	31.03.2021	
Freehold land	2,212.16	-	-	2,212.16	-	-	-	-	-	2,212.16	
Buildings	3,252.63	7.02	-	3,259.65	540.49	131.90	-	672.39	-	2,587.26	
Plant and Equipment	7,757.43	122.64	43.18	7,836.89	2,226.82	776.28	1.94	3,001.16	-	4,835.73	
Wind Energy Converters	1,742.32	-	-	1,742.32	1,007.58	183.34	-	1,190.92	-	551.40	
Furniture and Fixtures	6.09	-	-	6.09	4.74	0.21	-	4.95	-	1.14	
Vehicles	320.03	41.16	5.32	355.87	150.76	37.91	4.65	184.02	-	171.85	
Office equipment	64.03	1.28	-	65.31	15.83	6.98	-	22.81	-	42.50	
Total	15,354.69	172.10	48.50	15,478.29	3,946.22	1,136.62	6.59	5,076.25	6.59	10,402.04	

Description	31.03.2021			
	01.04.2020	Additions	Capitalisation	31.03.2021
Capital work in progress	2.63	28.61	2.63	28.61

Description	31.03.2021			
	Less than 1 year	1-2 years	2-3 years	More than 3 years
Projects in progress	-	-	-	-
Projects temporarily suspended	-	-	-	-
				Total

Note :

1. Impairment loss recognized/reversed during the year Rs.Nil (2020-21 Rs.Nil)
2. Amount of contractual commitments for acquisition of property, plant and equipment - Refer Note No. 43
3. For details of asset given as security against borrowings - Refer Note No. 41
4. There are no overdue/overrun projects in CWIP
5. There is no proceedings have been initiated during the year or are pending against the company as at March 31, 2022 for holding any benami property under the Benami Transactions (Prohibition) Act, 1988 (as amended in 2016) and rules made thereunder.
6. Capital work-in-progress (CWIP) whose completion is overdue or has exceeded its cost compared to its original plan Rs.Nil (2020-21 Rs.Nil)
7. CWIP is to be completed in less than 1 year.



Notes to the Consolidated Ind AS Financial Statements for the year ended March 31, 2022

2. Right of use of Assets

		Gross Carrying Amount (Cost/deemed cost)				Amortisation			Net Carrying Amount
		01.04.2021	Additions	Deletions	31.03.2022	Upto 31.03.2021	Charge for the year	Disposal	Upto 31.03.2022
2021 - 2022									
Description									
Lease hold Land and buildings		787.34	-	-	787.34	111.79	134.15	-	245.94
Total		787.34	-	-	787.34	111.79	134.15	-	245.94
		(Rs. in Lakhs)							

		Gross Carrying Amount (Cost/deemed cost)				Amortisation			Net Carrying Amount
		01.04.2020	Additions	Deletions	31.03.2021	Upto 31.03.2020	Charge for the year	Disposal	Upto 31.03.2021
2020 - 2021									
Description									
Lease hold Land and buildings		799.58	-	12.24	787.34	5.73	106.06	-	111.79
Total		799.58	-	12.24	787.34	5.73	106.06	-	111.79
		(Rs. in Lakhs)							

Note : 1. Lease hold land and buildings is pursuant to application of Ind As 116. Refer Note No. 2. Lease agreements are duly executed in favour of the company.

3. Intangible assets

		Gross Carrying Amount (Cost/deemed cost)				Amortisation			Net Carrying Amount
		01.04.2021	Additions	Deletions	31.03.2022	Upto 31.03.2021	Charge for the year	Disposal	Upto 31.03.2022
2021 - 2022									
Description									
Computer Software - acquired		0.48	-	-	0.48	0.44	-	-	0.44
Total		0.48	-	-	0.48	0.44	-	-	0.44
		(Rs. in Lakhs)							

		Gross Carrying Amount (Cost/deemed cost)				Amortisation			Net Carrying Amount
		01.04.2021	Additions	Deletions	31.03.2021	Upto 31.03.2020	Charge for the year	Disposal	Upto 31.03.2021
2020 - 2021									
Description									
Computer Software - acquired		0.48	-	-	0.48	0.44	-	-	0.44
Total		0.48	-	-	0.48	0.44	-	-	0.44
		(Rs. in Lakhs)							

Note : 1. Impairment loss recognized/reversed during the year Rs.Nil (2020-21 Rs.Nil)



Notes annexed to and forming part of the Consolidated Ind AS Financial Statements

Particulars	31.03.2022 Rs. in Lakhs	31.03.2021 Rs. in Lakhs
4. Non current financial asset - Investments		
Unquoted		
Investments in Equity instruments		
Associates		
19,90,000 (2021 : 19,90,000) Equity shares of Rs.10 each in SPMM Health Care Services Private Limited	199.00	199.00
Less Group share of loss	<u>(2.32)</u>	<u>(65.36)</u>
	196.68	133.64
7,04,060 (2021 : 7,04,060) Equity shares of Rs.10 each in Salem IVF Centre Private Limited	70.41	70.41
Less Group share of loss	<u>(70.41)</u>	<u>(70.41)</u>
	-	-
Others		
1,463 (2021 : 1,463) Equity shares of Rs.10 each in Karnataka Bank Limited #	0.81	0.89
1,07,500 (2021 : 1,07,500) Equity shares of Rs.10 each in Sambandam Dairy Farm Limited (Previously known as Sambandam Investment and Leasing Limited)	20.73	20.73
	<u>218.22</u>	<u>155.26</u>
a. # represents quoted investments		
Aggregate value of quoted investments (at fair value)	0.81	0.89
Aggregate market value of quoted investments	0.81	0.89
Aggregate value of unquoted investments	<u>217.41</u>	<u>154.37</u>
b. Investments are fully paid-up unless otherwise stated		
5. Non current - Other financial asset		
Unsecured and considered good		
Security deposits with maturity of more than 12 months with related parties	3.00	3.00
with others	<u>352.04</u>	<u>276.65</u>
Bank deposits with original maturity of greater than 12 months		
Employee advances	-	1.19
	<u>355.04</u>	<u>280.84</u>
6. Other non current assets		
Unsecured, considered good		
Capital advances	337.75	54.55
Balances with TNEB authorities, Sales tax (paid under protest)	<u>232.99</u>	<u>232.99</u>
	570.74	287.54
7. Inventories		
Raw materials	4,563.76	6,738.05
Work-in-progress	2,000.91	1,826.38
Finished goods - Yarn	3,676.81	1,082.52
Stores and spares	60.78	63.55
	<u>10,302.26</u>	<u>9,710.50</u>
Note :		
1. Goods in transit included above are as follows		
Raw materials	-	-
2. Cost of materials consumed during the year, Refer Note No. 29		
3. Provision for obsolete/slow moving stock - Rs. Nil (2020-21 Rs. Nil)		
8. Trade receivables		
Unsecured, considered good		
Trade receivables		
- Related Parties (Refer Note 40)	1.11	1.07
- Others	<u>3,690.95</u>	<u>3,938.03</u>
	3,692.06	3,939.10



Notes annexed to and forming part of the Consolidated Ind AS Financial Statements

Particulars	31.03.2022	31.03.2021
	Rs. in Lakhs	Rs. in Lakhs

Trade receivables - Ageings

Particulars	Out standing as at March 31, 2022 for the following periods from due date of payment						
	Not due	Less than 6 months	6 months - 1 year	1 year - 2 year	2 year - 3 year	More than 3 year	Total
a) Undisputed Trade receivables - considered good-Related Parties	1.11	-	-	-	-	-	1.11
b) Undisputed Trade receivables - considered good-Others	1,702.29	1,881.99	4.89	101.78	-	-	3,690.95
Total	1,703.40	1,881.99	4.89	101.78	-	-	3,692.06

Particulars	Out standing as at March 31, 2021 for the following periods from due date of payment						
	Not due	Less than 6 months	6 months - 1 year	1 year - 2 year	2 year - 3 year	More than 3 year	Total
a) Undisputed Trade receivables - considered good-Related Parties	1.07	-	-	-	-	-	1.07
b) Undisputed Trade receivables - considered good-Others	1,905.45	1,805.24	38.62	188.72	-	-	3,938.03
Total	1,906.52	1,805.24	38.62	188.72	-	-	3,939.10

9a. Cash and cash equivalents

Balances with banks in current accounts	342.39	5.24
Cash on hand	1.22	4.68
	<u>343.61</u>	<u>9.92</u>

9b. Bank balances other than above

Earmarked balances with banks		
Unclaimed dividend accounts	9.83	9.16
Liquid assets deposits #	50.00	50.00
Deposits with Banks held as margin money #	402.88	27.94
	<u>462.71</u>	<u>87.10</u>

represents deposits with original maturity of more than 3 months
and less than 12 months

10. Current Financial Assets - Others

Unsecured considered good, unless otherwise stated		
Amount recoverable from employee (Refer Note 46)		
Considered good	250.00	250.00
Considered doubtful	1,059.26	1,059.26
	<u>1,309.26</u>	<u>1,309.26</u>
Less : Provision for doubtful amount considered recoverable	1,059.26	1,059.26
	<u>250.00</u>	<u>250.00</u>
Interest accrued on deposits	14.75	2.24
Interest subsidy receivable	-	289.76
Export incentive receivable	-	1.03
Employee advances	17.53	10.19
Rent receivable - from related party	4.05	5.17
- from others	1.25	0.97
Other receivable	22.12	24.59
	<u>309.70</u>	<u>583.95</u>



Notes annexed to and forming part of the Consolidated Ind AS Financial Statements

Particulars	31.03.2022 Rs. in Lakhs	31.03.2021 Rs. in Lakhs
11. Non current - Advance tax assets (net)		
Opening balance	(46.23)	25.04
Add : Taxes paid (net of refunds)	600.83	160.73
Less : Current tax expense for the year	570.00	232.00
Less : Tax relating to prior years	-	-
(Income tax payable) / advance tax paid (net of provisions)	<u>(15.40)</u>	<u>(46.23)</u>
12. Other current assets		
Unsecured considered good		
Prepaid expenses	119.75	121.65
Supplier advances	188.17	157.60
Balance with government authorities-GST input credit	1,091.57	511.03
Accrued income on windmills	-	-
	<u>1,399.49</u>	<u>790.28</u>
13. Equity		
Authorised share capital		
50,00,000 equity shares (March 31, 2021 50,00,000) of Rs. 10 each with voting rights	<u>500.00</u>	<u>500.00</u>
Issued share capital		
42,86,400 equity shares (March 31, 2021 42,86,400) of Rs. 10 each with voting rights	<u>428.64</u>	<u>428.64</u>
Subscribed and paid up share capital		
42,64,600 equity shares (March 31, 2021 42,64,600) of Rs. 10 each with voting rights	426.46	426.46
Add Forfeited shares (amount originally paid in respect of 21,800 equity shares)	<u>1.09</u>	<u>1.09</u>
	<u>427.55</u>	<u>427.55</u>

Notes :**1. Reconciliation of the shares outstanding at the beginning and at the end of the reporting period**

Outstanding at the beginning and end of the year	4,264,600	4,264,600
--------------------------------------------------	-----------	-----------

2. Terms/rights and restrictions in respect of equity shares

The company has one class of equity shares having a par value of Rs.10 each. Each holder of equity shares is entitled to one vote per share. In the event of liquidation of the Company, holders of equity shares will be entitled to receive remaining assets of the Company after distribution of all preferential amount. The distribution will be in proportion to number of equity shares held by the shareholders.



Notes annexed to and forming part of the Consolidated Ind AS Financial Statements

Particulars	31.03.2022 Rs. in Lakhs	31.03.2021 Rs. in Lakhs
3. Shareholding of Promoter and Promoter Group		
Name of the shareholder	No. of shares	
	2022	2021
	%	%
Equity shares with voting rights		
S. Devarajan	5,25,419	12.32
S. Jegarajan	4,88,576	11.46
S. Dinakaran	4,19,044	9.83
R. Natarajan	1,92,390	4.51
D. Saradhamani	1,01,180	2.37
D. Sudharsan	88,760	2.08
D. Senthilnathan	81,180	1.90
N. Porkodi	61,880	1.45
D. Rathipriya	41,580	0.97
V. Valarnila	37,160	0.87
D. Manjula	30,540	0.71
Ramya Jegarajan	26,540	0.62
J. Parameswari	22,575	0.53
J. Sakthivel	14,700	0.35
N. Usha	14,250	0.33
S. Sivakumar	6,923	0.16
D. Niranjankumar	5,800	0.14
D. Minusakthipriya	4,000	0.09
D. Anupama	3,220	0.07
R. Selvarajan	101	0.00
A. Sarayu	186	0.00
4. Shareholders holding more than 5% of the total share capital:		
Name of the shareholder	No. of shares	
	2022	2021
	%	%
Equity shares with voting rights		
S. Devarajan	5,25,419	12.32
S. Jegarajan	4,88,576	11.46
S. Dinakaran	4,19,044	9.83
5. Share issue in preceeding five years		
Aggregate number and class of shares allotted for consideration other than cash, bonus, etc. in the five years immediately preceeding the Balance Sheet date as on March 31, 2022 is Rs. Nil (2021 : Nil).		
14. Other equity		
Securities premium - Note A	539.09	539.09
General reserve - Note B	4,464.67	4,464.67
Retained earnings - Note C	6,137.97	4,653.47
	<u>11,141.73</u>	<u>9,657.23</u>

Refer Statement of Changes in Equity for additions/ deletions in each reserve.

Notes :

- A. Securities premium reserve represents premium received on equity shares issued, which can be utilised only in accordance with the provisions of the Companies Act, 2013 (the Act) for specified purposes.
- B. General reserve is created from time to time by transferring profits from retained earnings and can be utilised for purposes such as dividend payout, Bonus issue, etc.
- C. Retained earnings includes revaluation reserve of Rs 27,07,94,401 which was transferred to Retained earnings on the transition date, may not be available for distribution.



Notes annexed to and forming part of the Consolidated Ind AS Financial Statements

Particulars	31.03.2022 Rs. in Lakhs	31.03.2021 Rs. in Lakhs	
15. Non current - Financial liabilities - Borrowings			
Secured Borrowings			
Term loan from banks	4,750.98	2,404.94	
Buyers Credit facility in foreign currency	1,232.89	-	
Unsecured Borrowings			
Fixed deposits from directors and shareholders	535.82	377.35	
	<u>6,519.69</u>	<u>2,782.29</u>	
Note :			
1. Refer note 21 for current maturities of non current borrowings			
2. Refer note 41 for security and terms of borrowings			
3. Refer note 40 for deposits from related parties			
4. The Company has applied the monies raised by way of term loans for the purposes for which they were obtained			
5. The Company has not been utilised the funds raised on short term basis for long term purposes			
16. Non current Financial liabilities - Lease liabilities			
Lease liability on account of land and building lease from related party	473.92	584.51	
	<u>473.92</u>	<u>584.51</u>	
Note :			
1. Refer note 22 for current maturities of lease liability			
2. Refer note 42 for disclosure under Ind AS 116			
3. Refer note 40 for lease liabilities from related parties			
17. Non current Financial liabilities - others			
Security deposits			
from related parties	4.50	4.50	
from others	0.73	27.63	
	<u>5.23</u>	<u>32.13</u>	
18. Non current liabilities - Provisions			
Provision for employee benefits			
Compensated absences	453.98	319.19	
	<u>453.98</u>	<u>319.19</u>	
Movement in provision for compensated absences is as follows : (refer 18 & 24)	Opening	Additions (net of utilisation)	Closing
31.03.2022	329.16	139.39	468.55
31.03.2021	307.55	21.61	329.16
19. Deferred tax liability (net)			
Deferred tax liability	1,290.89	1,068.55	
Deferred tax assets	123.89	86.55	
	<u>1,167.00</u>	<u>982.00</u>	
Unused tax credits (MAT credit entitlement)	-	53.80	
Net deferred tax liability	<u>1,167.00</u>	<u>928.20</u>	
Note : Refer Note. 35 for details of deferred tax liability and asset			
20. Other non current liabilities			
Deferred government grant(EPCG)	11.35	11.35	
	<u>11.35</u>	<u>11.35</u>	
21. Current financial liabilities - borrowings			
Secured borrowings - from banks			
Cash credit facilities	4,851.14	5,275.80	
Current maturities of long term borrowings	1,472.89	1,205.26	
	<u>6,324.03</u>	<u>6,481.06</u>	
Note :			
1. Refer Note 41 for security and terms of borrowings			
2. The quarterly returns/statement of current assets filed by the company with banks are in agreement with the books of account			



Notes annexed to and forming part of the Consolidated Ind AS Financial Statements

Particulars	31.03.2022 Rs. in Lakhs	31.03.2021 Rs. in Lakhs
22. Current financial liabilities - Lease liabilities		
Lease liability on account of land and building lease from related party	110.59	109.10
	<u>110.59</u>	<u>109.10</u>
Note :		
1. Refer Note. 42 for disclosure under Ind AS 116		
23. Current financial liabilities - trade payables		
Trade payables		
(a) total outstanding dues of micro and small enterprises (Refer Note No. 45)	384.63	536.61
(b) total outstanding dues of trade payables other than micro and small enterprises	4,029.29	3,967.65
	<u>4,413.92</u>	<u>4,504.26</u>

Trade payables - Ageings

Particulars	Out standing as at March 31, 2022 for the following periods from due date of payment					
	Not due	Less than 1 year	1 - 2 years	2 - 3 years	More than 3 years	Total
a) MSME	382.38	2.25	-	-	-	384.63
b) Others	2,733.52	1,295.77	-	-	-	4,029.29
c) Disputed dues - Others	-	-	-	-	-	-
Total	3,115.90	1,298.02	-	-	-	4,413.92

Particulars	Out standing as at March 31, 2021 for the following periods from due date of payment					
	Not due	Less than 1 year	1 - 2 years	2 - 3 years	More than 3 years	Total
a) MSME	536.61	-	-	-	-	536.61
b) Others	2,272.42	1,692.15	0.30	0.42	0.36	3,967.65
c) Disputed dues - Others	-	-	-	-	-	-
Total	2,809.03	1,692.15	0.30	0.42	0.36	4,504.26

24. Current provisions

Provision for employee benefits - Compensated absences	14.57	9.97
	<u>14.57</u>	<u>9.97</u>

25. Other Current financial liabilities

Interest accrued and not due on borrowings	6.80	0.89
Interest accrued and due on borrowings	8.34	10.14
Unclaimed Dividends	9.83	9.16
Contribution to Gratuity Fund	108.05	394.74
Employee payables	584.20	464.71
	<u>717.22</u>	<u>879.64</u>

26. Other Current liabilities

Advance from customers	211.62	143.98
Statutory liabilities	51.18	34.04
	<u>262.80</u>	<u>178.02</u>



Notes annexed to and forming part of the Consolidated Ind AS Financial Statements

Particulars	31.03.2022 Rs. in Lakhs	31.03.2021 Rs. in Lakhs
27. Revenue from operations		
Sale of products		
Yarn	34,296.10	22,337.52
Fabric sales	87.41	41.39
Process waste	971.67	605.08
	<u>35,355.18</u>	<u>22,983.99</u>
Revenue from services		
Yarn testing charges	-	-
Yarn conversion charges	-	8.85
	<u>-</u>	<u>8.85</u>
Other operating revenues		
Power generated by wind energy converters (net of captive consumption)	117.07	106.21
Scrap sales	5.25	4.78
Export incentives	16.43	3.08
	<u>138.75</u>	<u>114.07</u>
Total revenue from operations	<u>35,493.93</u>	<u>23,106.91</u>
28. Other income		
Interest income from		
Loans	-	-
Others	19.05	14.05
Dividend income from Non-current investments	0.75	-
Other non-operating income		
Rent received	10.66	10.66
Certification charges	4.14	7.06
Profit on sale of assets	8.37	-
Net gain or loss arising on financial asset mandatorily measured at FVTPL	(0.08)	0.34
Foreign exchange gain (net)	-	-
	<u>42.89</u>	<u>32.11</u>
29. Cost of materials consumed		
Cotton, viscose, modaal	22,557.62	12,815.14
Others	1,306.04	347.96
	<u>23,863.66</u>	<u>13,163.10</u>
30. Changes in Inventories of finished goods and work-in-progress		
Closing stock		
Finished goods	3,676.81	1,082.52
Work-in-progress	2,000.91	1,826.38
	<u>5,677.72</u>	<u>2,908.90</u>
Opening stock		
Finished goods	1,082.52	1,243.44
Work-in-progress	1,826.38	1,595.52
	<u>2,908.90</u>	<u>2,838.96</u>
Net change in inventories	<u>(2,768.82)</u>	<u>(69.94)</u>
31. Employee benefits expense		
Salaries, wages and bonus	3,340.10	2,584.44
Contribution to provident, gratuity and other funds	407.37	92.60
Welfare expenses	303.56	273.88
	<u>4,051.03</u>	<u>2,950.92</u>



Notes annexed to and forming part of the Consolidated Ind AS Financial Statements

Particulars	31.03.2022 Rs. in Lakhs	31.03.2021 Rs. in Lakhs
32. Finance costs		
Interest on borrowings *	1,156.91	976.93
Interest on lease liability	70.90	64.05
Other borrowing costs - premium on forward contracts	(23.03)	(11.36)
	<u>1,204.78</u>	<u>1,029.62</u>
33. Depreciation and amortisation expense		
Property, plant and equipment		
Buildings	133.07	131.90
Plant and machinery	814.78	776.28
Wind energy converters	183.15	183.34
Solar equipments	21.24	-
Furniture and fittings	0.23	0.21
Office equipments	8.83	6.98
Vehicles	38.72	37.91
Sub Total (A)	<u>1,200.02</u>	<u>1,136.62</u>
Right of Use of Asset		
Land and Buildings	134.15	106.06
Sub Total (B)	<u>134.15</u>	<u>106.06</u>
Intangible assets		
Computer software - acquired	-	-
Sub Total (C)	<u>-</u>	<u>-</u>
Total (A + B + C)	<u>1,334.17</u>	<u>1,242.68</u>
Refer note 1, 2 and 3 on property, plant and equipments, Right to use asset and intangible assets		
34. Other expenses		
Cotton dyeing charges	243.30	194.94
Fabric conversion charges	28.03	12.32
Yarn mercirising and doubling charges	129.03	14.91
Consumption of stores and spares	716.80	433.53
Power and fuel-net	2,684.36	1,818.50
Rent	8.99	9.39
Repairs and maintenance - Buildings	248.61	31.32
- Plant and machinery	347.50	302.53
Insurance	25.66	26.97
Rates and taxes	51.86	53.71
Packing and forwarding chages	315.23	219.84
Printing and stationery	10.14	7.31
Brokerage and commission on sales	330.49	236.97
Auditor remuneration (Refer Note 46)	7.00	7.00
Legal and Professional charges	38.06	39.46
Travel and vehicle upkeep expenses	275.68	209.47
Donation and charity	5.06	0.45
Directors' sitting fees	30.60	13.65
Expenditure on corporate social responsibility (Refer Note No. 43)	12.46	16.80
Loss on sale of property, plant and equipment	-	1.45
Bad debts	4.67	-
Bank and other financial charges	77.59	72.84
Miscellaneous expenses	111.79	57.96
	<u>5,702.91</u>	<u>3,781.32</u>



Statement on Significant Accounting Policies forming part of the Consolidated Financial Statements for the year ended March 31, 2022

1. Corporate Information

Sambandam Spinning Mills Limited is a listed Public Company having its registered office in Mill Premises, Kamaraj Nagar Colony, Salem District – 636 014, Tamil Nadu State. The Company shares are listed on the Bombay Stock Exchange (BSE). The Company is into the business of manufacture of Yarn (cotton, synthetic etc) and fabric. The company has four manufacturing locations around Salem and has 12.35 MW Wind Energy Converters locations located in Tirunelveli District, Tamil Nadu State, which produce electricity for own consumption and for sale.

The Board of Directors approved the consolidated financial statement for the year ended March 31, 2022 at their Board meeting held on 29th May 2022.

2. Significant Accounting Policies

This note provides a list of the significant accounting policies adopted in the preparation of these financial statements. These policies have been consistently applied to all the years presented, unless otherwise stated.

a) Basis of preparation of financial statements

(i) Compliance with Indian Accounting Standards (Ind AS):

These financial statements (the financial statements) have been prepared in accordance with Indian Accounting Standards ("Ind AS") notified under Section 133 of the Companies (Indian Accounting Standards) Rules, 2015 and relevant amendment rules issued thereafter. The financial statements comply in all material aspects with Indian Accounting Standards (Ind AS) notified under section 133 of the Companies Act, 2013 (the Act) (Companies (Indian Accounting Standards) Rules, 2015) and other relevant provisions of the Act.

(ii) Historical cost convention

The financial statements have been prepared on a historical cost basis, except the following:

- Certain financial assets and liabilities that are measured at fair value.
- Defined benefit plans – plan assets measured at fair value.

b) Foreign currency translation

(i) Functional and presentation currency

Items included in the financial statements are measured using the currency of the primary economic environment in which the entity operates ('the functional currency'). The financial statements are presented in Indian rupee(Rs), which is the Company's functional and presentation currency.

(ii) Transactions and balances

Foreign currency transactions are translated into the functional currency using the exchange rates at the dates of the transactions. Foreign exchange gains and losses resulting from the settlement of such transactions and from the translation of monetary assets and liabilities denominated in foreign currencies at year end and exchange rates are generally recognized in the statement of profit and loss.



Statement on Significant Accounting Policies forming part of the Consolidated Financial Statements for the year ended March 31, 2022 (Contd...)

c) Revenue Recognition

Revenue is measured at the fair value of the consideration received or receivable. Amounts disclosed as revenue are net of returns, trade allowances, rebates, GST.

Sale of products

Timing of recognition – Revenue from sale of products is recognized when control of the products is transferred to customers based on the terms of sale. Revenue is recognised when collectability of the resulting receivable is reasonably assured.

Measurement of revenue -Revenue from sales is based on the price specified in the sales contracts.

A receivable is recognized when the goods are dispatched, delivered or upon formal customer acceptance depending on terms of contract with the customer.

Rendering of Services

Revenue from services is recognized in accordance with the specific terms of contract on performance when the collectability of the resulting receivable is reasonably assured.

Income from energy generated

Revenue from energy generated through windmills is recognised based on the contractual rates with the customers and the credit granted by the regulatory authorities to the said customers for units generated.

Other operating revenues

Other operating revenues comprise of income from ancillary activities incidental to the operations of the company and is recognised when the right to receive the income is established as per the terms of the contract.

d) Other income

Other income comprises of dividend, interest income and rental income are accounted on accrual basis.

Dividend income from investments is recognised when the company's right to receive payment has been established (provided that it is probable that the economic benefits will flow to the company and the amount of income can be measured reliably).

Interest income is accrued on a time basis, by reference to the principal outstanding and at the effective interest rate applicable (provided that it is probable that the economic benefits will flow to the Company and the amount of income can be measured reliably).

e) Government grants

Grants from the government (including export incentives) are recognised at fair value where there is a reasonable assurance that the grant will be received and the Company will comply with all attached conditions.

Government grants are recognised in profit and loss account on a systematic basis over the periods in which they accrue. Income is deferred in case the Income is recognized in future periods.

f) Income tax

Current income tax

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

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



Statement on Significant Accounting Policies forming part of the Consolidated Financial Statements for the year ended March 31, 2022 (Contd...)

Deferred tax

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

Deferred tax assets are recognised for all deductible temporary differences, the carry forward of unused tax credits and any unused tax losses. Deferred tax assets are recognised to the extent that it is probable that taxable profit will be available against which the deductible temporary differences, and the carry forward of unused tax credits and unused tax losses can be utilized.

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

Deferred tax assets and liabilities are measured at the tax rates that are expected to apply in the year when the asset is realized or the liability is settled, based on tax rates and tax laws that have been enacted or substantively enacted at the reporting date. Deferred tax items are recognised in correlation to the underlying transaction either in OCI or directly in equity. Deferred tax assets and deferred tax liabilities are offset if a legally enforceable right exists to set off current tax assets against Current tax liabilities and the deferred taxes relate to the same taxable entity and the same taxation authority.

**g) Leases
As a lessee :**

The Company recognizes a right-of-use asset (ROU) and a Corresponding lease liability for all lease arrangements in which it is a lessee, except for leases with a term of twelve months or less (short-term leases) and low value leases. For these short-term and low value leases, the Company recognizes the lease payments as an operating expense on a straight-line basis over the term of the lease. Certain lease arrangements includes the options to extend or terminate the lease before the end of the lease term. ROU Assets and lease liabilities includes these options when it is reasonably certain that they will be exercised.

The right-of-use assets are initially recognized at cost, which comprises the initial amount of the lease liability adjusted for any lease payments made at or prior to the commencement date of the lease plus any initial direct costs less any lease incentives.

They are subsequently measured at cost less accumulated depreciation and impairment losses. Right-of-use assets are depreciated from the commencement date on a straight-line basis over the shorter of the useful life of the asset or the balance lease term of the underlying asset. Right of use assets are evaluated for recoverability whenever events or changes in circumstances indicate that their carrying amounts may not be recoverable.

The lease liability is initially measured at amortized cost at the present value of the future lease payments. The lease payments are discounted using the interest rate implicit in the lease or, if not readily determinable, using the incremental borrowing rates in the country of domicile of the leases. Lease Liabilities are re-measured with a corresponding adjustment to the related right of use asset if the company changes its assessment if whether it will exercise an extension or a termination option. Lease liability and ROU asset shall be separately presented in the Balance Sheet and Lease payments shall be classified as financing cash flows.



Statement on Significant Accounting Policies forming part of the Consolidated Financial Statements for the year ended March 31, 2022 (Contd...)

h) Property, plant and equipment

Freehold land is carried at historical cost. All other items of property, plant and equipment are stated at historical cost less depreciation. Historical cost includes expenditure that is directly attributable to the acquisition of the items. 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 derecognized when replaced. All other repairs and maintenance are charged to profit or loss during the reporting period in which they are incurred.

Transition to Ind AS

On transition to Ind As, the Company has elected to continue with the carrying value of all its property, plant and equipment cost of the Property, plant and equipment.

Depreciation/Amortisation methods, estimated useful lives and residual value

Depreciation is calculated using the straight-line basis at the rates arrived at based on the useful lives prescribed in Schedule II to the Companies Act, 2013 except in respect of the following assets, where useful life is different than those specified in Schedule II to the Companies Act are used:

Asset Description	Life of the asset (in years)
Plant and equipment (continuous process plant)	Over its useful life of 18 years as Technically assessed
Wind energy convertors	Over its useful life of 18 years as Technically assessed

The company follows the policy of charging depreciation on pro- rate basis on the assets acquired during the year. Leasehold assets are amortised over the period of lease or useful life whichever is less. The residual values are not more than 5% of the original cost of the asset. The assets' residual values and useful lives are reviewed, and adjusted if appropriate, at the end of each reporting period. An asset's carrying amount is written down immediately to its recoverable amount if the asset's carrying amount is greater than its estimated recoverable amount. Gains or losses on disposal are determined by comparing proceeds with the carrying amount.

i) Intangible assets

i) Recognition

Intangible assets are recognised only when future economic benefits arising out of the assets flow to the enterprise and are amortised over their useful life.

ii) Amortization methods and periods

The Company amortizes intangible assets on a straight line method over their estimated useful life not exceeding 5 years. Software is amortised over a period of three years.

j) Impairment of assets

Property, plant and equipment and intangible assets are tested for impairment annually whenever events or changes in circumstances indicate that the carrying amount may not be recoverable. An Impairment loss is recognised for the amount by which the asset's carrying amount exceeds its recoverable amount. The recoverable amount is the higher of an asset's fair value less costs of disposal and value in use. For the purposes of assessing impairment, assets are grouped at the lowest levels for which there are separately identifiable cash inflows which are largely independent of the cash inflows from other assets or groups of assets (cash-generating units). Non- financial assets other than good will that suffered an impairment are reviewed for possible reversal of the impairment at the end of each reporting period.



Statement on Significant Accounting Policies forming part of the Consolidated Financial Statements for the year ended March 31, 2022 (Contd...)

k) Cash and cash equivalents

For the purpose of presentation in the statement of cash flows, cash and cash equivalents includes cash on hand, deposits held at call with financial institutions, 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.

l) Trade receivables

Trade receivables are recognised initially at fair value less provision for impairment.

m) Inventories

Raw materials and stores, work-in-progress, finished goods are stated at the lower of cost and net realizable value. Cost of raw materials comprise of cost of purchase. Cost of work-in-progress and finished goods comprises direct materials, direct labour and an appropriate proportion of variable and fixed overhead expenditure, the later being allocated on the basis of normal operating capacity. Cost of inventories also include all other cost incurred in bringing the inventories to their present location and condition. Costs are assigned to individual items of inventory on weighted average basis. Costs of purchased inventory are determined after deducting rebates and discounts. Net realizable value is the estimated selling price in the ordinary course of business less the estimated costs of completion and the estimated costs necessary to make the sale.

n) Investment in Associates

The investment in associates are carried in the financial statements at historical cost except when the investment is classified as held for sale in which case it is accounted for as non – current assets held for sale and discontinued operations.

Investments in associates carried at cost are tested for impairment in accordance with IndAs 36. Any impairment loss reduces the carrying value of the investment.

o) Other investments and financial assets

i) Classification

The company classifies its financial assets in the following measurement categories:

- those to be measured subsequently at fair value (either through other comprehensive income, or through profit or loss), and
- those measured at amortised cost.

The classification depends on the entity's business model for managing the financial assets and the contractual terms of the cash flows.

For assets measured at fair value, gains and losses will either be recorded in Statement of profit or loss or other comprehensive income. For investments in debt instruments, this will depend on the business model in which the investment is held. For investments in equity instruments, this will depend on whether the Company has made an irrevocable election at the time of initial recognition to account for equity investment at fair value through other comprehensive income.

The Company reclassifies debt investments when and only when its business model for managing those assets changes.

ii) Measurement

At initial recognition, the company measures a financial asset at its fair value plus, in the case of a financial asset not at fair value through profit or loss, transaction costs that are directly attributable to the Acquisition of the financial asset. Transaction costs of financial assets carried at fair value through profit or loss are expensed in profit or loss.



Statement on Significant Accounting Policies forming part of the Consolidated Financial Statements for the year ended March 31, 2022 (Contd...)

Debt instruments :

Subsequent measurement of debt instruments depends on the Company's business model for managing the asset and the cash flow characteristics of the asset. There are three measurement categories into which the Company classifies its debt instruments:

Amortised cost : Assets that are held for collection of contractual cash flows where those cash represent solely payments of principal and interest are measured at amortised cost. A gain or loss on a debt investment that is subsequently measured at amortised cost and is not part of a hedging relationship is recognised in profit or loss when the asset is derecognized or impaired. Interest income from these financial assets is included in finance income using the effective interest rate method.

Fair value through other comprehensive income (FVOCI) : Assets that are held for collection of contractual cash flows and for selling the financial assets, where the assets' cash flows represent solely payments of principal and interest, are measured at fair value through other comprehensive income (FVOCI). Movements in the carrying amount are taken through OCI, except for the recognition of impairment gains or losses, interest revenue and foreign exchange gains and losses which are recognised in profit and loss. When the financial asset is derecognized, the cumulative gain or loss previously recognised in OCI is reclassified from equity to profit or loss and recognised in other gains / (losses). Interest income from these financial assets is included in other income using the effective interest rate method.

Fair value through profit or loss : Assets that do not meet the criteria for amortised cost or FVOCI are measured at fair value through profit or loss. A gain or loss on debt investment that is subsequently measured at fair value through profit or loss is recognised in profit or loss and presented net in the statement of profit and loss in the period in which it arises. Interest income from these financial assets is included in other income.

Equity instruments :

The Company subsequently measures all equity investments (other than investment in subsidiary) at fair value. Where the company's management has elected to present fair value gains and losses on equity investments in other comprehensive income, there is no subsequent reclassification of fair value gains and losses to profit or loss. Dividends from such investment are recognised in profit or loss as other income when the Company's right to receive payments is established.

Changes in the fair value of financial assets at fair value through profit or loss are recognised in the other income. Impairment losses (and reversal of impairment losses) on equity investments measured at FVOCI are not reported separately from other changes in fair value.

iii) Impairment of financial assets

The Company assesses on a forward looking basis the expected credit losses associated with its assets carried at amortised cost and FVOCI debt instrument. The impairment methodology applied depends on whether there has been a significant increase in credit risk. Note 34 details how the Company determines whether there has been a significant increase in credit risk. For trade receivables only, the Company applies the simplified approach permitted by IndAS 109 financial Instruments, which requires expected lifetime losses to be recognised from initial recognition of the receivables.

iv) Derecognition of financial assets

A financial asset is derecognized only when

- The company has transferred the rights to receive cash flow from the financial asset or
- Retains the contractual rights to receive the cash flows of the financial assets, but assumes a contractual obligation to pay cash flows to one or more recipients.

**Statement on Significant Accounting Policies forming part of the Consolidated Financial Statements for the year ended March 31, 2022 (Contd...)**

Where the entity has transferred an asset, the Company evaluates whether it has transferred substantially all risks and rewards of ownership of the financial asset. In such cases, the financial asset is derecognized. Where the entity has not transferred substantially all risks and rewards of ownership of the financial asset is not derecognized.

Where the entity has neither transferred a financial asset nor retains substantially all risks and rewards of ownership of the financial asset, the financial asset is derecognised if the Company has not retained control of the financial asset. Where the Company retains control of the financial asset, the asset is continued to be recognised to the extent of continuing involvement in the financial asset.

p) Derivatives

The Company enters into certain derivative contracts to hedge risks which are not designated as hedges. Such contracts are accounted at fair value through profit or loss and are included in profit and loss account.

q) Offsetting financial instruments

Financial assets and liabilities are offset and the net amount is reported in the balance sheet where there is a legally enforceable right to offset the recognized amounts and there is an intention to settle on a net basis or realize the asset and settle the liability simultaneously. The legally enforceable right must not be contingent on future events and must be enforceable in the normal course of business and in the event of default, insolvency or bankruptcy of the Company or the counter party.

r) Trade and other payables

These amounts represent liabilities for goods and services provided to the company prior to the end of financial year which are unpaid. The amounts which are unsecured are presented as current liabilities unless payment is not due within 12 months after the reporting period. They are recognized initially at their fair value and subsequently measured at amortized cost using the effective interest method.

s) Borrowing costs

General and specific borrowing costs that are directly attributable to the acquisition, construction or production of a qualifying asset are capitalized during the period of time that is required to complete and prepare the asset for its intended use or sale. Qualifying assets are assets that necessarily take a substantial period of time to get ready for their intended use or sale.

Investment income earned on the temporary investment of specific borrowings pending their expenditure on qualifying assets is deducted from the borrowing cost eligible for capitalization.

Other borrowings costs are expensed in the period in which they are incurred.

t) Provisions

Provisions for legal claims and returns are recognised when the company has a present legal or constructive obligation as a result of past event, it is probable that an outflow of resources will be required to settle the obligation and the amount can be reliably estimated. Provisions are not recognised for future operating losses.

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. 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 provisions due to the passage of time is recognized as interest expense.

**Statement on Significant Accounting Policies forming part of the Consolidated Financial Statements for the year ended March 31, 2022 (Contd...)****u) 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 obligations

The liabilities for earned leave is 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 at the present value of expected future payments to be made in respect of services provided by employees up to the end of the 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 obligations. Remeasurements as a result of the 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 the 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 obligations

The company operates the following post-employment schemes:

- (a) Defined benefit plans such as gratuity; and
- (b) Defined contribution plans such as provident fund.

Gratuity obligations

The liability or assets recognized in the balance sheet in respect of gratuity plans is the present value of the defined benefit obligation at the end of the reporting period less the fair value of plan assets. The defined benefit obligation is calculated annually by actuaries using the projected unit credit method.

The present value of the defined benefit obligation is determined by discounting the estimated future cash outflows by reference to market yields at the end of the reporting period on government bonds that have terms approximating to the terms of the related obligation.

The net interest cost is calculated by applying the discount rate to the net balance of the defined benefit obligation and the fair value plan assets. This cost is included in employee benefit expense in the statement of profit and loss.

Remeasurement gains and losses arising from experience adjustments and changes in actuarial assumptions are Recognized in the period in which they occur, directly in other comprehensive income. They are included in retained earnings in the statement of changes in equity and in the balance sheet.

Changes in the present value of the defined benefit obligation resulting from plan amendments or curtailments are recognized immediately in profit or loss.

Defined contribution plans

The company pays provident fund contributions to publicly administered funds as per local regulations. The Company has no further payment obligations once the contributions have been paid. The contributions are accounted for as defined contribution plan and the contributions are recognized as employee benefit expense when they are due.



Statement on Significant Accounting Policies forming part of the Consolidated Financial Statements for the year ended March 31, 2022 (Contd...)

(iv) Bonus plans

The Company recognizes a liability and an expense for bonuses. The Company recognizes a provision where contractually obliged or where there is a past practice that has created a constructive obligation.

v) Earning per share

(i) Basic earnings per share

Basic earnings per share is calculated by dividing:

- The profit attributable to owners of the company
- By the weighted average number of equity shares outstanding during the financial year, adjusted for bonus elements in equity shares issued during the year and excluding treasury shares.

(ii) Diluted earnings per share

Diluted earnings per share adjusts the figures used in the determination of basic earnings per share to take into account:

- The after income tax effect of interest and other financing costs associated with dilutive potential equity shares, and
- The weighted average number of additional equity shares that would have been outstanding assuming the conversion of all dilutive potential equity shares.

w) Rounding of amounts

All amounts disclosed in the financial statements and notes have been rounded off to the nearest two decimal places of lakhs as per the requirement of Schedule III, unless otherwise stated.

x) Critical estimates and Judgements

The preparation of financial statements requires the use of accounting estimates which, by definition, will seldom equal the actual results. Management also needs to exercise judgement in applying the Company's accounting policies.

This note provides an overview of the areas that involved a higher degree of judgement 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 judgements is included in relevant notes together with information about the basis of calculation for each affected line item in the financial statements.

The areas involving critical estimates or judgements are:

1. Estimation of defined benefit obligation
2. Useful lives of fixed assets

Estimates and judgements are continually evaluated. They are based on historical experience and other factors, including expectations of future events that may have a financial impact on the Company and that are believed to be reasonable under the circumstances.



Notes annexed to and forming part of the Consolidated Financial Statements

35. Basis of Consolidation (Rs. in Lakhs)

35.1 The Consolidated Financial Statements relate to Sambadam Spinning Mills Limited (" the Investee Company") and its Associates.

35.2 Principles of Consolidation

a. The Consolidated Financial Statements have been prepared in accordance with Ind AS 28 "Investment in Associates and Joint Ventures" prescribed under Section 133 of the Companies Act, 2013. The Financial Statements of Associates used in the consolidation are drawn upto the same reporting date as of the investee Company i.e., year ended March 31, 2022.

b. The following Associates company is considered in the consolidated financial statements using equity method.

S. No.	Name of the Associate	Nature of Business	Country of Incorporation	% of ownership interest	
				31-03-2022	31-03-2021
1.	SPMM Health Care Services Private Limited	Health care services	India	49.75%	49.75%
2.	Salem IVF Centre Private Limited	Health care services	India	26.88%	26.88%

35.3 Additional Information, required under Schedule III to the Companies Act, 2013 of entity consolidated as Associates

S. No.	Name of the Entity	Net Assets		Share in Profit or Loss		Share in Other Comprehensive Income		Share in Total Comprehensive Income	
		As a % of Consolidated Net Assets	Amount (Rs. lakhs)	As a % of Consolidated Profit or (Loss)	Amount (Rs. lakhs)	As a % of Consolidated Profit or (Loss)	Amount (Rs. lakhs)	As a % of Consolidated Profit or (Loss)	Amount (Rs. lakhs)
1.	Investee Company Sambadam Spinning Mills Limited Associate (Investment as per equity method)	98.30%	11372.61	95.84%	1,451.73	100.00%	140.31	96.19%	1,592.04
2.	SPMM Health Care Services Private Limited	1.70%	196.67	4.16%	63.04	-	-	3.81%	63.04
3.	Salem IVF Centre Private Limited	-	-	-	-	-	-	-	-
	Subtotal	100.00%	11569.28	100.00%	1,514.77	100.00%	140.31	100.00%	1,655.08
	Add/(Less) : Effect of intercompany adjustments/eliminations	-	-	-	-	-	-	-	-
	Total	100.00%	11569.28	100.00%	1,514.77	100.00%	140.31	100.00%	1,655.08



Notes annexed to and forming part of the Consolidated Financial Statements

36. Income taxes relating to continuing operations

Particulars	31.03.2022 Rs. in Lakhs	31.03.2021 Rs. in Lakhs
a) Income tax recognised in Statement of profit and loss		
Current tax		
In respect of the current year	512.36	386.28
In respect of the earlier year	—	—
	<u>512.36</u>	<u>386.28</u>
Deferred tax		
In respect of the current year	185.00	(152.00)
	<u>185.00</u>	<u>(152.00)</u>
Total income tax expense recognised in the current year relating to continuing operations	<u>697.36</u>	<u>234.28</u>
b) The income tax expense for the year can be reconciled to the accounting profit as follows:		
Profit before tax from continuing operations	<u>2,149.09</u>	<u>1,041.32</u>
Income tax expense calculated at 27.82% (2020-21:27.82%)	597.88	289.70
Others	(85.52)	96.58
Income tax expense recognised in Statement of profit and loss (relating to continuing operations)	<u>512.36</u>	<u>386.28</u>

The tax rate used for the reconciliations above is the corporate tax rate of 27.82% (for FY 2020-21 = 27.82%) payable by corporate entities in India on taxable profits under tax law in Indian jurisdiction.

c) Income tax recognised in other comprehensive income

Current tax	57.64	(27.28)
Total income tax recognised in other comprehensive income	<u>57.64</u>	<u>(27.28)</u>

Deferred tax assets and liabilities are recognized for the future tax consequences of temporary differences between the carrying values of assets and liabilities and their respective tax bases, and unutilized business loss, depreciation carry-forwards and tax credits. Such deferred tax assets and liabilities are computed separately for each taxable entity and for each taxable jurisdiction.

Deferred tax assets are recognized to the extent that it is probable that future taxable income will be available against which the deductible temporary differences, unused tax losses, depreciation carry-forwards and unused tax credits could be utilized.

Movement of deferred tax expense during the year ended March 31, 2022 (Rs.in Lakhs)

Particulars	Opening balance	Recognised in statement of profit and loss	Closing balance
Deferred tax (liabilities)/assets in relation to:			
Property, plant, and equipment and Intangible Assets	(1,068.55)	(222.34)	(1,290.89)
Provision for compensated absences and lease liability	86.55	37.34	123.89
Unused tax credit (MAT credit entitlement) *	53.80	(53.80)	—
	<u>(928.20)</u>	<u>(238.80)</u>	<u>(1,167.00)</u>

Movement of deferred tax expense during the year ended March 31, 2021 (Rs.in Lakhs)

Particulars	Opening balance	Recognised in statement of profit and loss	Closing balance
Deferred tax (liabilities)/assets in relation to:			
Property, plant, and equipment and Intangible Assets	(1,220.56)	152.01	(1,068.55)
Provision for compensated absences and lease liability	86.56	(0.01)	86.55
Unused tax credit (MAT credit entitlement) *	181.80	(128.00)	53.80
	<u>(952.20)</u>	<u>24.00</u>	<u>(928.20)</u>

* Adjusted against current tax provision for the respective years.


Notes annexed to and forming part of the Consolidated Financial Statements

Particulars	31.03.2022 Rs. in Lakhs	31.03.2021 Rs. in Lakhs
-------------	----------------------------	----------------------------

37. Retirement benefit plans
Defined contribution plans

In accordance with Indian law, eligible employees of the Company are entitled to receive benefits in respect of provident fund, a defined contribution plan, in which both employees and the Company make monthly contributions at a specified percentage of the covered employees' salary.

The total expense recognised in Statement of profit and loss of Rs.407.37 lakhs (for the year ended March 31, 2021 : Rs.92.59 lakhs)

Defined benefit plans

The Company has an obligation towards gratuity, a defined benefit retirement plan covering eligible employees. The plan provides for a lump-sum payment to vested employees at retirement, death, while in employment or on termination of employment of an amount equivalent to 15 days salary payable for each completed year of service. Vesting occurs upon completion of five years of service. The Company accounts for the liability for gratuity benefits payable in the future based on an actuarial valuation. The Company makes annual contributions to a funded Company gratuity scheme administered by the SBI Life Insurance Company Limited.

Company's liability towards gratuity (funded), other retirement benefits and compensated absences are actuarially determined at each reporting date using the projected unit credit method.

These plans typically expose the Company to actuarial risks such as: investment risk, interest rate risk and salary risk.

Investment risk	The present value of the defined benefit plan liability is calculated using a discount rate determined by reference to the market yields on government bonds denominated in Indian Rupees. If the actual return on plan asset is below this rate, it will create a plan deficit.
Interest risk	A decrease in the bond interest rate will increase the plan liability. However, this will be partially offset by an increase in the return on the plan's debt investments.
Longevity risk	The present value of the defined benefit plan liability is calculated by reference to the best estimate of the mortality of plan participants both during and after their employment. An increase in the life expectancy of the plan participants will increase the plan's liability.
Salary risk	The present value of the defined benefit plan liability is calculated by reference to the future salaries of plan participants. As such, an increase in the salary of the plan participants will increase the plan's liability.

Gratuity

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

Discount rate(s)	7.13%	6.41%
Expected rate(s) of salary increase	5.00%	5.00%

The estimates of future salary increases, considered in actuarial valuation, take account of inflation, seniority, promotion and other relevant factors, such as supply and demand in the employment market.

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

Current service cost	44.11	28.82
Net interest expense	9.19	24.90
Components of defined benefit costs recognised in Statement of profit and loss	53.30	53.72



Notes annexed to and forming part of the Consolidated Financial Statements

37. Retirement benefit plans continued

Particulars	31.03.2022 Rs. in Lakhs	31.03.2021 Rs. in Lakhs
Remeasurement on the net defined benefit liability comprising:		
Actuarial (gains)/losses arising from changes in demographic assumptions	-	-
Actuarial (gains)/losses arising from changes in financial assumptions	(30.56)	(20.25)
Actuarial (gains)/losses arising from experience adjustments	262.23	(7.19)
Return on plan assets (excluding amounts included in net interest expense)	(33.71)	-
Components of defined benefit costs recognised in other comprehensive income	197.95	(27.44)
Total	251.25	26.28

The current service cost and the net interest expense for the year are included in the 'employee benefits expense' in Statement of profit and loss.

The remeasurement of the net defined benefit liability is included in other comprehensive income.

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

Present value of defined benefit obligation	788.11	522.49
Fair value of plan assets	563.44	209.08
Net liability arising from defined benefit obligation - Funded	224.67	313.41

The above provisions are reflected under 'Current Financial Liabilities-Others(Refer note 26) to the Consolidated Financial Statements.

Movements in the present value of the defined benefit obligation in the current year were as follows:

Opening defined benefit obligation	522.49	529.91
Current service cost	44.11	28.82
Interest cost	32.14	34.34
Plan amendments : vested portion at end of period (past service)	-	-
Plan amendments : non vested portion at end of period (past service)	-	-
Actuarial (gains)/losses arising from changes in demographic assumptions	-	-
Actuarial (gains)/losses arising from changes in financial assumptions	-	20.25
Actuarial (gains)/losses arising from experience adjustments	231.67	(47.70)
Benefits paid	(42.30)	(61.79)
Closing defined benefit obligation	788.11	522.49

Movements in the fair value of the plan assets in the current year were as follows:

Opening fair value of plan assets	209.08	186.44
Interest Income	22.94	9.44
Return on plan assets (excluding amounts included in net interest expense)	-	-
Contributions	340.00	75.00
Benefits paid	42.30	61.79
Others	33.71	(0.01)
Closing fair value of plan assets	563.44	209.08

The Company funds the cost of the gratuity expected to be earned on a yearly basis to SBI Life Insurance Company Limited, which manages the plan assets.

The actual return on plan assets was Rs.56.66 (2020-21:Rs.9.43 lakhs)

Significant actuarial assumptions for the determination of the defined obligation are discount rate and expected salary increase. The sensitivity analyses below have been determined based on reasonably possible changes of the respective assumption occurring at the end of the reporting period, while holding all other assumptions constant.

1. Gratuity

If the discount rate is 100 basis points higher/lower, the defined benefit obligation would

Decrease by	745.67	337.01
Increase by	836.01	294.00

If the expected salary is 100 basis points higher/lower, the defined benefit obligation would

Decrease by	745.44	294.38
Increase by	835.49	335.19


Notes annexed to and forming part of the Consolidated Financial Statements
37. Retirement benefit plans continued

Particulars	31.03.2022 Rs. in Lakhs	31.03.2021 Rs. in Lakhs
<p>The sensitivity analysis presented above may not be representative of the actual change in the defined benefit obligation as it is unlikely that the change in assumptions would occur in isolation of one another as some of the assumptions may be correlated.</p> <p>Furthermore, in presenting the above sensitivity analysis, the present value of the defined benefit obligation has been calculated using the projected unit credit method at the end of the reporting period, which is the same as that applied in calculating the defined benefit obligation liability recognised in the balance sheet.</p> <p>There was no change in the methods and assumptions used in preparing the sensitivity analysis from previous year.</p> <p>The Company expects to make a contribution of Rs 53.10 lakhs (as at March 31, 2021:Rs.313.41 lakhs) to the defined benefit plans during the next financial year.</p> <p>The average duration of the benefit obligation as at March 31, 2022 is 16.98 years (as at March 31, 2021: 16.32 years)</p>		
Compensated Balances		
The principal assumptions used for the purposes of the actuarial valuations were as follows:		
Discount rate(s)	7.37%	6.97%
Expected rate(s) of salary increase	5.00%	5.00%
The estimates of future salary increases, considered in actuarial valuation, take account of inflation, seniority, promotion and other relevant factors, such as supply and demand in the employment market.		
Amounts recognised in total comprehensive income in respect of these defined benefit plans are as follows:		
Current service cost	5.47	5.75
Net interest expense	21.04	19.32
Actuarial (gain)/losses arising during the period	125.61	(10.63)
Components of defined benefit costs recognised in statement of profit and loss	152.12	14.44
The current service cost and the net interest expense for the year are included in the 'employee benefits expense' in Statement of profit and loss.		
The remeasurement of the net defined benefit liability is included in other comprehensive income.		
The amount included in the Balance Sheet arising from the Company's obligation in respect of its defined benefit plans is as follows:		
Present value of defined benefit obligation	453.98	301.86
Fair value of plan assets	-	-
Net liability arising from defined benefit obligation - Unfunded	453.98	301.86
The above provisions are reflected under 'Current Financial Liabilities – Others (Refer Note 18)		
Movements in the present value of the defined benefit obligation in the current year were as follows:		
Opening defined benefit obligation	301.86	287.43
Current service cost	5.47	5.75
Interest cost	21.04	19.31
Actuarial (gains)/losses arising during the period	125.61	(10.63)
Benefits paid	-	-
Closing defined benefit obligation	453.98	301.86
Movements in the fair value of the plan assets in the current year were as follows:		
Opening fair value of plan assets	-	-
Interest Income	-	-
Return on plan assets (excluding amounts included in net interest expense)	-	-
Contributions	-	-
Benefits paid	-	-
Others	-	-
Closing fair value of plan assets	-	-

Significant actuarial assumptions for the determination of the defined obligation are discount rate and expected salary increase. The sensitivity analyses below have been determined based on reasonably possible changes of the respective assumption occurring at the end of the reporting period, while holding all other assumptions constant.


Notes annexed to and forming part of the Consolidated Financial Statements

Particulars	Year ended March 31, 2022 Rs. in Lakhs	Year ended March 31, 2021 Rs. in Lakhs
38. Earnings per share		
Basic and Diluted earnings per share		
From continuing operations	35.52	19.03
From discontinued operations	-	-
Total basic earnings per share	<u>35.52</u>	<u>19.03</u>
The earnings and weighted average number of ordinary shares used in the calculation of basic and diluted earnings per share are as follows:		
Profit for the year attributable to owners of the Company	1,451.73	807.04
Earnings used in the calculation of basic earnings per share	1,451.73	807.04
Profit for the year from discontinued operations used in the calculation of basic earnings per share from discontinued operations	-	-
Others	-	-
Earnings used in the calculation of basic earnings per share from continuing operations	<u>1,451.73</u>	<u>807.04</u>
Weighted average number of ordinary shares for the purposes of basic earnings per share	<u>42,64,600</u>	<u>42,64,600</u>

39. Financial Instruments
Capital management

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

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

The capital structure of the Company consists of net debt (borrowings as detailed in notes 15 and 20 offset by cash and bank balances) and total equity of the Company. The Company monitors the capital structure on the basis of total debt to equity ratio and maturity profile of the overall debt portfolio of the Company.

Particulars	31.03.2022 Rs. in Lakhs	31.03.2021 Rs. in Lakhs
Gearing Ratio :		
Debt	12,843.72	9,263.35
Less: Cash and bank balances	806.32	97.02
Net debt	12,037.40	9,166.33
Total equity	11,526.31	10,104.85
Net debt to total equity ratio	1.04	0.91
Categories of Financial Instruments:		
a. Measured at amortised cost:		
Cash and bank balances	806.32	97.02
Trade Receivables	3,692.06	3,939.10
Loans	-	-
Others	2,634.97	1,942.61
b. Mandatorily measured at fair value through profit or loss (FVTPL):		
Investments	175.25	175.33
Derivative instruments	-	-


Notes annexed to and forming part of the Consolidated Financial Statements

Particulars	31.03.2022 Rs. in Lakhs	31.03.2021 Rs. in Lakhs
Financial liabilities		
a. <u>Measured at amortised cost:</u>		
Borrowings	12,843.72	9,263.95
Trade Payables	4,413.92	4,504.26
Others	1,986.86	1,411.95
b. <u>Mandatorily measured at fair value through profit or loss (FVTPL):</u>		
Derivative instruments	-	-

Financial risk management objectives

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

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

Market risk

Market risk is the risk that changes in market prices, liquidity and other factors that could have an adverse effect on realisable fair values or future cash flows to the Company. The Company's activities expose it primarily to the financial risks of changes in foreign currency exchange rates and interest rates as future specific market changes cannot be normally predicted with reasonable accuracy.

Interest rate risk management

The Company is exposed to interest rate risk because it borrow funds at floating interest rates.

Interest rate sensitivity analysis

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

If interest rates had been 25 basis points higher/lower and all other variables were held constant, the Company's profit for the year ended March 31, 2022 would decrease/increase by Rs.62.66lakhs (March31, 2021: decrease / increase by Rs.59.45 lakhs). This is mainly attributable to the Company's exposure to interest rates on its variable rate borrowings.

Equity price risk

Equity price risk is related to the change in market reference price of the investments in equity securities. The fair value of some of the Company's investments in available-for-sale securities exposes the Company to equity price risks. In general, these securities are not held for trading purposes.

Equity price sensitivity analysis

The fair value of equity instruments as at March 31, 2022 was Rs.175.25 lakhs(March 31, 2021: Rs.175.33 lakhs). A 5% change in prices of equity instruments held as at March 31, 2022 would result in an impact of Rs 0.90 on equity (March 31, 2021: Rs.0.85 lakhs).

Offsetting related disclosures :

Offsetting of cash and cash equivalents to borrowings as per the consortium agreement is available only to the bank in the event of a default. Company does not have the right to offset in case of the counter party's bankruptcy, therefore, these disclosures are not required.


Notes annexed to and forming part of the Consolidated Financial Statements

Particulars	31.03.2022 Rs. in Lakhs	31.03.2021 Rs. in Lakhs
-------------	----------------------------	----------------------------

Liquidity risk management:

Liquidity risk refers to the risk that the Company cannot meet its financial obligations. The objective of liquidity risk management is to maintain sufficient liquidity and ensure that funds are available for use as per requirements.

The Company has obtained fund and non-fund based working capital lines from various banks.

The Company also constantly monitors funding options available in the debt and capital markets with a view to maintaining financial flexibility.

Liquidity tables :

The following tables detail the Company's remaining contractual maturity for its non-derivative financial liabilities with agreed repayment periods. The tables have been drawn up based on the undiscounted cash flows of financial liabilities based on the earliest date on which the Company can be required to pay.

Particulars	Due in 1st year	Due in 2nd to 5th year	Due after 5th year	Carrying amount
March 31, 2022				
Trade payables	4,413.92	–	–	4,413.92
Other financial liabilities	1,301.59	473.92	–	1,775.51
Borrowings (including interest accrued thereon upto the reporting date)	6,324.03	–	–	12,843.72
	<u>12,039.54</u>	<u>473.92</u>	<u>–</u>	<u>19,033.15</u>
March 31, 2021				
Trade payables	4,504.26	–	–	4,504.26
Other financial liabilities	1,350.03	584.51	–	1,934.54
Borrowings (including interest accrued thereon upto the reporting date)	6,481.06	2,782.29	–	9,263.35
	<u>12,335.35</u>	<u>3,366.80</u>	<u>–</u>	<u>15,702.15</u>



Notes annexed to and forming part of the Consolidated Financial Statements

40. Related party disclosure

a) List of related parties :

Name of the Related Party	Relationship
SPMM Health Care Services Private Limited	Associate
Salem IVF Centre Private Limited	Associate
Sambandam Siva Textiles Private Limited	Enterprises in which KMP or their relatives have a significance influence
S. Palaniandi Mudaliar Charitable Trust	Enterprises in which KMP or their relatives have a significance influence
Sambandam Spinning Mills Gratuity Trust	Enterprises in which KMP or their relatives have a significance influence
\Sambandam Dairy Farm Private Limited	Enterprises in which KMP or their relatives have a significance influence
Sambandam Fabrics Private Limited	Enterprises in which KMP or their relatives have a significance influence
S. Devarajan - Chairman and Managing Director	Key managerial personnel (KMP)
S. Devarajan – HUF	Relative of KMP
S. Jegarajan - Joint Managing Director	Key managerial personnel (KMP)
S. Jegarajan – HUF	Relative of KMP
S. Dinakaran - Joint Managing Director	Key managerial personnel (KMP)
S. Dinakaran - HUF	Relative of KMP
D. Niranjana Kumar – Director – Marketing	Key managerial personnel (KMP)
P. Boopalan - Chief Financial Officer	Key managerial personnel (KMP)
S. Natarajan - Company Secretary	Key managerial personnel (KMP)
J. Sakthivel – Director -Technical	Key managerial personnel (KMP)
D. Anupama	Relative of KMP
D. Sudharsan - Non Executive Director	Relative of KMP
S. Kandaswarna	Relative of KMP
D. Manjula	Relative of KMP
D. Minusakthipriya	Relative of KMP
J. Ramya	Relative of KMP
D. Rathipriya	Relative of KMP
S. Saradhamani	Relative of KMP
V. Valarnila	Relative of KMP
Parameshwari Jegarajan	Relative of KMP
V. Akcchaya	Relative of KMP

Notes : As per sec 149(6) of Companies Act, 2013 independent directors are not considered as KMP. Also considering the roles & functions of independent director stated under schedule IV of Companies Act 2013 they have not been disclosed as KMP for the purpose of disclosure requirement as per Ind AS 24 Related Party.

b) Details of Transactions with Related Parties :

(Rs. in Lakhs)

Name of Related Party	Nature of Transaction	2021 - 22	2020 - 21
Salem IVF Centre Private Limited	Rent received	9.00	10.62
	Security deposit - Rent	4.50	4.50
	Rent receivable at the end of the year	4.05	5.17
Sambandam Siva Textiles Private Limited	Sale of wind power	117.07	106.21
	Sale of Milk	9.50	7.20
	Sale of Waste Cotton	–	–
	Purchase of food for Company canteen purpose	25.17	21.20
	Purchase of Agricultural product	3.52	–
	Amount receivable at the end of the year	6.47	2.33
S. Palaniandi Mudaliar Charitable Trust	Employee welfare services expenses	9.18	20.98
	Sale of Milk	2.21	1.21
	Employee welfare expenses payable	2.28	0.34



Notes annexed to and forming part of the Consolidated Financial Statements

Name of Related Party	Nature of Transaction	2021 - 22	2020 - 21
Sambandam Dairy Farm Private Limited	Purchase of Milk	13.79	13.20
	Corporate loan received	100.00	–
	Sale of Cow	26.00	25.00
	Corporate loan repaid	100.00	–
	Inter Corporate Loan interest paid	4.33	–
Sambandam Fabrics Private Limited	Corporate Guarantee received from Sambandam Fabrics Private Limited in favour of CSB Bank towards loans from CSB Bank availed by Sambandam Spinning Mills Limited	2,435.00	1,490.00
Sambandam Spinning Mills Gratuity Trust	Contribution towards Gratuity	53.30	75.00
S. Devarajan Chairman and Managing Director	Interest Payment	–	0.13
	Dividend Payment	20.86	–
	Remuneration	102.00	84.00
	Fixed deposits received	–	40.00
	Fixed deposits repaid	–	40.00
	Balances outstanding - Fixed deposits	–	–
S. Devarajan - HUF	Interest Payment - HUF	0.35	0.36
	Dividend Payment - HUF	–	–
	Balances outstanding - Fixed deposits - HUF	3.00	3.00
S. Jegarajan - Joint Managing Director	Interest Payment	–	3.70
	Dividend Payment	19.36	–
	Remuneration	98.70	81.00
	Fixed deposits received	–	9.00
	Fixed deposits repaid	–	199.50
	Balances outstanding - Fixed deposits	–	–
S. Jegarajan - HUF	Interest Payment - HUF	0.11	0.12
	Dividend Payment - HUF	–	–
	Balances outstanding - Fixed deposits - HUF	1.00	1.00
S. Dinakaran - Joint Managing Director	Interest Payment	0.06	1.83
	Dividend Payment	16.62	–
	Remuneration	64.20	54.00
	Fixed deposits received	–	19.00
	Fixed deposits repaid	–	128.50
	Balances outstanding - Fixed deposits	0.50	0.50
S. Dinakaran - HUF	Interest Payment - HUF	3.04	2.84
	Dividend Payment - HUF	–	–
	Fixed deposit – received-HUF	–	8.00
	Balances outstanding - Fixed deposits - HUF	26.25	26.25
D. Niranjana Kumar Director - Marketing	Interest Payment	1.02	1.02
	Dividend Payment	0.23	–
	Remuneration	37.50	27.00
	Balances outstanding - Fixed deposits	9.00	9.00



Notes annexed to and forming part of the Consolidated Financial Statements

Name of Related Party	Nature of Transaction	2021 - 22	2020 - 21
P. Boopalan - Chief Financial Officer	Remuneration	28.00	22.00
S. Natarajan - Company Seceratory	Remuneration	15.20	12.10
D. Anupama	Interest Payment	1.25	1.38
	Dividend Payment	0.13	–
	Balances outstanding - Fixed deposits	12.50	12.50
	Rent paid	4.60	4.60
	Rent advance paid	3.00	3.00
J. Sakthivel - Director Technical	Remuneration	37.50	27.00
	Dividend Payment	0.59	–
S. Kandaswarna	Interest Payment	0.24	0.27
	Dividend Payment	Rs. 1,200 Only	–
	Balances outstanding - Fixed deposits	2.00	2.00
D. Manjula	Interest Payment	6.09	5.04
	Dividend Payment	1.22	–
	Fixed deposits received	10.00	12.00
	Balances outstanding - Fixed deposits	58.25	48.25
D. Minusakthipriya	Interest Payment	2.08	2.10
	Dividend Payment	0.16	–
	Fixed deposits received	–	2.00
	Balances outstanding - Fixed deposits	18.75	18.75
J. Ramya	Dividend Payment	1.06	–
D. Rathipriya	Interest Payment	2.80	2.80
	Dividend Payment	1.66	–
	Balances outstanding - Fixed deposits	25.50	25.50
S. Saradhamani	Interest Payment	0.24	0.24
	Dividend Payment	4.05	–
	Balances outstanding - Fixed deposits	2.00	2.00
V. Valarnila	Interest Payment	1.93	1.30
	Dividend Payment	1.48	–
	Fixed deposits received	6.00	2.50
	Balances outstanding - Fixed deposits	18.50	12.50
Parameshwari Jegarajan	Interest Payment	0.34	0.36
	Dividend Payment	0.90	–
	Fixed deposits received	–	–
	Balances outstanding - Fixed deposits	3.00	3.00
D. Sudharsan	Dividend Payment	3.55	–
V. Akcchaya	Interest Payment	0.24	0.24
	Dividend Payment	Rs. 400 Only	–
	Balances outstanding - Fixed deposits	2.00	2.00



Notes annexed to and forming part of the Consolidated Financial Statements							(Rs. in Lakhs)	
41. Details of non-current/current borrowings								
Particulars	Particulars of repayment	Year	Non current	Current Maturities	Total	Rate of interest		
a. Secured Borrowings								
i. Term loans from banks		As at March 31, 2022		106.06	106.06	12.55		
State Bank of India TL 5	5 monthly instalment of Rs 18.75 lakhs each and 1 monthly instalment of Rs 12.31 lakhs (22-23 – Rs 106.06 lakhs)	As at March 31, 2021	– 112.50	262.50	375.00	13.65		
State Bank of India – Covid GECL 1		As at March 31, 2022	–	–	–	–		
		As at March 31, 2021	–	168.68	168.68	7.75		
State Bank of India – Covid GECL 2	45 monthly instalment of Rs 13.92 lakhs each and 1 monthly instalment of Rs 13.53	As at March 31, 2022	472.93	167.00	639.93	7.95		
		As at March 31, 2021	640.17	27.83	668.00	7.65		
State Bank of India – Covid GECL	47 monthly instalment of Rs 6.96 lakhs each and 1 monthly instalment of Rs 6.88 lakhs	As at March 31, 2022	334.00	–	334.00	7.65		
		As at March 31, 2021	–	–	–	–		
Karnataka Bank TL 5	6 monthly instalment of Rs 7.70 lakhs each and 1 monthly instalment of Rs 3.76 lakhs	As at March 31, 2022	–	49.96	49.96	10.75		
		As at March 31, 2021	50.57	94.50	145.07	11.10		
Karnataka Bank – Covid DPN 1	34 monthly instalment of Rs 5.20 lakhs each and 1 monthly instalment of Rs 5.00 lakhs	As at March 31, 2022	119.40	62.40	181.80	9.15		
		As at March 31, 2021	179.21	7.79	187.00	8.96		
Karnataka Bank – Covid Loan	47 monthly instalment of Rs 1.97 lakhs each and 1 monthly instalment of Rs 1.85 lakhs	As at March 31, 2022	94.44	–	94.44	9.00		
		As at March 31, 2021	–	–	–	–		
Canara Bank – Covid GECL1		As at March 31, 2022	–	–	–	–		
		As at March 31, 2021	5.58	66.64	72.22	8.35		
Canara Bank – Covid GECL2		As at March 31, 2022	–	–	–	–		
		As at March 31, 2021	185.00	8.00	193.00	7.95		
Canara Bank Term loan GM Solar	42 monthly instalment of R 31.95 lakhs each and 1 monthly instalment of Rs 3.8 lakhs	As at March 31, 2022	1,154.00	191.70	1,345.70	8.25		
		As at March 31, 2021	–	–	–	–		



Notes annexed to and forming part of the Consolidated Financial Statements
41. Details of non-current/current borrowings

Particulars	Particulars of repayment	Year	Non current	Current Maturities	Total	(Rs. in Lakhs)	
						Rate of interest	
CSB Bank TL 1	12 monthly instalment of Rs 26.22 lakhs each and 12 monthly instalment of Rs 27.97 lakhs each, 11 monthly instalment of Rs 34.96 lakhs each and 1 monthly instalment of Rs 34.74 lakhs	As at March 31, 2022	754.92	314.66	1,069.58	10.50	
		As at March 31, 2021	1,069.84	235.99	1,305.83	12.15	
CSB Bank TL 2	17 monthly instalments of Rs 6.12 lakhs each and 1 monthly instalment of Rs 5.74 lakh	As at March 31, 2022	36.34	73.44	109.78	10.50	
		As at March 31, 2021	109.84	73.44	183.28	12.15	
CSB Bank TL 3	69 monthly instalments of Rs 2.45 lakhs each and 1 monthly instalment of Rs 0.20 lakh	As at March 31, 2022	159.47	9.78	169.25	10.50	
		As at March 31, 2021	—	—	—	—	
CSB Bank TL 4	21 monthly instalments of Rs 9.43 lakhs each and 1 monthly instalment of Rs 3.17 lakh	As at March 31, 2022	191.77	9.43	201.20	10.50	
		As at March 31, 2021	—	—	—	—	
HDFC Bank – COVID LOAN	46 monthly instalments of Rs 4.02 lakhs each and 1 monthly instalment of Rs 4.06 lakh	As at March 31, 2022	140.73	48.25	188.98	7.50	
		As at March 31, 2021	—	—	—	—	
HDFC Bank – Solar TL 1	59 monthly instalments of Rs 18.03 lakhs each and 1 monthly instalment of Rs 18.06 lakh	As at March 31, 2022	937.56	144.24	1,081.80	7.50	
		As at March 31, 2021	—	—	—	—	
HDFC Bank – Solar TL 2	59 monthly instalments of Rs 3.37 lakhs each and 1 monthly instalment of Rs 3.28 lakh	As at March 31, 2022	175.16	26.95	202.11	7.63	
		As at March 31, 2021	—	—	—	—	
HDFC Bank Solar TL 3	59 monthly instalments of Rs 0.63 lakhs each and 1 monthly instalment of Rs 0.72 lakh	As at March 31, 2022	32.84	5.05	37.89	7.59	
		As at March 31, 2021	—	—	—	10.01	



Notes annexed to and forming part of the Consolidated Financial Statements
41. Details of non-current/current borrowings

(Rs. in Lakhs)						
Particulars	Particulars of repayment	Year	Non current	Current Maturities	Total	Rate of interest
HDFC Bank - Car loan	Monthly instalments 2022-23 Rs.7.22 lakhs and 2023-24 Rs.4.48 lakhs	As at March 31, 2022 As at March 31, 2021	4.49 11.70	7.21 15.35	11.70 27.05	10.01 10.01
HDFC Bank - Car loan	Monthly instalments 2022-23 Rs.4.97 lakhs, 2023-24 Rs.5.42 lakhs and 2024-25 Rs.3.39 lakhs	As at March 31, 2022 As at March 31, 2021	8.81 13.78	4.97 4.56	13.78 18.34	9.50 9.50
HDFC Bank – car loan	Monthly instalments 2022-23 Rs.1.32 lakhs, 2023-24 Rs.1.44 lakhs, 2024-25 Rs.1.56 lakhs and 2025-26 Rs.0.97	As at March 31, 2022 As at March 31, 2021	3.97 5.26	1.32 1.22	5.29 6.51	8.70 8.70
HDFC Bank – tempo loan	Monthly instalments 2022-23 Rs.7.80 lakhs, 2023-24 Rs.7.80 lakhs, and 2024-25 Rs.5.86)	As at March 31, 2022 As at March 31, 2021	13.65 21.46	7.80 7.80	21.45 29.26	8.70 8.70
South Indian Bank Covid loan 1	48 monthly instalments of Rs 1.50 lakhs each	As at March 31, 2022 As at March 31, 2021	55.50 –	16.50 –	72.06 –	9.00 –
South Indian Bank Covid loan 2	47 monthly instalments of Rs 1.27 lakhs each and 1 monthly installment of Rs 1.31 lakh	As at March 31, 2022 As at March 31, 2021	61.00 –	– –	61.00 –	9.15 –
Sub Total		As at March 31, 2022 As at March 31, 2021	4,750.98 2,404.94	1,246.72 974.30	5,997.76 3,379.24	– –
Buyers Credit Loan - Canara Bank	Repayable on 13.09.2022 which is to be converted into Term Loan	As at March 31, 2022 As at March 31, 2021	1,232.89 –	– –	1,232.89 –	– –



Notes annexed to and forming part of the Consolidated Financial Statements
41. Details of non-current/current borrowings

Particulars	Particulars of repayment	Year	(Rs. in Lakhs)		
			Non current	Current Maturities	Total
ii Secured Borrowings					
b. Unsecured Borrowings					
Fixed deposits	Shareholders – Repayable on 2023-23 Rs 72.90 lakhs, 2023-24 Rs 267.70 lakhs, 2024-25 Rs 414.87 lakhs, Directors- 2022-23 Rs 2.00 lakhs, 2023-24 Rs 0.50 lakhs, 2024-25 Rs 4.00 lakhs	As at March 31, 2022 As at March 31, 2021	535.82 377.35	226.15 230.96	761.97 608.31
					10to11 10to11

Notes :

- Term loans aggregating to Rs 5945.54 lakhs (2021 : Rs 3298.08 lakhs,) are secured by a first charge on pari passu basis on all Property, Plant and Equipment and second charge on pari passu basis on all current assets.
- Term loans from banks aggregating to Rs 52.22 lakhs (2021 Rs 81.16 lakhs) are secured by hypothecation of certain cars.
- All the above loans are guaranteed by four directors.
- CSB Bank, TL 1 to TL 4 loans are secured by extending Corporate Guarantee received from Kandagiri Spinning Mills Limited and Sambandam Fabrics Private Limited (Related party) and also additionally secured with the equitable mortgage of land pertaining to Kandagiri Spinning Mills Limited and Land pertaining to Sambandam Fabrics Private Limited.
- Buyers credit loan – canara bank is secured by a first charge on Ground mounted solar power property, its plant and equipment

Details of current borrowings

Particulars	Particulars of repayment	Year	(Rs. in Lakhs)		
			Non current	Current Maturities	Total
a. Secured Borrowings					
1. Cash Credit facilities					
State Bank of India	on demand	As at March 31, 2022 As at March 31, 2021	–	2,740.75 2,957.50	9.15 9.70
Karnataka Bank	on demand	As at March 31, 2022 As at March 31, 2021	–	780.15 830.15	10.28 9.70
HDFC Bank	on demand	As at March 31, 2022 As at March 31, 2021	–	900.51 –	8.45 –
Canara Bank	on demand	As at March 31, 2022 As at March 31, 2021	–	–	–
			–	970.98	11.00
South Indian Bank	on demand	As at March 31, 2022 As at March 31, 2021	–	429.72 517.17	9.94 10.65
Total Cash credit facilities	On demand	As at March 31, 2022 As at March 31, 2021	–	4,851.13 5,275.80	–

- Notes :**
- Cash Credit facilities are secured by a first charge on the Company's current assets and by a second charge on the Company's Property, Plant and Equipment excluding the charges.
 - All the above loans are guaranteed by four directors.



Notes annexed to and forming part of the Consolidated Financial Statements

Particulars	31.03.2022 Rs. in Lakhs	31.03.2021 Rs. in Lakhs	
42. Lease			
The Company has adopted IND AS 116 Leases with effect from 1 st April, 2019. The lease arrangements subsisting as on that date and eligible for recognition as right of use of assets under IND AS 116 is disclosed in Note No.2 All other lease arrangements as on that date were either Low value asset or short term leases and the lease rentals recognised as on expenses in the statement of Profit and loss. The following are the disclosures in terms of INDAS 116 :			
Payments recognised as expense for the Non-cancellable lease :			
Non-cancellable lease commitments			
Maturity analysis of future lease payments :			
Not later than 1 year	8.99	9.39	
Later than 1 year but not later than 5 years	-	-	
Later than 5 years	-	-	
Rental payment for which exemption is availed under IND AS 116			
Particulars			
Lease asset for low value asset	-	-	
Short term leases	-	-	
Other disclosures			
Particulars	Notes No.	31.03.2022	31.03.2021
a. Carrying value of right of use of (ROU) asset	2	541.40	675.55
b. Depreciation charge for ROU asset	33	134.15	106.06
c. Interest expense on lease liability	32	70.90	64.05
d. Total cashflow during the year for leases (Cash flow statement)	-	180.00	150.00
e. Additions to ROU (Other than upon transition)	2	-	(12.24)
f. Lease commitments for short term leases	22	110.59	109.10
g. Lease liability outstanding	16	473.92	584.51
Lease terms are negotiated on an individual basis and contain a range of different terms and conditions. The lease agreements do not impose any covenants other than that the company cannot provide the leased as security for its borrowings etc, nor can it be subleased without the permission of the lessor.			
The lease payment are discounted using the company's incremental borrowing rate @ 11% being the rate that the company would have to pay to borrow funds necessary to obtain as asset of similar value to ROU asset in a similar economic environment with similar terms, security and conditions.			
Company as lessee			
Leasing arrangements			
Operating leases relate to land and building with lease term ranging from 11 months to 15 years.			
43. Contingent liabilities and Capital Commitments			
Contingent liabilities			
a) Claims against the Company not acknowledged as debt			
(i) ESI		33.81	33.81
(ii) Others (self generation tax / cross subsidy charges to TNEB andetc.)		595.10	565.78
		<u>628.91</u>	<u>599.59</u>
These have been disputed by the Company on account of issues of applicability and classification. Future cash outflows in respect of the above are determinable only on receipt of judgment / decisions pending with various forums / authorities.			
b) Customer bills discounted with bankers		-	64.76
Capital Commitments			
c) Capital Commitments (net of advances) not provided for		706.46	1,187.00
d) Company has received corporate guarantee from Kandagiri Spinning Mills Limited and Sambandam Fabrics private limited to the extent of		2,435.00	1,490.00
The outflow in respect of the above is not practicable to ascertain in view of the uncertainties involved.			



Notes annexed to and forming part of the Consolidated Financial Statements

Particulars	31.03.2022 Rs. in Lakhs	31.03.2021 Rs. in Lakhs
-------------	----------------------------	----------------------------

44. CSR Expenditure :

Particulars	2021-22	2020-21
(a) Gross amount required to be spent by the company during the year	12.43	7.78
(b) Amount spent during the year on:		
(i) Construction/acquisition of any asset	-	-
(ii) On purposes other than (i) above		
Contribution to S. Palaniandi Mudaliar Charitable Trust		
- On account of health care services	5.01	16.75
Amount spent directly by the company towards		
Artificial limb fitment project	7.45	0.05
(c) Amount unspent as at the year end	-	-

45. Based on and to the extent of information available with the Company under Micro, Small and Medium Enterprises Development Act, 2006 (MSMED Act), the relevant particulars as at reporting date are furnished below:

Particulars	As at March 31, 2022	As at March 31, 2021
(i) Principal amount due to suppliers under MSMED Act, as at the end of the year	384.63	536.61
(ii) Interest accrued and due to suppliers under MSMED Act, on the above amount as at the end of the year	-	-
(iii) Payment made to suppliers (other than interest) beyond the appointed day, during the year	-	-
(iv) Interest paid to suppliers under MSMED Act (other than Section 16)	-	-
(v) Interest paid to suppliers under MSMED Act (Section 16)	-	-
(vi) Interest due and payable to suppliers under MSMED Act, for payments already made	-	-
(vii) Interest accrued and remaining unpaid at the end of the year to suppliers under MSMED Act (ii) + (vi)	-	-

Dues to Micro and Small Enterprises have been determined to the extent such parties have been identified on the basis of information collected by the Management. This has been relied upon by the auditors.

46. During the financial year 2017-18 the Company's management has identified embezzlement of funds by an employee of the Company whose services have since been terminated. The above has also been intimated to BSE Limited and necessary disclosures made under Regulation 30 of SEBI (Listing Obligation and Disclosure Requirements), Regulations 2015 vide letter dated November 21,2017.

Pending the recovery procedures, suitable adjustments/provisions have been made in the earlier year, to the financial statements and a sum of (i) Rs.250 lakhs has been considered recoverable and (ii) Rs.283.01 lakhs has been provided for, and reflected as extraordinary item of the earlier year.

47. Auditor's Remuneration :

(Rs. in lakhs)

Particulars	March 31, 2022	March 31, 2021
1. Statutory audit	8.00	6.00
Cost audit	1.00	1.00
2. Taxation matters	-	-
3. Other services	-	-



Notes annexed to and forming part of the Consolidated Financial Statements

48. Net Debt Reconciliation (Rs. in lakhs)

Particulars	March 31, 2022	March 31, 2021
1. Cash and Cash equivalents	343.61	9.92
2. Liquid investments	50.00	50.00
3. Current Borrowings (including current maturities of non current borrowings)	(6,324.03)	(6,481.06)
4. Non current borrowings	(6,519.69)	(2,782.29)
Net Debt	(12,450.11)	(9,203.43)

Particulars	Other Assets		Liabilities from financing activities			Total
	Cash and Bank overdraft	Liquid Investments	Finance lease Obligations	Non current borrowings	Current Borrowings	
Net debt as at March 31, 2021						(9,203.43)
Cash Flows	333.69	–	–	(3,737.40)	(157.03)	(3,246.68)
Interest expense	1,133.88	–	–	–	–	1,133.88
Interest paid	(1,133.88)	–	–	–	–	(1,133.88)
Net debt as at March 31, 2022	333.69	–	–	(3,737.40)	(157.03)	(12,450.11)

49. The Company's primary segment is identified as business segment based on nature of products, risk, returns and internal reporting business systems the company is principally engaged in a single business segment viz. manufacture and sale of cotton yarn.

50. Disclosure as required under section 186(4) of the Companies Act, 2013: (Rs. in lakhs)

Particulars	As at March 31, 2022	As at March 31, 2021	Purpose
i. Investments (Refer note 4)	175.25	175.33	Funding for operations
ii. Guarantees	–	–	

51. Revenue from contract with customers (Ind AS 115)

a) Disaggregated revenue information (Rs. in Lakhs)

Particulars	March 31, 2022	March 31, 2021
Type of goods and service		
Sale of products		
Yarn	34,296.10	22,337.52
Fabric sales	87.41	41.39
Process waste	971.67	605.08
Revenue from services		
Yarn testing charges	–	–
Yarn conversion charges	–	8.85
Other operating revenues	138.75	114.07
Total revenue from contract with customers	35,493.93	23,106.91
India	34,600.71	22,921.63
Outside India	893.22	185.28
Total revenue from contract with customers	35,493.93	23,106.91



Notes annexed to and forming part of the Consolidated Financial Statements

Timing of revenue recognition

(Rs. in Lakhs)

Particulars	March 31, 2022		March 31, 2021	
	At a point in time	Over a period of time	At a point in time	Over a period of time
Sale of products and other operating income	35,493.93	—	23,106.91	—
Less : Rebates and discounts	—	—	—	—
Total revenue from contract with customers	35,493.93	—	23,106.91	—

b) Contract balance

(Rs. in Lakhs)

Particulars	March 31, 2022	March 31, 2021
Trade receivables	3,692.06	3,939.10
Contract assets / Liabilities	—	—

Trade receivables are non-interest bearing and are generally on approval terms

c) Reconciliation of revenue recognised in the statement of profit and loss with the contracted price

(Rs. in Lakhs)

Particulars	March 31, 2022	March 31, 2021
Revenue as per contracted price	35,493.93	23,106.91
Adjustments:-		
Rebates and discounts	—	—
Revenue from contract with customers	35,493.93	23,106.91

52. The title deeds of immovable properties are held in the name of the Company.
53. The Company has not revalued any of its Property, Plant and Equipment during the year.
54. (a) During the year, the company has received corporate guarantee of Rs 789.38 lakhs (totaling to Rs 2279.38 lakhs as on 31.3.2022) from M/s Kandagiri spinning mills Ltd for the term loan availed from CSB Bank. Also Kandagiri spinning Mills Ltd., gave its immovable properties as collateral security for the above loan
- (b) During the year , the company has received corporate guarantee of Rs 945 lakhs (totaling to Rs 2435 lakhs as on 31.3.2022) from M/s Sambandam fabrics Pvt Ltd., for the term loan availed from CSB Bank. Also, M/s Sambandam fabrics Pvt Ltd has extended its immovable property as collateral security for the above loan
55. The Company does not have any Benami property, where any proceedings initiated or pending against the Company for holding any Benami property.
56. The Company had availed (1) Covid Loan of Rs 193 lakhs from HDFC bank and (2) working capital loan of Rs 1076 lakhs from canara bank .Two separate charges were created in ROC on above two loans .The working capital loan (2) was subsequently taken over by HDFC bank. Later, above two loans were included in the consortium total funding on which separate identifiable charge is made with ROC. Hence earlier created charges on (1) and (2) became redundant for which the satisfaction of charge is yet to be registered with ROC and the banker HDFC Bank is yet to give NOC for satisfaction of such charge of above mentioned (1) and (2) loans.
57. The Company is not declared as willful defaulter by any Bank or Financial Institution (as defined under the Companies Act, 2013) or consortium thereof or other Lender in accordance with the guidelines on willful defaulters issued by the Reserve Bank of India
58. The Company does not have any transaction with Companies struck off under section 248 of the companies Act, 2013 or section 560 of the Companies Act, 1956
59. The Company has not advanced or loaned or invested funds to any other persons or entities including foreign entities (intermediaries) with the understanding that the intermediary shall (a) directly or indirectly lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the Funding party (ultimate Beneficiaries) or (b) provide any guarantee or security or the like on behalf of the Ultimate Beneficiaries.



Notes annexed to and forming part of the Consolidated Financial Statements

60. The Company has not received any fund from other persons or entities including foreign entities (intermediaries) with the understanding that the intermediary shall (a) directly or indirectly lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the Funding party (ultimate Beneficiaries) or (b) provide any guarantee or security or the like on behalf of the Ultimate Beneficiaries
61. The Company does not have any transaction which is not recorded in the books of accounts that has been surrendered or disclosed as income during the year in the tax assessments under the Income Tax Act, 1961 (such as search or survey or any other relevant provisions of the Income Tax Act, 1961)
62. The Company does not have any subsidiary Company and accordingly the provisions with respect to the number of layers prescribed under clause (87) of section 2 of the Companies Act, 2013 read with the Companies (Restriction on number of Layers) Rules, 2017 is not applicable to the Company
63. The Company has not traded or invested in Crypto currency or Virtual currency during the financial year 2021-22
64. The company has utilised the borrowings only for the intended purpose.

65. Ratios:-

S.No.	Particulars	2021-22	2020-21	Change(%)	Reasons
(a)	Current ratio [Current Assets /Current liability]	1.39	1.24	12.10%	
(b)	Debt-Equity Ratio (no of times) [Total debt ¹ / Total shareholder's equity ²]	1.16	0.99	17.56%	
(c)	Debt Service Coverage Ratio [(Profit / (loss) before exceptional items and tax + interest on Borrowings + Depreciation) / (Interest on Borrowings + Repayment of long term debt+lease liability ³)]	1.57	1.02	53.66%	Due to more profit earned during current year
(d)	Return on Equity(in %) [Net Profit after tax / Average Shareholder's Equity]	13.99%	8.36%	67.42%	Due to more profit earned during current year
(e)	Inventory Turnover Ratio (in No of days) [Average Inventory ⁴ No of days =365] / [Raw Material Consumed ⁵]	173	212	(18.40)%	
(f)	Trade Receivable Turnover Ratio (In No of days) [Average Trade receivables* No of days = 365 / Revenue from operations]	39	62	(37.10)%	Due to Better collection from customers
(g)	Trade Payables turnover Ratio (in No of days) [Average Trade payables* No of days=365] / Cost of materials consumed ⁶ /	77	108	(28.70)%	Due to Better payment to vendors
(h)	Net Capital Turnover ratio (in Times) [Revenue from operations/ Working Capital ⁷]	5.69	5.47	(4.14)%	
(i)	Net Profit ratio in % [Net profit after Tax / Revenue from continuing Operations]	4.27%	3.51%	21.48%	
(j)	Return on Capital Employed % [Profit before Interest and Tax / Average Capital employed]	14.50%	10.51%	37.94%	Due to more profit earned during current year
(k)	Return on Investment [Income generated from investment /Average Investments]	0.43%	—%	100%	Dividend income earned during current year



Notes annexed to and forming part of the Consolidated Financial Statements

Previous period amounts of assets and liabilities were recomputed to make the ratios comparable with current period

1. Total debt includes Non current and current borrowings of term loans
2. Equity = Equity Share Capital + other equity
3. Repayment of borrowings includes Repayment of current and non current borrowings
4. Working capital=Current assets Less current liabilities
5. Raw material consumed includes cost of material consumed ,purchases of products for sale and changes in inventories of finished goods, work in progress and products for sale
6. Inventory includes Raw material, and components, working progress, finished goods, stores and
7. Capital Employed includes shareholders equity, non-current and current borrowings
8. Cost of materials consumed includes raw materials and yarn purchases for trading

Other Statutory Information

- (i) The company does not have any Benami property, where any proceeding has been initiated or pending against the company for holding any Benami Property.
- (ii) The Company does not have any charges or satisfaction which is yet to be registered with ROC beyond the statutory period.
- (iii) The Company has not traded or invested in Crypto currency or Virtual Currency during the financial year.
- (iv) The company has not advanced or loaned or invested funds to any other person(s) or entity(is), including foreign entities.
- (v) The company has not received any fund from any person(s) or entity(is), including foreign entities.
- (vi) The Company is not declared as wilful defaulter by any bank or financial institution (as defined under the companies Act, 2013) or consortium thereof or other lender in accordance with the guidelines on wilful defaulters issued by the Reserve Bank of India.
- (vii) The Company does not have any transaction which are not recorded in the books of accounts that have been surrendered or disclosed as income during the year in the tax assessments under the Income Tax Act, 1961.
- (viii) The Company has not revalued any of its Property, Plant and Equipment (including Right-of-Use Assets) during the year

66. Associates	(Rs. in Lakhs)	
Details of associates	31.3.2022	31.3.2021
Aggregate information of associates		
The Group's share of profit (loss) from continuing operations	63.04	4.75
The Group's share of post-tax profit (loss) from discontinued operations	-	-
The Group's share of total comprehensive income	-	-
Aggregate carrying amount of the Group's interests in these associates	196.68	133.64
Unrecognised share of losses of associates		
The unrecognised share of loss of associates for the year consequent to investment being nil under equity accounting	-	-
Cumulative share of loss of associates	34.69	35.58

67. Previous year figures have been regrouped / reclassified / amended wherever necessary to conform to current year classification

As per our report of even date
For **R. Sundararajan & Associates**
Chartered Accountants
Firm Registration No.08282S

S. Krishnan - Partner
Membership No. 26452

Salem
May 29, 2022

For and on behalf of the board

S. Devarajan
Chairman and Managing Director
DIN : 00001910

S. Natarajan
Company Secretary

S. Dinakaran
Joint Managing Director
DIN : 00001932

P. Boopalan
Chief Financial Officer



**CORPORATE SOCIAL RESPONSIBILITY (CSR) ACTIVITIES IN ASSOCIATION
WITH ROTARY CLUB OF SALEM MID TOWN**

Artificial limbs to differently abled persons is displayed



*Standing 3rd from left **Sri A. Ramachandran** Mayor, Salem Corporation,
4th from left **Sri S. Devarajan** Chairman and Managing Director
onlooking the audience during CSR Activity*



**CORPORATE SOCIAL RESPONSIBILITY (CSR) ACTIVITIES IN ASSOCIATION
WITH ROTARY CLUB OF SALEM MID TOWN**

*Standing Sri S. Devarajan Chairman and Managing Director
addressing the gathering*



Artificial limbs being fitted to beneficiary



**CORPORATE SOCIAL RESPONSIBILITY (CSR) ACTIVITIES IN ASSOCIATION
WITH ROTARY CLUB OF SALEM MID TOWN**

*Standing 2nd from left Sri A. Ramachandran Mayor, Salem Corporation,
3rd from right Sri S. Devarajan Chairman and Managing Director
distributing the artificial limbs to beneficiary*



*Sri A. Ramachandran Mayor, Salem Corporation,
Sri S. Devarajan Chairman and Managing Director
Inspecting the differently abled beneficiary people receiving artificial limbs*



**CORPORATE SOCIAL RESPONSIBILITY (CSR) ACTIVITIES IN ASSOCIATION
WITH ROTARY CLUB OF SALEM MID TOWN**

Differently abled Beneficiary people and their family members





ROOF TOP SOLAR ENERGY PLANT





GROUND MOUNTED SOLAR ENERGY PLANT





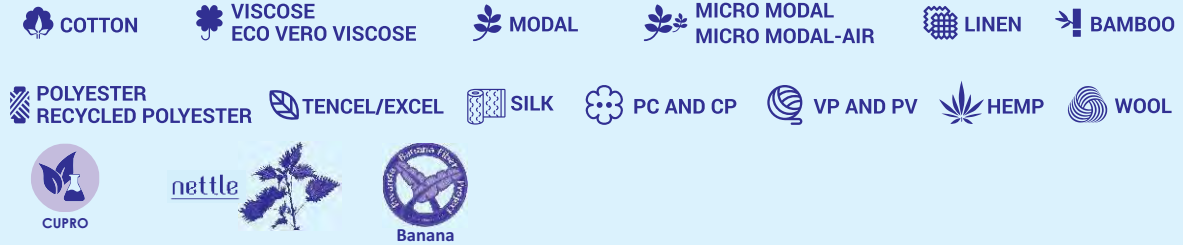
GROUND MOUNTED SOLAR ENERGY PLANT





Product Spectrum

Tailormade solutions to blend with any fibres and count



SSML Melange Collection

- Regular Melange Yarn
- Colour Melange Yarn
- 100% Cotton Melange Yarn
- 100% Viscose & Polyester Blended Melange Yarn
- 100% Bamboo & Bamboo Blended Melange Yarn
- Tri Blended Melange Yarn
- Grindle / Jaspe Yarn
- Neppy Yarn
- Fancy Slub Melange Yarn
- Multi Colour Neppy Yarn
- Dope Dyed - VSF / Modal Yarns
- Injection / Dual Injection Slub Yarn
- Snow Marl Yarn
- Streaky Effect Yarn
- Mosaic Yarn
- Rainbow Yarn
- Tricolor Vario Syro Yarn

100% Cotton

Ne 20s to 80s

- Auto Coned Usterized Yarn
- Siro Cleared Contamination Controlled Yarn
- Carded / Combed Weaving & Knitting Yarn
- Double & Multiply - TFO Yarn
- White Guaranteed - Australian / Pima Yarn
- Pima / Giza / Ultima High End use Yarn

Our Value Added Products

- GOTS, OCS & GRS Certified Organic Yarn
- OEKO Tex Certified Yarn
- BCI / CMIA Certified Yarn
- Combed Gassed Mercerized Yarn (CGM)
- Compact Yarn
- Gassed Yarn
- Fancy Slub Yarn
- Elitwist Yarn
- Recycled Fibre Yarn
- Melange Yarn Fabrics
- Lycra/Core Spun Yarn
- Grey Woven Fabrics

Best Sources. Guaranteed Quality.



Our Commitment to Quality



www.sambandam.com