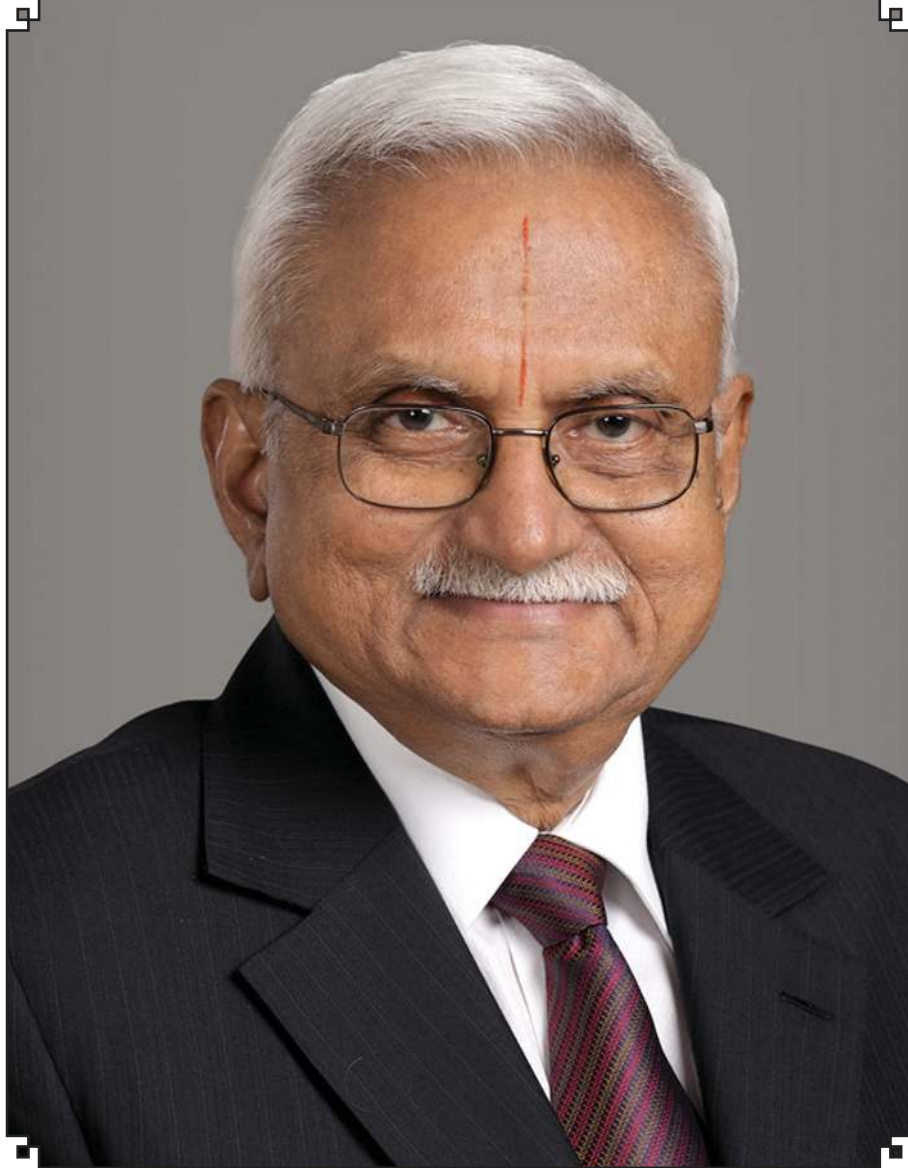


*42<sup>nd</sup>*  
*Annual Report*  
*2022 - 2023*



SHRI P.A.C. RAMASAMY RAJA



**"Gurubakthamani"**  
**SHRI P.R. RAMASUBRAHMANEYA RAJHA**  
Sridharmarakshakar - Ramco Group



## SRI VISHNU SHANKAR MILL LIMITED, RAJAPALAIYAM

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### Board of Directors

Shri P.R. VENKETRAMA RAJA, B.Tech., M.B.A.,  
*Chairman*

Smt. SHARADHA DEEPA, B.E.,  
Managing Director

Shri S.S. RAMACHANDRA RAJA, B.Sc.,

Smt. R. CHITTAMMAL

Shri N.K. SHRIKANTAN RAJA, B.Com.,

Shri SRIRAMA RAJA, B.E.,

Shri ARUNKUMAR GOENKA, B.Com.,

Shri P.A.S. ALAGHAR RAJA, D.T.T.,

Shri S. KANTHIMATHINATHAN, M.Sc.,(Tex), M.B.A.,

### Bankers

Tamilnad Mercantile Bank Limited

Indusind Bank Limited

IDBI Bank Limited

The Federal Bank Limited

ICICI Bank Limited

DCB Bank Limited

IDFC First Bank Limited

### Auditors

M/s M.S. Jagannathan & N. Krishnaswami  
Chartered Accountants,  
38, Selvanagar Main Road,  
Ponnagar Extension,  
Trichy - 620 001.

### Secretarial Auditor

Shri M.R.L. Narasimha  
'Lotus', 370-A, Alagesan Road,  
SB Mission Post,  
Coimbatore - 641 011.

### Cost Auditor

Shri M. Kannan  
IV-B, Akshaya Homes,  
9 B - 20, Tagore Nagar,  
Bharathiyar 4<sup>th</sup> Street,  
S.S. Colony, Madurai - 625 016.

### Factories

#### Unit I

P.A.C. Ramasamy Raja Salai,  
Rajapalaiyam - 626 117.

#### Unit II

Subramaniapuram Village,  
Srivilliputhur - 626 137.

### Registered Office

Sri Vishnu Shankar Mill Premises,  
Post Box No. 109,  
P.A.C. Ramasamy Raja Salai,  
Rajapalaiyam - 626 117. Tamil Nadu.

E-mail : svsm@ramcotex.com

Phone : 04563-235555

Fax : 04563-236493

Website: [www.vishnushankarmill.co.in](http://www.vishnushankarmill.co.in)

### Corporate Identification Number:

U17301TN1981PLC008677

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**SRI VISHNU SHANKAR MILL LIMITED, RAJAPALAIYAM**

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**NOTICE TO THE MEMBERS**

Notice is hereby given that the 42<sup>nd</sup> Annual General Meeting of the Company will be held at 12.30 PM on Friday the 18<sup>th</sup> August, 2023. This Annual General Meeting is being conducted through Video Conferencing (VC) / Other Audio Visual Means (OAVM) the details of which are provided in the Notes to this Notice. The following are the businesses that would be transacted at this AGM.

**ORDINARY BUSINESS**

1. To consider and pass the following Resolution, as an ORDINARY RESOLUTION:

"RESOLVED THAT the Company's Separate and Consolidated Audited Financial Statements for the year ended 31<sup>st</sup> March, 2023 and the Reports of the Board of Directors and Auditors thereon be and are hereby considered and adopted."

2. To consider and pass the following Resolution, as an ORDINARY RESOLUTION:

"RESOLVED THAT Shri S.S. Ramachandra Raja (DIN: 00331491), who retires by rotation, be and is hereby re-appointed as Director of the Company."

3. To consider and pass the following Resolution, as an ORDINARY RESOLUTION:

"RESOLVED THAT Shri Srirama Raja (DIN: 00383912), who retires by rotation, be and is hereby re-appointed as Director of the Company."

**SPECIAL BUSINESS**

4. To consider and, if thought fit, to pass with or without modification, the following Resolution, as an ORDINARY RESOLUTION:

"RESOLVED THAT pursuant to the provisions of Section 139 and 148(5) and other applicable provisions if any, of the Companies Act, 2013 and Rule 14 of Companies (Audit and Auditors) Rules 2014, the remuneration of ₹ 90,000/- (Rupees Ninety Thousand Only) plus applicable taxes and Out-of-pocket expenses, payable to Shri M. Kannan, Cost Accountant (Firm Registration No. 102185) appointed as the Cost Auditor of the Company by the Board of Directors, for the financial year 2023-24 for auditing the Cost Records relating to manufacture of textile products, be and is hereby ratified and confirmed."

By Order of the Board,  
For **SRI VISHNU SHANKAR MILL LIMITED,**

**P.R. VENKETRAMA RAJA**  
**CHAIRMAN**  
**(DIN: 00331406)**

RAJAPALAIYAM,  
25<sup>th</sup> May, 2023.

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**SRI VISHNU SHANKAR MILL LIMITED, RAJAPALAIYAM**

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**NOTICE**

**NOTES:**

1. Statement pursuant to Section 102 of the Companies Act, 2013, setting out the material facts concerning each item of Special business is annexed hereto.
2. The Company has chosen to conduct this AGM through VC. The AGM would be conducted in accordance with the General Circular No: 10/2022 dated 28<sup>th</sup> December, 2022, issued by Ministry of Corporate Affairs ("MCA"), Government of India and such other instructions that may be issued by Statutory Authorities.
3. The Company would be providing the Central Depository Services (India) Limited's (CDSL) system for the members to cast their vote through remote e-Voting and participate in the AGM through Video Conference.
4. Proxies are not being sent to shareholders, as the meeting is being conducted through VC.
5. The Company is also releasing a Public Notice by way of advertisement being published in English in Business Line (All editions) and in Tamil in Dinamani (Madurai editions), containing the following information:
  - Convening of AGM through VC in compliance with applicable provisions of the Act.
  - Date and Time of the AGM.
  - Availability of Notice of the Meeting on the website of the Company and at **<http://www.evotingindia.com>**.
  - Reference to the link of the Company's website, providing access to the full annual report.
  - Requesting the members who have not registered their E-Mail addresses with the Company, to get the same registered with the Company.
6. The cut-off date will be Friday, the 11<sup>th</sup> August, 2023 for determining the eligibility to vote by remote e-Voting or in the AGM.
7. Pursuant to Rule 8 of Investor Education and Protection Fund (Accounting, Audit, Transfer and Refund) Rules, 2016, the Company has uploaded the details of unclaimed / unpaid dividends lying with the Company on the website of the Company (**[www.vishnushankarmill.co.in](http://www.vishnushankarmill.co.in)**), as

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**SRI VISHNU SHANKAR MILL LIMITED, RAJAPALAIYAM**

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**NOTICE**

also on the website of the Ministry of Corporate Affairs. The dividends remaining unpaid for a period of over seven years will be transferred to the Investor Education and Protection Fund (IEPF) of the Central Government. Hence, the Members who have not claimed their dividend relating to the earlier years may write to the Company for claiming the amount before it is so transferred to the Fund.

The details of due dates for transfer of such unclaimed dividend to the said Funds are:

| Financial Year ended | Date of Declaration of Dividend | Last Date for Claiming Unpaid Dividend | Due Date for Transfer to IEP Fund |
|----------------------|---------------------------------|----------------------------------------|-----------------------------------|
| 31-03-2022 Dividend  | 20-08-2022                      | 19-08-2029                             | 01-09-2029                        |

8. In accordance with Section 124(5) of the Companies Act, 2013, the Company has transferred the unclaimed / unpaid dividends lying with the Company for a period of over seven years, to the Investor Education and Protection Fund (the IEPF) established by the Central Government.
9. In accordance with Section 124(6) of the Companies Act, 2013 read with Investor Education and Protection Fund authority (Accounting, Audit, Transfer and Refund) Rules, 2016, the shares in respect of which dividend has not been paid or claimed for seven consecutive years or more have been transferred by the Company to IEPF. The shareholders / their legal heirs are entitled to claim the said shares and the dividend so transferred from the IEPF by making an online application in Form No. IEPF-5 to the IEPF Authorities. The procedure is available at **[www.iepf.gov.in](http://www.iepf.gov.in)**.
10. Despatching of physical copies of the financial statements (including Board's report, Auditor's report or other documents required to be attached therewith), has been dispensed with. Such statements are being sent only by email to the members and to all other persons so entitled. The Annual Report will also be made available on the Company's Website - **[www.vishnushankarmill.co.in](http://www.vishnushankarmill.co.in)**.

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**SRI VISHNU SHANKAR MILL LIMITED, RAJAPALAIYAM**

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**NOTICE**

11. Voting through electronic means

- a) In compliance with provisions of Section 108 of the Companies Act, 2013 and Rule 20 of the Companies (Management and Administration) Rules, 2014, the Company is providing members remote e-Voting facility to exercise their right to vote at the 42<sup>nd</sup> AGM and the business may be transacted through such e-Voting Services provided by Central Depository Services (India) Limited (CDSL).
- b) The facility for remote e-Voting shall remain open from 9.00 A.M. on Tuesday, the 15<sup>th</sup> August, 2023 to 5.00 P.M. on Thursday the 17<sup>th</sup> August, 2023. During this period, the Members of the Company, holding Shares either in physical form or in dematerialized form, as on the cut-off-date, viz., Friday, the 11<sup>th</sup> August, 2023, may opt for remote e-Voting. Remote e-Voting shall not be allowed beyond 5.00 PM on Thursday the, 17<sup>th</sup> August, 2023.
- c) The facility for e-Voting, through electronic voting system shall be made available at the time of meeting and members attending the meeting through VC and who have not already cast their vote by remote e-Voting shall be able to exercise their right during the meeting. If any votes are cast by the members through the e-Voting available during the AGM and if the same members have not participated in the meeting through VC, then the votes cast by such members shall be considered invalid as the facility of e-Voting during the meeting is available only to the members attending the meeting.
- d) Login method for e-Voting and joining the AGM through VC for Individual shareholders holding securities in Demat mode are given below:

| Type of shareholders                                                          | Login Method                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                          |
|-------------------------------------------------------------------------------|-----------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| Individual Shareholders holding securities in Demat mode with CDSL Depository | <ol style="list-style-type: none"><li>1) Users who have opted for CDSL Easi / Easiest facility, can login through their existing 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 <b><a href="https://web.cdslindia.com/myeasinew/home/login">https://web.cdslindia.com/myeasinew/home/login</a></b> or visit <b><a href="http://www.cdslindia.com">www.cdslindia.com</a></b> and click on Login icon and select New System Myeasi.</li><li>2) After successful login the Easi / Easiest user will be able to see the e-Voting option for eligible companies where the e-Voting is in progress as per the information provided by company. On clicking the e-Voting option, the user will be</li></ol> |

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**SRI VISHNU SHANKAR MILL LIMITED, RAJAPALAIYAM**

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**NOTICE**

| Type of shareholders                                                               | Login Method                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                     |
|------------------------------------------------------------------------------------|--------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
|                                                                                    | <p>able to see e-Voting page of the e-Voting service provider for casting your vote during the remote e-Voting period or joining the AGM through VC &amp; voting during the meeting. Additionally, there is also links provided to access the system of all e-Voting Service Providers i.e. CDSL, so that the user can visit the e-Voting service providers' website directly.</p> <p>3) If the user is not registered for Easi / Easiest, option to register is available at <b><a href="https://web.cdslindia.com/myeasinew/Registration/EasiRegistration">https://web.cdslindia.com/myeasinew/Registration/EasiRegistration</a></b></p> <p>4) Alternatively, the user can directly access e-Voting page by providing Demat Account Number and PAN No. from a e-Voting link available on <b><a href="http://www.cdslindia.com">www.cdslindia.com</a></b> home page. The system will authenticate the user by sending OTP on registered Mobile &amp; Email as recorded in the Demat Account. After successful authentication, user will be able to see the e-Voting option where the e-Voting is in progress and also able to directly access the system of all e-Voting Service Providers.</p> |
| Individual Shareholders (holding securities in demat mode) login through their DPs | <p>You can also login using the login credentials of your demat account through your DP registered with CDSL for e-Voting facility. After Successful login, you will be able to see e-Voting option. Once you click on e-Voting option, you will be redirected to CDSL Depository site after successful authentication, wherein you can see e-Voting feature. Click on company name or e-Voting service provider name and you will be redirected to e-Voting service provider website for casting your vote during the remote e-Voting period or joining the AGM through VC &amp; voting during the meeting.</p>                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                 |

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**Important note:** Members who are unable to retrieve User ID / Password are advised to use Forgot User ID and Forgot Password option available at abovementioned website.

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

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**SRI VISHNU SHANKAR MILL LIMITED, RAJAPALAIYAM**

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**NOTICE**

| <b>Login type</b>                                                         | <b>Helpdesk details</b>                                                                                                                                                        |
|---------------------------------------------------------------------------|--------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| Individual Shareholders holding securities in Demat mode with <b>CDSL</b> | Members facing any technical issue in login can contact CDSL helpdesk by sending a request at <b>helpdesk.evoting@cdslindia.com</b> or contact at Toll Free No.: 1800 22 55 33 |

- f) Access through CDSL e-Voting System in case of shareholders holding share in physical mode and non-individual shareholder in demat mode.

Login method for e-Voting and joining the AGM through VC for shareholders holding shares in physical form and for shareholders other than individual shareholders holding in Demat form.

1. The shareholders should log on to the e-Voting website **www.evotingindia.com**
2. Click on "Shareholders" module.
3. Now enter your User ID
  - a) For CDSL: 16 digits beneficiary ID,
  - b) Shareholders holding shares in Physical Form should enter Folio Number registered with the Company.
4. Next enter the Image Verification as displayed and Click on Login.
5. If you are holding shares in demat form and had logged on to **www.evotingindia.com** and voted on an earlier e-Voting of any company, then your existing password is to be used.
6. If you are a first-time user follow the steps given below:

For Shareholders holding shares in Physical form and Shareholders holding shares in Demat Form other than individual holders.

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|     |                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                             |
|-----|-----------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| PAN | <p>Enter your 10-digit alpha-numeric PAN issued by Income Tax Department (Applicable for both Demat shareholders as well as physical shareholders) Shareholders who have not updated their PAN with the Company / DP are requested to use the first two letters of their name and the 8 digits of the Folio No. in the PAN field.</p> <p>In case the Folio No is less than 8 digits, enter the applicable number of 0's before the Folio No. to make it 8 digits after the first two characters of the name in CAPITAL letters. Eg. If your name is GUHAN.S with folio number 1 then enter GU00000001 in the PAN Field.</p> |
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## SRI VISHNU SHANKAR MILL LIMITED, RAJAPALAIYAM

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### NOTICE

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|                                              |                                                                                                                                                                                                                                                                                                                                         |
|----------------------------------------------|-----------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| Dividend Bank Details or Date of Birth (DOB) | Enter the Dividend Bank Details or Date of Birth (in dd/mm/yyyy format) as recorded in your demat account or in the company records in order to login. If both the details are not recorded with the depository or company, please enter the member ID / folio number in the Dividend Bank details field as mentioned in instruction F. |
|----------------------------------------------|-----------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|

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After entering these details appropriately, Click on "Submit" Tab.

- g) Shareholders holding shares in physical form will then directly reach the Company selection screen. However, members holding shares in demat form will now reach 'Password Creation' menu wherein they are required to mandatorily enter their login password in the new password field. Kindly note that this password is to be also used by the demat holders for voting for resolutions of any other company on which they are eligible to vote, provided that company opts for e-Voting through CDSL platform. It is strongly recommended not to share your password with any other person and take utmost care to keep your password confidential.
- h) For shareholders holding shares in physical form, the details can be used only for e-Voting on the resolutions contained in this Notice.
- i) Click on the relevant EVSN for SRI VISHNU SHANKAR MILL LIMITED on which you choose to vote.
- j) On the voting page, you will see "RESOLUTION DESCRIPTION" and against the same the option "YES / NO" for voting. Select the option YES or NO as desired. The option YES implies that you assent to the Resolution and option NO implies that you dissent to the Resolution.
- k) Click on the "RESOLUTIONS FILE LINK" if you wish to view the entire Resolution details.
- l) After selecting the resolution you have decided to vote on, click on "SUBMIT". A confirmation box will be displayed. If you wish to confirm your vote, click on "OK", else to change your vote, click on "CANCEL" and accordingly modify your vote.
- m) Once you "CONFIRM" your vote on the resolution, you will not be allowed to modify your vote.
- n) You can also take a print of the votes cast by clicking on "Click here to print" option on the Voting page.
- o) If a demat account holder has forgotten the login password, then Enter the User ID and the image verification code and click on Forgot Password & enter the details as prompted by the system.
- p) There is also an optional provision to upload Board Resolution / Power of Attorney if any uploaded, which will be made available to scrutinizer for verification.

**NOTICE**

- q) Facility for Non - Individual Shareholders and Custodians - Remote Voting.
- (i) Non-Individual shareholders (i.e. other than Individuals, HUF, NRI, etc.) and Custodians are required to log on to **www.evotingindia.com** and register themselves in the "Corporates" module.
  - (ii) A scanned copy of the Registration Form bearing the stamp and sign of the entity should be emailed to **helpdesk.evoting@cdslindia.com**.
  - (iii) After receiving the login details, a Compliance User should be created using the admin login and password. The Compliance User would be able to link the account(s) for which they wish to vote on.
  - (iv) The list of accounts linked in the login will be mapped automatically and can be delinked in case of any wrong mapping.
  - (v) It is mandatory that a scanned copy of the Board Resolution and Power of Attorney (POA) which they have issued in favour of the Custodian, if any, should be uploaded in PDF format in the system for the scrutinizer to verify the same.
  - (vi) Alternatively Non Individual shareholders are required to send the relevant Board Resolution / Authority letter, etc. together with attested specimen signature of the duly authorized signatory who are authorized to vote, to the Scrutinizer at **srinivasan.k@msjandnk.com** and to the Company at the email address viz. **svsm@ramcotex.com**, if they have voted from individual tab & not uploaded same in the CDSL e-Voting system for the scrutinizer to verify the same.
- r) If you have any queries or issues regarding attending the meeting & e-Voting from the CDSL e-Voting System, you can write an e-mail to **help.desk.evoting@cdslindia.com** or contact at toll free no.1800 22 55 33.
12. Instructions for shareholders attending the AGM through VC & e-Voting during meeting are as under:
- a) The procedure for attending meeting & e-Voting on the day of the AGM is same as the instructions mentioned above for Remote e-Voting.
  - b) The Members can join the AGM in the VC mode up to 15 minutes before and after the scheduled time of the commencement of the Meeting by following the procedure mentioned in this Notice. The facility of participation at the AGM through VC will be made available to at least 633 members on first come first served basis. This will not include Members holding 2% or more shareholding, Promoters, Institutional Investors, Directors, Key Managerial Personnel, the Chairpersons of the Audit Committee, Nomination and Remuneration Committee and Auditors, etc. who are allowed to attend the AGM.

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**SRI VISHNU SHANKAR MILL LIMITED, RAJAPALAIYAM**

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**NOTICE**

- c) Members are requested to join the AGM through Laptops / iPads for better experience and will be required to have webcam and use Internet with a good speed to avoid any disturbance during the meeting.
  - d) Members are requested to use Stable Wi-Fi or LAN Connection to mitigate Audio / Video loss due to fluctuation in your network. Please avoid connecting through your Mobile Devices or Tablets or through Laptop via Mobile Hotspot.
  - e) Members who would like to express their views / ask questions during the meeting may register themselves as a speaker by sending their request at least 3 days prior to meeting mentioning your name, Demat account number / folio number, email ID, mobile number (as registered with the Depository Participant (DP) / Company) to the mail ID: **svsm@ramcotex.com**. Members who have registered themselves as a speaker will only be allowed to express their views / ask questions during the meeting.
  - f) Members who do not wish to speak during the AGM but have queries may send your queries at least 3 days prior to meeting mentioning your name, demat account number / folio number, email ID, mobile number to the mail ID: **svsm@ramcotex.com**. These queries will be replied by the Company suitably by email.
  - g) Non-Individual members intending to authorize their representatives to attend the Meeting are requested to send a scanned certified copy of the board resolution authorizing their representative to attend on their behalf at the meeting. The said Resolution / Authorization shall be sent to the Scrutinizer by email through its registered email address with a copy marked to **helpdesk.evoting@cDSLindia.com**.
  - h) The attendance of the Members attending the AGM through VC will be counted for the purpose of ascertaining the quorum under Section 103 of the Companies Act, 2013.
  - i) The link for VC to attend meeting will be available where the EVSN of Company will be displayed after successful login as per the instructions mentioned above for Remote e-Voting.
  - j) Shareholders who have voted through remote e-Voting will be eligible to attend the meeting. However, they will not be eligible to vote at the AGM.
  - k) Only those shareholders, who are present in the AGM through VC and have not cast their vote on the Resolutions through remote e-Voting and are otherwise not barred from doing so, shall be eligible to vote through e-Voting system available during the AGM.
  - l) In case of joint holder attending the Meeting, only such joint holder who is higher in the order of names will be entitled to vote.
13. Process for those shareholders whose E-mail / Mobile No. are not registered with the Company / DP.
- a) For Physical shareholders, please submit form ISR-1 duly filled to M/s. Cameo Corporate Services Limited, our Registrar to an Issue and Share Transfer Agent.

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**SRI VISHNU SHANKAR MILL LIMITED, RAJAPALAIYAM**

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**NOTICE**

- b) For Individual Demat shareholders, please update your E-Mail ID & Mobile Number with your respective DP which is mandatory while e-Voting & joining the AGM through VC through Depository.
14. Any person, who acquires shares of the Company and becomes a member of the Company after dispatch of the Notice and holding shares as of the cut-off date i.e. 11<sup>th</sup> August 2023, may obtain the Login ID and Password by following the procedures mentioned in Point No: 11 (D) or (F), as the case may be.
15. The voting rights of Shareholders shall be in proportion to the Shares held by them in the paid up equity Share capital of the Company as on Friday, the 11<sup>th</sup> August, 2023.
16. Shri K. Srinivasan, Chartered Accountant (Membership No: 021510), Partner, M/s. M.S. Jagannathan & N. Krishnaswami, Chartered Accountants (E-Mail ID: [srinivasan.k@msjandnk.in](mailto:srinivasan.k@msjandnk.in)) will act as the Scrutiniser to scrutinize the e-Voting process in a fair and transparent manner.
17. The scrutinizer shall, immediately after the conclusion of voting at the AGM, unblock the votes cast through e-Voting in the presence of at least two witnesses not in the employment of the Company and make, not later than two working days of conclusion of the meeting, a consolidated scrutinizer's report of the total votes cast in favour or against, if any, to the Chairman or a person authorized by him in writing who shall countersign the same and the Chairman or a person authorized by him in writing shall declare the result of the voting forthwith.
18. The results declared along with the report of the Scrutinizer shall be placed on the website of the Company at and on the website of CDSL immediately after the declaration of results by the Chairman or a person authorized by him.
19. All grievances connected with the facility for voting by electronic means may be addressed to Mr. Rakesh Dalvi, Sr. Manager, Central Depository Services (India) Limited, A Wing, 25<sup>th</sup> Floor, Marathon Futurex, Mafatlal Mill Compounds, N M Joshi Marg, Lower Parel (East), Mumbai - 400013 or send an email to [helpdesk.evoting@cdslindia.com](mailto:helpdesk.evoting@cdslindia.com) or call toll free no. 1800 22 55 33.

By Order of the Board  
For **SRI VISHNU SHANKAR MILL LIMITED,**

**P.R. VENKETRAMA RAJA**  
**CHAIRMAN**  
**(DIN: 00331406)**

RAJAPALAIYAM,  
25<sup>th</sup> May, 2023.

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**SRI VISHNU SHANKAR MILL LIMITED, RAJAPALAIYAM**

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**NOTICE**

**STATEMENT PURSUANT TO SECTION 102 OF THE COMPANIES ACT, 2013**

**Item No. 4**

In accordance with the provisions of Section 148 of the Companies Act, 2013 (the Act) and the Companies (Audit and Auditors) Rules, 2014, the Company is required to appoint a cost auditor to audit the cost records of Company, relating to manufacture of Textile Products for the financial year 2023-24.

On the recommendation of the Audit Committee at its meeting held on 25-05-2023, the Board had approved the appointment of Shri M. Kannan, Cost Accountant as the Cost Auditor of the Company to audit the Company's Cost Records relating to manufacture of Textile Products at a remuneration of ₹ 90,000/- (Rupees Ninety Thousand Only) plus applicable Taxes and out-of-pocket expenses for the financial year 2023-24.

Shri M. Kannan is a Cost Accountant and Chartered Accountant, started his practice as Cost Accountant in the year 1990. He has rich experience in Industry, Consulting and Cost Management System, Cost Audit etc., He is a Cost Auditor for Many Companies across Several Industries engaged in Chemical, Textile, Steel, Base Metal, Salt and Power apart from Engineering Industries. His area of specialization includes providing specific solutions to his clients in Cost Management System and performance review system.

The remuneration of the cost auditor is required to be ratified by the Members in accordance with the provisions of Section 148(3) of the Act and Rule 14 of the Rules.

The Directors recommend the Resolution to the Members for their approval.

None of the Directors, Key Managerial Personnel or their relatives are deemed to be interested in this Resolution.

By Order of the Board  
For **SRI VISHNU SHANKAR MILL LIMITED,**

**P.R. VENKETRAMA RAJA**  
**CHAIRMAN**  
**(DIN: 00331406)**

RAJAPALAIYAM,  
25<sup>th</sup> May, 2023.

**SRI VISHNU SHANKAR MILL LIMITED, RAJAPALAIYAM**

**NOTICE**

**ADDITIONAL INFORMATION ON DIRECTORS SEEKING RE-ELECTION  
AT THE ANNUAL GENERAL MEETING**

Details of Director Seeking Re-appointment at the 42<sup>nd</sup> Annual General Meeting  
Pursuant to Secretarial Standards on General Meetings:

|                                                                                              |                                                                                                                                                                                                                                                                             |
|----------------------------------------------------------------------------------------------|-----------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| Name of the Managing Director                                                                | Shri S.S. Ramachandra Raja                                                                                                                                                                                                                                                  |
| Director Identification Number (DIN)                                                         | 00331491                                                                                                                                                                                                                                                                    |
| Age                                                                                          | 87 Years                                                                                                                                                                                                                                                                    |
| Qualification & Experience                                                                   | Shri S. S. Ramachandra Raja has a Bachelor's Degree in Science. He has been on the Board of Sri Vishnu Shankar Mill Limited since 1986. He has more than 3 decades of Industrial experience with specific knowledge in Textiles, Cement and Information Technology Sectors. |
| Terms and conditions of re-appointment                                                       | Director liable to retire by rotation, under Section 152(6) of the Companies Act, 2013.                                                                                                                                                                                     |
| Date of First Appointment to the Board                                                       | 25-04-1986                                                                                                                                                                                                                                                                  |
| Shareholding in the Company as on 31-03-2023                                                 | 13,470 Equity Shares of ₹ 10/- each                                                                                                                                                                                                                                         |
| Relationship with other Directors, Manager and other Key Managerial Personnel of the Company | He is uncle of Shri P.R. Venketrama Raja, Chairman and Smt. Sharadha Deepa, Managing Director. Husband of Smt. R. Chittammal, Director. Father of Sri Srirama Raja, Director of the Company.                                                                                |
| No. of Meetings of the Board attended during the year                                        | 5                                                                                                                                                                                                                                                                           |
| Other Directorships as on 31-03-2023                                                         | Ramco Industries Limited<br>Sri Vishnu Shankar Mill Limited<br>Ramco Management Private Limited<br>Sri Sethu Ramasamy Farms Private Limited<br>Sudharsanam Investments Limited<br>Rajapalayam Chamber of Commerce and Industry                                              |
| Memberships and Chairmanships of Committees of other Board                                   | Details Given below:                                                                                                                                                                                                                                                        |

| Name of the Company             | Name of the Committee                     | Position Held |
|---------------------------------|-------------------------------------------|---------------|
| Rajapalayam Mills Limited       | Stakeholders Relationship Committee       | Member        |
| Sri Vishnu Shankar Mill Limited | Corporate Social Responsibility Committee | Member        |

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**SRI VISHNU SHANKAR MILL LIMITED, RAJAPALAIYAM**

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**NOTICE**

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|----------------------------------------------------------------------------------------------|-----------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| Name of the Managing Director                                                                | Shri Srirama Raja                                                                                                                                                                                                                                                     |
| Director Identification Number (DIN)                                                         | 00331491                                                                                                                                                                                                                                                              |
| Age                                                                                          | 57 Years                                                                                                                                                                                                                                                              |
| Qualification & Experience                                                                   | Shri Srirama Raja has a Bachelor's Degree in Engineering. He has been on the Board of Sri Vishnu Shankar Mill Limited since 2003. He has more than 1 decades of Industrial experience with specific knowledge in Textiles, Cement and Information Technology Sectors. |
| Terms and conditions of re-appointment                                                       | Director liable to retire by rotation, under Section 152(6) of the Companies Act, 2013.                                                                                                                                                                               |
| Date of First Appointment to the Board                                                       | 02-07-2003                                                                                                                                                                                                                                                            |
| Shareholding in the Company as on 31-03-2023                                                 | 2,660 Equity Shares of ₹ 10/- each                                                                                                                                                                                                                                    |
| Relationship with other Directors, Manager and other Key Managerial Personnel of the Company | He is brother-in-law of Shri P.R. Venketrama Raja, Chairman, Husband of Smt. Sharadha Deepa, Managing Director. He is son of Shri S.S. Ramachandra Raja and Smt. R. Chittammal, Directors of the Company.                                                             |
| No. of Meetings of the Board attended during the year                                        | 5                                                                                                                                                                                                                                                                     |
| Other Directorships as on 31-03-2023                                                         | Sri Vishnu Shankar Mill Limited<br>JKR Hospitality Services Private Limited<br>RT-MediBus Technologies Private Limited                                                                                                                                                |
| Memberships and Chairmanships of Committees of other Board                                   | Not Applicable                                                                                                                                                                                                                                                        |

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**SRI VISHNU SHANKAR MILL LIMITED, RAJAPALAIYAM**

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**DIRECTORS' REPORT****TO THE MEMBERS**

Your Directors have pleasure in presenting their 42<sup>nd</sup> Annual Report and the Audited Accounts of the Company for the year ended 31<sup>st</sup> March, 2023.

**1. FINANCIAL RESULTS**

The financial results for the year ended 31<sup>st</sup> March, 2023 after charging all expenses but before deducting finance cost and depreciation have resulted in operating profit (EBIDTA) of ₹ 2,551.25 Lakhs against ₹ 5,571.40 Lakhs for the previous financial year 2021-22. Summary of Separate Financial Results of the Company is furnished below:

| (₹ in Lakhs)                                                             |                                  |                                  |
|--------------------------------------------------------------------------|----------------------------------|----------------------------------|
| <b>Financial Results - Separate</b>                                      | <b>Year ended<br/>31-03-2023</b> | <b>Year ended<br/>31-03-2022</b> |
| Revenue                                                                  | <b>31,220.22</b>                 | 29,453.80                        |
| Operating Profit : Profit before Interest, Depreciation and Tax (EBIDTA) | <b>2,551.25</b>                  | 5,571.40                         |
| Less: Interest                                                           | <b>1,997.73</b>                  | 1,413.65                         |
| Profit before Depreciation and Tax (PBDT)                                | <b>553.52</b>                    | 4,157.75                         |
| Less: Depreciation                                                       | <b>1,625.64</b>                  | 1,250.59                         |
| Profit / (Loss) before Exceptional Item                                  | <b>(1,072.12)</b>                | 2,907.16                         |
| Exceptional Items                                                        | <b>141.86</b>                    | (107.05)                         |
| <b>Profit / (Loss) Before Tax</b>                                        | <b>(930.26)</b>                  | 2,800.11                         |
| Less: Tax Expenses                                                       |                                  |                                  |
| Income Tax paid earlier years                                            | –                                | 8.20                             |
| Deferred Tax Expenses / (Savings)                                        | <b>(280.83)</b>                  | 647.97                           |
| Profit / (Loss) after Tax (PAT)                                          | <b>(649.43)</b>                  | 2,143.94                         |
| Other Comprehensive Income for the Year (Net of Tax)                     | <b>(18.55)</b>                   | (26.02)                          |
| <b>Total Comprehensive Income / (Loss) for the Year (TCI)</b>            | <b>(667.98)</b>                  | 2,117.92                         |

**2. SHARE CAPITAL**

The Paid-up Capital of the Company is ₹ 150.00 Lakhs (Previous Year: ₹ 150.00 Lakhs) consisting of 15,00,000 Shares of ₹ 10/- each.

**DIRECTORS' REPORT**

**3. DIVIDEND**

Considering financial position of the Company, your Directors are unable to recommend any dividend for the Current year.

**4. TAXATION**

The Company has not provided any amount towards Current Tax since total income under regular computation is Nil. The Company is exercising option under Section 115BAA of the Income Tax Act, 1961 for reduced income tax rate of 22% and hence is not liable Minimum Alternative Tax under Section 115JB. The Deferred Tax (Savings) / Expenses of ₹ (280.83) Lakhs (PY: ₹ 647.97 Lakhs) has been provided for the year 2022-23.

**5. MANAGEMENT DISCUSSION AND ANALYSIS**

**TRADE CONDITIONS**

• **COTTON**

The cotton production in India for the cotton season 2021-22 (October to September) dropped to 307 Lakh bales (170 Kgs) as against 360 Lakh bales produced in the previous cotton season, resulted in a 14% lower production. This is the lowest cotton production in India in the last 14 years. The major reason for lower crop size was due to low yield of cotton in main cotton growing centres due to unseasonal rainfall and an extended monsoon. As a result, the cotton prices were pushed to an 11-year high and prevailed at an elevated level throughout the cotton season that ended on 30-09-2022.

Spinning Mills were expecting the cotton prices to come down during the new cotton season 2022-23 as the Cotton Association of India (CAI), the apex cotton body in India, has estimated a higher sowing area for cotton at 128.35 lakh hectares, an increase of about 10 lakh hectares as compared to the last season. At the beginning of the cotton season, the CAI estimated that the cotton crop for the new season would be higher at 344 Lakh bales (PY: 307 Lakh bales). However, cotton arrivals in the market were very slow during the first 6 months of the new cotton season as the cotton growers held back the kappas, expecting better prices. The arrivals of cotton from October 2022 to March 2023 were lower by 30% as compared to the last season due to the holding of stocks by the farmers. The CAI also revised the cotton crop size for the season 2022-23 from its earlier estimate of 344 Lakh bales to 313 Lakh bales. All these factors triggered speculation over cotton prices and it did not come down to the expected level. Though

**DIRECTORS' REPORT**

there was some price correction in the cotton, the fall in yarn prices was much sharper than that of cotton, leading to wider disparity that affected the margins of yarn spinners across India.

- **YARN PRODUCTION**

The production volume of yarn has increased to 64.24 Lakh Kgs during the financial year 2022-23 as against 61.65 Lakh Kgs of last year, despite producing more volume of finer counts.

- **SALE OF YARN**

During FY 2022-23, the Company's sale volume was 62.76 Lakh Kgs, a slight increase from the 60.53 Lakh Kgs sold in the previous year. However, the sale value of yarn increased to ₹ 300.08 Crores, up 7% from ₹ 282.04 Crores of last year. The Company achieved the growth in sales value primarily by increasing production of value-added items and expanding its spindles capacity.

The recovery of demand for textile products during the last year could not be sustained for long due to various factors like an increase in the cotton prices, geopolitical conditions and high inflation across the globe. However, the Company's focus on producing a flexible and wide range products helped it to protect its sales volume during this sluggish period. The Company has established its position in fine / super fine counts in both domestic and export markets and it consumed more imported cotton to achieve consistent quality. India's yarn export recorded robust growth during the previous FY 2021-22 of USD 5.2 billion, a 92% increase. However, the exports volume of yarn started to moderate during the current fiscal year, with yarn exports from India only reaching USD 1.99 billion, a 61% decrease. The main reason for lower exports in the current year was India's loss of competitive advantage due to higher domestic cotton prices compared to International prices, coupled with global slowdown in the major advanced economies. This situation forced many spinning mills across India to operate at lower capacity, with many spinning mills cutting down their production due to huge losses in yarn production.

The Company's quality of yarn in value added segment has been well appreciated by the customers and the Company is receiving good volume of orders for value added counts. The Company is taking various steps to expand its market presence both in domestic and international markets and hope to achieve higher volume of sales in value added yarns in the forthcoming years.

**DIRECTORS' REPORT**

- **EXPORTS**

We have made export of Cotton Yarn (including merchant exports) for a value of ₹ 97.44 Crores as against ₹ 102.93 Crores of the previous year. The Company's focus on Product enhancement through technology advancement, traceability of entire production process, continuous customer-centricity and production of unmatched quality helped it to achieve this export.

Your Directors are thankful to M/s. EDPA, United State of America, M/s. Mantafil Spa, Italy, Italy, M/s. TMG Tecidos, Portugal, M/s. Somelos Tecidos SA, Portugal, M/s. Backmann & Vagedes GmbH, Germany, M/s. Yirmi Tekstil Sanayi Ve Ticaret A.S., Turkey, M/s. Lameirinho-Industria Testil S.A., Portugal, M/s. TIV Europe BV, Netherlands, M/s. TAN Tekstil Sanayi Ve Ticaret A.S., Turkey, M/s. Atateks Tekstil Sanayi Ve Ticaret A.S., Turkey, M/s. Mundifios S.A., Portugal, M/s. Aarti Impex Inc, Canada and M/s. Yagi and Co., Japan for their continued support and efforts for promotion of exports.

- **POWER COST**

During the financial year 2022-23, the Company was able to consume power from its own wind farms to the extent of 52% (PY: 57%) of the total power requirement. The power cost increased during the financial year 2022-23 to ₹ 21.26 Crores, compared to ₹ 15.39 Crores in the previous year, due to increase in the production capacity and a steep increase in the power tariff by Tamil Nadu Electricity Board (TNEB), which increased by more than 15% during the financial year 2022-23. Additionally, TNERC, the regulatory authority for approving the power tariff in Tamil Nadu, has also approved to increase the power tariff for charges related to windmills by 6% for the financial year 2022-23 and also for next 5 years. In order to mitigate the higher power cost, the Company made arrangements with Solar Power developers for supplying the power on long term basis at a fixed cost under group captive arrangement, which is cheaper as compared to TNEB's Rate.

- **FINANCE COST**

The Finance cost has increased to ₹ 19.97 Crores during the financial year 2022-23 from ₹ 14.14 Crores of previous financial year. The increase is attributed to additional borrowings for expansion and modernization programs and general trend of increasing interest rates. The Reserve Bank of India (RBI) increased monetary policy rates continuously during the financial year 2022-23 and the Repo rate, which was at 4% p.a. as on 01-04-2022 was increased 6.50% p.a, resulting in higher borrowing costs. A similar trend was observed globally, which made the cost of foreign currency-denominated borrowings equal to working capital loans availed in Indian Rupee.

In addition to the increase in interest rates, additional working capital requirements due to increased commodity prices, enhanced Spinning capacity and additional term loan borrowings had resulted in an increased outflow of finance costs during the FY 2022-23 compared to FY 2021-22.

**DIRECTORS' REPORT**

• **DIVIDEND INCOME**

During the financial year 2022-23, the Company has received dividend income of ₹ 93.19 Lakhs (PY: ₹ 0.18 Lakhs) and the particulars of dividend received are provided under Note No.47(a)(v).

**6. MODERNISATION / EXPANSION**

As a part of continuous thrust on modernization program, the Company has invested in 11 Nos. Truetzschler Carding Machine, 8 Nos. LMW - Carding Machine LC 363 / 361, 2 Nos. Automatic Bale Opener BLENDOMAT BO-A2300, 1 No. Blow Room Machinery Vairo Clean Model LB9/2, Simplex Machines, Savio Polar Auto Coner upgradation to improve the quality of yarn.

The total capital expenditure spent by the Company during the FY 2022-23 for the above value addition / modernization was ₹ 15.80 Crores (PY : ₹ 62.81 Crores), which was funded from internal accurals and term loan from Banks.

**7. PROSPECTS FOR THE CURRENT YEAR**

The volatility in cotton prices are continuing and the prices of cotton and yarn are widely fluctuating. Although there was an improved arrival of cotton in the market during later part of the current cotton season, prices continue to rule higher due to improved domestic demand for cotton. The ongoing unfavorable weather conditions in the cotton growing regions of the USA is a matter of concern, as the Company imports a large volume of long stable cotton from the USA for its value-added production.

The higher than expected inflation rate across the globe has resulted in the tightening of monetary policy rates by Central Banks, leading to reduced consumer spending. Demand for textile products remains stagnant due to global macroeconomic factors such as rising interest rates, fallout of major banks and fears of recession. Large volume orders are not being placed by buyers due to uncertainty and high inflation all over the world. Additionally, the rise in the raw material prices has resulted in high priced textile items, which are not absorbed in the retail value chain.

To combat these challenges, the Company is continuously monitoring various process parameters and implementing various system controls to deliver consistent quality of yarn and fabric to the end customers and leading brands. The Company has also strengthened its the product lines with more automation like fully automatic contamination removal system at blow room stage, 100% ring spindle monitoring system, installation of linkconers, which has resulted in overall improvement in the operating efficiency of the Company. Strengthening of its product lines with more value-added customized yarn counts such as Modal, Tencel, High Twist, Gassing, Dyed Yarn etc., will help the Company to isolate against the headwinds of falling demand for commodity count.

**DIRECTORS' REPORT**

The Company's modernisation of spinning mills are expected to help the Company to grow its topline and protect the margins during the current year. The Company's efforts to adopt sustainable manufacturing processes, which includes reuse of water, zero-liquid-discharge system, bio treatment of waste water in recycling, ensuring environmental sustainability has put the Company among the top-rated textile Companies in the world. The Company's spinning capacities are expected to complement each other in the coming years and enable the Company to offer wide range of textile products in a quick turnaround time. Many brands in domestic and international markets are approaching the Company for sourcing yarn. The Company is confident that these measures will help to post a decent growth in its top line and enable sustainable profitability in the years to come.

**8. WIND MILL**

The Company has windmills with installed capacity of 13.35 MW for its captive power consumption. During the financial year 2022-23 the wind farm has generated 216 Lakhs Kwh, as compared to 203 Lakhs Kwh of the previous year. The wind availability / velocity was better during initial wind season of the financial year 2022-23 as compared to the last financial year. All the Units generated by windmills were adjusted for captive consumption at our Mills. The income during the year from the Wind Mill Division was ₹ 14.46 Crores as against ₹ 13.57 Crores of previous year.

**9. ASSOCIATE COMPANY**

The Company has four Associate Companies viz., M/s. The Ramco Cements Limited, M/s. Rajapalayam Mills Limited, M/s. The Ramaraju Surgical Cotton Mills Limited and M/s. JKR Enterprise Limited.

As per Rule 5 of Companies (Accounts) Rules, 2014, a statement containing the salient features of the financial statements of the Company's Associates' is attached in Form AOC-1 as Annexure - I.

**10. CONSOLIDATED FINANCIAL STATEMENTS**

As per provisions of Section 129(3) of the Companies Act, 2013, Companies are required to prepare consolidated financial statements of its Subsidiaries and Associates to be laid before the Annual General Meeting of the Company.

Accordingly, the consolidated financial statements incorporating the accounts of Associate Companies, viz. M/s. The Ramco Cements Limited, M/s. Rajapalayam Mills Limited and M/s. The Ramaraju

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**SRI VISHNU SHANKAR MILL LIMITED, RAJAPALAIYAM**

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**DIRECTORS' REPORT**

Surgical Cotton Mills Limited, along with the Auditors' Report thereon, forms part of this Annual Report. Due to insignificant amount of investment (100 Equity Shares) in M/s. JKR Enterprise Limited, we have not considered for consolidated financial statement.

As per Section 136 (1) of the Companies Act, 2013, the Financial Statements including Consolidated Financial Statements are available at the Company's website at the following link at **[www.vishnushankarmill.co.in](http://www.vishnushankarmill.co.in)**.

The consolidated net profit / (loss) after tax of the Company amounted to ₹ (309.88) Lakhs for the year ended 31<sup>st</sup> March, 2023 as compared to ₹ 3,336.48 Lakhs of the previous year.

The Consolidated Total Comprehensive Income / (Loss) for the year under review is ₹ (331.93) Lakhs as compared to ₹ 3,307.45 Lakhs of the previous year.

**11. INTERNAL FINANCIAL CONTROLS**

In accordance with Section 134(5)(e) of the Companies Act, 2013, the Company has Internal Financial Controls by means of Policies and Procedures commensurate with the size & nature of its operations and pertaining to financial reporting. In accordance with Rule 8(5)(viii) of Companies (Accounts) Rules, 2014, it is hereby confirmed that the Internal Financial Controls are adequate with reference to the financial statements. ERP System developed by M/s. Ramco Systems Limited has been installed for online monitoring of all functions and management information reports are being used to have better internal control system and to take decisions in time.

**12. VIGIL MECHANISM / WHISTLE BLOWER POLICY**

In accordance with Section 177(9) and (10) of the Companies Act, 2013 the Company has established a Vigil Mechanism and has a Whistle Blower Policy.

**13. DIRECTORS**

The Board of Directors at their meeting held on 26-05-2022, based on the recommendation of the Nomination and Remuneration Committee, have re-appointed Smt. Sharadha Deepa (DIN:00383799) as Managing Director for a further period of five years from 01-04-2023. The Shareholders of the Company have appointed her re-appointment at the AGM held on 20-08-2022, by passing a Special Resolution.

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**SRI VISHNU SHANKAR MILL LIMITED, RAJAPALAIYAM**

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**DIRECTORS' REPORT**

According to the provision of the Companies Act, 2013 and in terms of the Memorandum and Articles of Association of the Company, the following Directors retire by rotation at the ensuing Annual General Meeting and they are eligible for re-appointment.

1. Shri S.S. Ramachandra Raja, (DIN: 00331491)
2. Shri Srirama Raja, (DIN: 00383912)

The Independent Directors hold office for a fixed term of 5 years and are not liable to retire by rotation. Shri P.A.S. Alaghar Raja was re-appointed as Independent Director for another period of 5 years from 19-05-2021.

The Company has received necessary declarations from all the Independent Directors under Section 149(7) of the Companies Act, 2013, that they meet the criteria of independence as provided in Section 149(6) of the Companies Act, 2013.

Independent Directors have complied with the Code for Independent Directors prescribed in Schedule IV of the Companies Act, 2013.

Pursuant to Rule 8(5)(iii) of Companies (Accounts) Rules, 2014, it is reported that, other than the above, there have been no changes in the Directors or Key Managerial Personnel during the year.

The Company had formulated a Code of Conduct for the Directors and Senior Management personnel and the same has been complied with.

The Audit Committee has three members, out of which two are Independent Directors. Pursuant to Section 177(8) of the Companies Act, 2013, it is reported that there has not been an occasion, where the Board had not accepted any recommendation of the Audit Committee.

The Company has a policy relating to appointment and remuneration of Directors, Key Managerial Personnel and other employees duly approved by the Board of Directors, based upon the recommendation of Nomination and Remuneration Committee, in accordance with Section 178(3) of the Companies Act, 2013.

As per Provision to Section 178(4), the salient features of the Nomination and Remuneration Policy should be disclosed in the Board's Report. Accordingly, the following disclosures are given:

Salient Features of the Nomination and Remuneration Policy:

The objective of the Policy is to ensure that:

- (a) the level and composition of remuneration is reasonable and sufficient to attract, retain and motivate Directors of the quality required to run the Company successfully;

**DIRECTORS' REPORT**

- (b) relationship of remuneration to performance is clear and meets appropriate performance benchmarks;
- (c) remuneration to directors, key managerial personnel and senior management shall be appropriate to the working of the company and its goals; and
- (d) to carry out any other function as is mandated by the Board from time to time and / or enforced by any statutory notification, amendment or modification, as may be applicable.

The Nomination and Remuneration Committee and this Policy are in compliance with the Companies Act, 2013. During the year under review, there has been no change in the policy.

**14. EVALUATION OF BOARD**

Pursuant to Section 134(3)(p) of the Companies Act, 2013, Independent Directors have evaluated the quality, quantity and timeliness of the flow of information between the Management and the Board, Performance of the Board as a whole and its Members and other required matters.

The Nomination and Remuneration Committee has laid down evaluation criteria for performance evaluation of Independent Directors, which will be based on attendance, expertise and contribution brought in by the Independent Director at the Board Meeting, which shall be taken into account at the time of re-appointment of Independent Director.

The Board of Directors have evaluated the performance of Independent Directors and observed the same to be satisfactory and their deliberations beneficial in Board / Committee meetings.

The Board of Directors have reviewed and observed that the evaluation framework of the Board of Directors was adequate and effective.

The Board's observations on the evaluations for the previous year were similar to their observations for the year under review. No specific actions have been warranted based on current year observations. The Company would continue to familiarize its Directors on the industry, technological and statutory developments, which have a bearing on the Company and the industry, so that Directors would be effective in discharging their expected duties.

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**SRI VISHNU SHANKAR MILL LIMITED, RAJAPALAIYAM**

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**DIRECTORS' REPORT****15. MEETINGS****MEETINGS OF THE BOARD**

During the year under review, five minutes of the Board Meetings were held on 26-05-2022, 30-07-2022, 01-11-2022, 01-02-2023 & 22-03-2023.

Details of attendance of each Director at the Board Meetings held during the year are as follows:

| Sl. No. | Name of the Director       | Directorship      | No. of Meetings attended | Attendance at Last AGM |
|---------|----------------------------|-------------------|--------------------------|------------------------|
| 1       | Shri P.R. Venketrama Raja  | Chairman          | 5                        | Yes                    |
| 2       | Smt. Sharadha Deepa        | Managing Director | 5                        | Yes                    |
| 3       | Shri S.S. Ramachandra Raja | Director          | 5                        | Yes                    |
| 4       | Smt. R. Chittammal         | Director          | 5                        | Yes                    |
| 5       | Shri Srirama Raja          | Director          | 5                        | Yes                    |
| 6       | Shri N.K. Shrikantan Raja  | Director          | 5                        | Yes                    |
| 7       | Shri Arunkumar Goenka      | Director          | 4                        | No                     |
| 8       | Shri S. Kanthimathinathan  | Director          | 3                        | No                     |
| 9       | Shri P.A.S. Alaghar Raja   | Director          | 5                        | Yes                    |

**MEETING OF THE COMMITTEES****AUDIT COMMITTEE**

The composition of the Audit Committee and attendance of each Member at the Audit Committee Meetings held during the year are as follows:

| Sl. No. | Name of the Director      | Directorship | No. of Meetings attended |
|---------|---------------------------|--------------|--------------------------|
| 1       | Shri N.K. Shrikantan Raja | Chairman     | 5                        |
| 2       | Shri S. Kanthmathinathan  | Member       | 3                        |
| 3       | Shri P.A.S. Alaghar Raja  | Member       | 5                        |

No. of meeting held during the year: 5

Date of Meeting: 26-05-2022, 30-07-2022, 01-11-2022, 30-01-2023 & 22-03-2023

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**SRI VISHNU SHANKAR MILL LIMITED, RAJAPALAIYAM**

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**DIRECTORS' REPORT****NOMINATION AND REMUNERATION COMMITTEE**

The composition of the Nomination and Remuneration Committee and attendance of each Member at the Nomination and Remuneration Committee Meetings held during the year are as follows:

| Sl. No. | Name of the Director      | Directorship | No. of Meetings attended |
|---------|---------------------------|--------------|--------------------------|
| 1       | Shri N.K. Shrikantan Raja | Chairman     | 1                        |
| 2       | Shri S. Kanthmathinathan  | Member       | 1                        |
| 3       | Shri P.A.S. Alaghar Raja  | Member       | 1                        |

No. of meeting held during the year: 1

Date of Meeting: 26-05-2022

**CORPORATE SOCIAL RESPONSIBILITY COMMITTEE**

The composition of the Corporate Social Responsibility Committee and attendance of each Member at the Corporate Social Responsibility Committee Meetings held during the year are as follows:

| Sl. No. | Name of the Director       | Directorship | No. of Meetings attended |
|---------|----------------------------|--------------|--------------------------|
| 1.      | Shri P.R. Venketrama Raja  | Chairman     | 1                        |
| 2.      | Shri S.S. Ramachandra Raja | Member       | 1                        |
| 3.      | Shri N.K. Shrikantan Raja  | Member       | 1                        |

No. of meeting held during the year: 1

Date of Meeting: 26-05-2022.

**INDEPENDENT DIRECTORS COMMITTEE**

The composition of the Independent Directors Committee and attendance of each Member at the Independent Directors Committee Meetings held during the year are as follows:

| Sl. No. | Name of the Director      | Directorship | No. of Meetings attended |
|---------|---------------------------|--------------|--------------------------|
| 1.      | Shri N.K. Shrikantan Raja | Chairman     | 1                        |
| 2.      | Shri P.A.S. Alaghar Raja  | Member       | 1                        |

No. of meeting held during the year: 1

Date of Meeting: 30-01-2023.

**DIRECTORS' REPORT**

**16. SECRETARIAL STANDARD**

The Directors have devised proper system to ensure compliance with the provisions of applicable Secretarial Standard and that such system are adequate and operating effectively.

**17. PUBLIC DEPOSITS**

Pursuant to Rule 8(5)(v) & (vi) of Companies (Accounts) Rules, 2014, it is reported that the Company has not accepted any deposit from public during the financial year under review. There was no outstanding of deposits as on 31-03-2023 (Previous year: NIL). The Company has no deposit, which is not in compliance with the Chapter V of the Companies Act, 2013.

The Company has received a sum of ₹ 400.12 Lakhs (PY: ₹ 216.00 Lakhs) from Directors as deposit / loan during the financial year 2022-23. It has repaid an amount of ₹ 278.43 Lakhs (PY: ₹ 342.00 Lakhs) during the year 2022-23. The loans from Directors are not treated as deposits under Chapter V of the Companies Act, 2013.

**18. ORDERS PASSED BY REGULATORS**

Pursuant to Rule 8(5)(vii) of Companies (Accounts) Rules, 2014, it is reported that, no significant and material orders have been passed by the Regulators or Courts or Tribunals, impacting the going concern status and Company's operations in future.

**19. PARTICULARS OF LOANS, GUARANTEES AND INVESTMENTS**

Pursuant to Section 186(4) of the Companies Act, 2013, it is reported that:

- (a) The Company has not given loans during the year 2022-23 under Section 186 of the Companies Act, 2013.
- (b) The particulars of investments are provided under Note No.13 of Notes forming part of financial statements.

**20. CORPORATE SOCIAL RESPONSIBILITY**

In terms of Section 135 and Schedule VII of the Companies Act, 2013, the Board of Directors have constituted a Corporate Social Responsibility (CSR) Committee and adopted a CSR Policy which is based on the philosophy that "As the Organization grows, the Society and Community around it also grows."

The Company has undertaken various projects in the areas of rural development, poverty elimination, environment protection, livelihood enhancement projects, etc. largely in accordance with Schedule VII of the Companies Act, 2013.

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**SRI VISHNU SHANKAR MILL LIMITED, RAJAPALAIYAM**

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**DIRECTORS' REPORT**

The CSR obligations pursuant to Section 135(5) of the Companies Act, 2013, for the year 2022-23 is ₹ 1.62 Lakhs. As against this, the Company has spent an amount of ₹ 6.22 Lakhs on CSR.

The Annual Report on CSR activities as prescribed under Companies (Corporate Social Responsibility Policy) Rules, 2014 is attached as Annexure - II.

**21. AUDITS**

**STATUTORY AUDIT**

M/s. M.S. Jagannathan & N. Krishnaswami, Chartered Accountants (FRN : 001310S), who have been appointed as the Statutory Auditors of the Company for second term of five consecutive years at the 41<sup>st</sup> Annual General Meeting, would be the Auditors of the Company till the conclusion of the 46<sup>th</sup> Annual General Meeting to be held in the year 2027.

The Auditor have confirmed that they held a valid Certificate issued by the Peer Review Board of the Institute of Chartered Accountant of India.

The report of the Statutory Auditors for the year ended 31<sup>st</sup> March, 2023 does not contain any qualification, reservation or adverse remark and no instance of fraud has been reported by the Auditors under Section 143(12) of the Companies Act, 2013.

**SECRETARIAL AUDIT**

Shri M.R.L. Narasimha, a Practicing Company Secretary is the Secretarial Auditor of the Company. Pursuant to Section 204(1) of the Companies Act, 2013, the Secretarial Audit Report submitted by the Secretarial Auditor for the year ended 31<sup>st</sup> March, 2023 is attached as Annexure - III. The report does not contain any qualification, reservation or adverse remark.

**COST AUDIT**

As per the Section 148(1) of the Companies Act, 2013 read with Rule 3 of Companies (Cost Records and Audit) Rules, 2014, the Company is required to maintain cost records and accordingly such records and accounts are made and maintained.

The Board of Directors had approved the appointment of Shri M. Kannan, Cost Accountant as the Cost Auditor of the Company to audit the Company's Cost Records for the year 2023-24 at a remuneration of ₹ 90,000/- (Rupees Ninety Thousand Only) plus applicable taxes and out of pocket expenses.

The remuneration of the cost auditor is required to be ratified by the members in accordance with the provisions of Section 148(3) of the Companies Act, 2013 and Rule 14 of Companies (Audit and Auditors) Rules, 2014. Accordingly, the matter is being placed before the Members for ratification at the ensuing Annual General Meeting.

**DIRECTORS' REPORT**

The Cost Audit Report for the financial year 2022-23 due to be filed with Ministry of Corporate Affairs by 30-08-2022 had been filed on 13-08-2022. The Cost Audit Report for the financial year 2022-23 is due to be submitted by the cost auditor within 180 days from the closure of the financial year will be filed with the Ministry of Corporate Affairs, within 30 days thereof.

**22. CONSERVATION OF ENERGY, TECHNOLOGY ABSORPTION AND FOREIGN EXCHANGE EARNINGS AND OUTGO**

Pursuant to Section 134(3)(m) of the Companies Act, 2013 and Rule 8(3) of Companies (Accounts) Rules, 2014, the information relating to Conservation of Energy, Technology Absorption and Foreign Exchange Earnings and Outgo is attached as Annexure - IV.

**23. 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.vishnushankarmill.co.in/pdf/annual-return-31-03-2022.pdf>

**24. PARTICULARS OF EMPLOYEES AND RELATED DISCLOSURES**

The disclosures in terms of provisions of Section 197(12) of the Companies Act, 2013 read with Rule 5(1), (2) and (3) of Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014, relating to remuneration are provided in Annexure - V.

**25. INDUSTRIAL RELATIONS AND PERSONNEL**

The Company has 1,281 employees as on 31-03-2023 (PY: 1,285). Industrial relations with employees remained cordial during the year. Human Resources Development activities received considerable focus. The emphasis was on imparting training and development of the skill-set of the employees to enable them to face the challenges in the work environment.

The Company has complied with provisions relating to the constitution of Internal Complaints Committee under the Sexual Harassment of Women at Workplace (Prevention, Prohibition and Redressal) Act, 2013.

**26. RELATED PARTY TRANSACTION**

Prior approval / Omnibus approval is obtained from the Audit Committee for all related party transactions and the transactions are periodically placed before the Audit Committee for its approval.

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**SRI VISHNU SHANKAR MILL LIMITED, RAJAPALAIYAM**

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**DIRECTORS' REPORT**

No transaction with the related party is material in nature, in accordance with Company's "Related Party Transaction Policy". In accordance with Indian Accounting Standard - 24 (Related Party Disclosure), the details of transactions with the related parties are set out in Financial Statements.

**27. MATERIALS CHANGES SINCE 1<sup>ST</sup> APRIL, 2023**

There have been no changes affecting the financial position of the Company between the end of the financial year (31-03-2023) and till the date of this report (25-05-2023).

**28. RISK MANAGEMENT POLICY**

Pursuant to Section 134(3)(n) of the Companies Act, 2013, the Company has developed and implemented a Risk Management Policy. The Policy envisages identification of risk and procedures for assessment and minimization of risk thereof.

**29. INVESTOR EDUCATION AND PROTECTION FUND (IEPF)**

Dividend amount remaining unclaimed/unpaid for a period of over 7 years was transferred to IEPF as detailed below:

Year wise amount of unpaid / unclaimed dividend lying in the unpaid account and corresponding shares, which are liable to be transferred to IEPF and due dates for such transfer, are tabled below:

| Year      | Type of Dividend | Date of Declaration of Dividend | Last date for claiming Unpaid Dividend | Due date for transfer to IEP Fund | No. of Shares of ₹ 10/- each | Amount of unclaimed / unpaid Dividend as on 31-03-2023 - ₹ |
|-----------|------------------|---------------------------------|----------------------------------------|-----------------------------------|------------------------------|------------------------------------------------------------|
| 2021-2022 | Dividend         | 20-08-2022                      | 19-08-2029                             | 18-09-2029                        | 1,42,101                     | 1,38,849*                                                  |

\* Net of TDS

**30. DIRECTORS' RESPONSIBILITY STATEMENT**

Pursuant to Section 134(5) of the Companies Act, 2013, the Directors confirm that:

- they had followed the applicable accounting standards along with proper explanation relating to material departures, if any, in the preparation of the annual accounts for the year ended 31<sup>st</sup> March, 2023;
- they had selected such accounting policies and applied them consistently and made judgments and estimates that are reasonable and prudent so as to give a true and fair view of the state of affairs of the Company as on 31<sup>st</sup> March, 2023 and the profit of the Company for the year ended on that date;

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**SRI VISHNU SHANKAR MILL LIMITED, RAJAPALAIYAM**

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**DIRECTORS' REPORT**

- (c) they had taken proper and sufficient care for the maintenance of adequate accounting records in accordance with the provisions of this Act for safeguarding the assets of the Company and for preventing and detecting fraud and other irregularities;
- (d) they had prepared the Annual Accounts on a going concern basis;
- (e) they had laid down internal financial controls to be followed by the Company and that such internal financial controls are adequate and were operating effectively; and
- (f) They had devised proper systems to ensure compliance with the provisions of all applicable laws and that such systems were adequate and operating effectively.

**ACKNOWLEDGEMENT**

The Directors are grateful to the various Departments and agencies of the Central and State Governments for their help and co-operation. They are thankful to the Financial Institutions and Banks for their continued help, assistance and guidance. The Directors wish to place on record their appreciation of employees at all levels for their commitment and their contribution.

On behalf of the Board  
For **SRI VISHNU SHANKAR MILL LIMITED,**

**P.R. VENKETRAMA RAJA**  
**CHAIRMAN**  
**(DIN: 00331406)**

RAJAPALAIYAM,  
25<sup>th</sup> May, 2023.

**SRI VISHNU SHANKAR MILL LIMITED, RAJAPALAIYAM****ANNEXURE I TO DIRECTORS' REPORT****Form AOC-1**

*[Pursuant to first proviso to sub-section (3) of Section 129,  
read with Rule 5 of Companies (Accounts) Rules, 2014]*

Statement containing salient features of the financial statement of Associate Companies

**PART A - SUBSIDIARY COMPANY**

There is no Subsidiary Company

**PART B - ASSOCIATE COMPANY**

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

| Particulars                                                                      | 2022-23                   |                           |                                            |                                           |
|----------------------------------------------------------------------------------|---------------------------|---------------------------|--------------------------------------------|-------------------------------------------|
| Name of the Associate Company                                                    | The Ramco Cements Limited | Rajapalayam Mills Limited | The Ramaraju Surgical Cotton Mills Limited | JKR Enterprise Limited                    |
| Last audited Balance Sheet date                                                  | 31-03-2023                |                           |                                            |                                           |
| Date on which the Associate was associated / acquired                            | 01-04-2016                | 01-04-2016                | 01-04-2016                                 | 01-04-2016                                |
| No. of Shares held as on 31 <sup>st</sup> March 2023                             | 30,94,200                 | 37,174                    | 2,200                                      | 100                                       |
| Amount of Investment in Associate as on 31 <sup>st</sup> March 2023 (₹ in Lakhs) | 19.19                     | 51.06                     | 0.36                                       | 0.001                                     |
| Extent of Shareholding % as on 31 <sup>st</sup> March 2023                       | 1.31                      | 0.40                      | 0.06                                       | 0.001                                     |
| Description of how there is significant influence                                | Note (1)                  |                           |                                            |                                           |
| Reason why Associate is not consolidated                                         | Not applicable            |                           |                                            | Due to insignificant amount of investment |
| Net worth attributable to Shareholders (₹ in Lakhs)                              | 6,86,806                  | 2,24,172                  | 26,350                                     | Not Applicable                            |
| Profit / Loss for the Year (Consolidated) (₹ in Lakhs)                           | 31,452                    | 8,276                     | (2,073)                                    | Not Applicable                            |
| a) Considered in Consolidation (₹ in Lakhs)                                      | (109)                     | (23)                      | (28)                                       | Not Applicable                            |
| b) Not considered in Consolidation (₹ in Lakhs)                                  | 31,343                    | 8,253                     | (2,101)                                    | Not Applicable                            |

Note: 1) Significant influence exists based on combined voting rights.

2) Name of associates or joint ventures which are yet to commence operation - Nil

3) Names of associate or joint ventures which have been liquidated or sold during the year - NIL

As per our report annexed

For **M.S. JAGANNATHAN & N. KRISHNASWAMI**  
Chartered Accountants  
Firm Registration No. 001208S

**K. SRINIVASAN**  
Partner,  
Membership No. 021510  
Rajapalayam  
25<sup>th</sup> May, 2023.

For and on behalf of the Board

**Shri P.R. VENKETRAMA RAJA**  
Chairman  
(DIN: 00331406)

**Smt. SHARADHA DEEPA**  
Managing Director  
(DIN: 00383799)

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**SRI VISHNU SHANKAR MILL LIMITED, RAJAPALAIYAM**

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**ANNEXURE II TO DIRECTORS REPORT**

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**ANNUAL REPORT ON CORPORATE SOCIAL RESPONSIBILITY (CSR) ACTIVITIES**

1. A brief outline of the Company's CSR Policy.

The objective of the CSR Policy is:

- To ensure an increased commitment at all levels in the organization, to operate its business in an economically, socially & environmentally sustainable manner, while recognizing the interests of all its stockholders.
- To directly or indirectly take up programs that benefit the communities in & around its work locations and results, over a period of time, in enhancing the quality of life & economic well-being of the local populace.
- To generate, through its CSR initiatives, a community goodwill for the Company and help reinforce a positive & socially responsible image of the Company as a corporate entity.

2. The Composition of the CSR Committee:

| S.No | Name of the Director       | Designation /<br>Nature of<br>Directorship                               | No.of meetings<br>of CSR held<br>during the year | No.of meetings<br>of CSR attended<br>during the year |
|------|----------------------------|--------------------------------------------------------------------------|--------------------------------------------------|------------------------------------------------------|
| 1    | Shri P.R. Venketrama Raja  | Chairman of the Committee<br>Non-executive &<br>Non-Independent Director | 1                                                | 1                                                    |
| 2    | Shri S.S. Ramachandra Raja | Non-executive &<br>Non-Independent Director                              | 1                                                | 1                                                    |
| 3    | Shri N.K. Shrikantan Raja  | Non-executive &<br>Independent Director                                  | 1                                                | 1                                                    |

3. Provide the web-link where Composition of CSR committee, CSR Policy and CSR projects approved by the board are disclosed on the website of the Company : [www.vishnushankarmill.co.in](http://www.vishnushankarmill.co.in)
4. Provide the executive summary along with web-link(s) of impact Assessment of CSR Projects carried out in pursuance of sub-rule (3) of rule 8, if applicable - Not Applicable
5. 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.
- Average net Profit of the Company as per Section 135(5) - ₹ 81.04 lakhs.
  - Two percent of average net profit of the Company as per sub-section (5) of Section 135 - ₹ 1.62 Lakhs
  - Surplus arising out of the CSR Projects or Programmes or activities of the previous financial year - Nil
  - Amount required to be set off for the financial year, if any - Nil
  - Total CSR obligation for the financial year [(b)+(c) -(d)] -1.62 Lakhs.
- 6.
- Amount spent on CSR Projects (both Ongoing Project and other than Ongoing Project) - ₹ 6.22 lakhs
  - Amount spent in Administrative Overheads - Nil.
  - Amount spent on Impact Assessment, if applicable - Not Applicable
  - Total amount spent for the financial year (a + b + c) - ₹ 6.22 lakhs

**SRI VISHNU SHANKAR MILL LIMITED, RAJAPALAIYAM**

**ANNEXURE II TO DIRECTORS REPORT**

e) CSR amount spent or unspent for the financial year:

| Total Amount Spent for the Financial Year (₹ in Lakhs) | Amount Unspent (₹ in Lakhs)                                           |                  |                                                                                                     |        |                  |
|--------------------------------------------------------|-----------------------------------------------------------------------|------------------|-----------------------------------------------------------------------------------------------------|--------|------------------|
|                                                        | 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 |
| 6.22                                                   | NIL                                                                   | NIL              | NIL                                                                                                 | NIL    | NIL              |

f) Excess amount for set off, if any

| Sl. No. | Particulars                                                                                                | Amount (₹ in Lakhs) |
|---------|------------------------------------------------------------------------------------------------------------|---------------------|
| i.      | Two per cent of average net profit of the Company as per Section 135(5)                                    | 1.62                |
| ii.     | Total amount spent for the financial year                                                                  | 6.22                |
| iii.    | Excess amount spent for the financial year [(ii)-(i)]                                                      | 4.60                |
| iv.     | Surplus arising out of the CSR projects or programmes or activities of the previous financial year, if any | 2.82                |
| v.      | Amount available for set-off in succeeding financial years [(iii)- (iv)]                                   | 7.42                |

7. 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 lakhs) | Amount spent in the reporting Financial year (₹ In lakhs) | 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 Lakhs) |
|--------------|--------------------------|-----------------------------------------------------------------------------|-----------------------------------------------------------|-------------------------------------------------------------------------------------------|--------------|------------------|-------------------------------------------------------------------------|
|              |                          |                                                                             |                                                           | Name of the Fund                                                                          | (₹ In lakhs) | Date of Transfer |                                                                         |
| 1            | 2022-23                  | Nil                                                                         | 6.22                                                      | NA                                                                                        | NA           | Nil              | Nil                                                                     |
| 2            | 2021-22                  | Nil                                                                         | 13.34                                                     | NA                                                                                        | NA           | Nil              | Nil                                                                     |
| 3            | 2020-21                  | Nil                                                                         | 5.12                                                      | NA                                                                                        | NA           | Nil              | Nil                                                                     |
| <b>Total</b> |                          |                                                                             | <b>24.68</b>                                              |                                                                                           |              |                  |                                                                         |

8. Whether any capital assets have been created or acquired through Corporate Social Responsibility amount spent in the Financial Year: Yes

9. Specify the reason(s), if the Company has failed to spend two per cent of the average net profit as per Section 135(5) - Not applicable

The Company has complied with the provision of Section 135(5) of the Companies Act, 2013.

**Shri P.R. VENKETRAMA RAJA**  
CHAIRMAN  
(DIN: 00331406)

**Smt. SHARADHA DEEPA**  
MANAGING DIRECTOR  
(DIN: 00383799)

RAJAPALAIYAM,  
25<sup>th</sup> May, 2023.

Form No. MR-3

**SECRETARIAL AUDIT REPORT  
FOR THE FINANCIAL YEAR ENDED 31ST MARCH, 2023**

*[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,

**Sri Vishnu Shankar Mill Limited,**

[CIN:U17301TN1981PLC008677]

Sri Vishnu Shankar Mills Premises

P.A.C Ramasamy Raja Salai,

Post Box No. 109, Rajapalayam - 626 117

I have conducted a Secretarial Audit of the compliance of applicable statutory provisions and adherence to good corporate practices by **SRI VISHNU SHANKAR MILL LIMITED** (hereinafter called "the Company") during the financial year **from 1<sup>st</sup> April, 2022 to 31<sup>st</sup> March, 2023** ("the year"/ "audit period"/ "period under review"). I conducted the Secretarial Audit in a manner that provided me a reasonable basis for evaluating the Company's corporate conducts / statutory compliances and expressing my opinion thereon.

I am issuing this report based on my verification of the books, papers, minute books and other records maintained by the Company, forms and returns filed, compliance related action taken by the Company during the year as well as after 31<sup>st</sup> March, 2023 but before the issue of this audit report and the information provided by the Company, its officers, agents and authorized representatives during my conduct of the Secretarial Audit.

**1. I hereby report that:**

1.1. In my opinion, during the audit period covering the **financial year ended on 31<sup>st</sup> March, 2023**, the Company has complied with the statutory provisions listed hereunder and also has proper Board processes and compliance mechanism in place to the extent, in the manner and subject to the reporting made hereinafter. The Members are requested to read this report along with my letter of even date annexed to this report as Annexure - A.

1.2. I have examined the books, papers, minute books and other records maintained by the Company and the forms, returns, reports, disclosures and information filed or disseminated during the year according to the applicable provisions of:

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**ANNEXURE III TO DIRECTORS REPORT**

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- (i) The Companies Act, 2013 (the Act), and the rules made thereunder.
- (ii) The Depositories Act, 1996 and the regulations and bye-laws framed thereunder.
- (iii) The following laws, that are specifically applicable to the Company:
  - (a) Essential Commodities Act, 1955, with reference to "Hank Yarn Packing Notification 2003" (No.2/TDRO/8/2003 dated 17<sup>th</sup> April, 2003); and
  - (b) The Electricity Act, 2003.

1.3 I have also examined compliance with the applicable clauses of the following:

- (i) Secretarial Standards (SS-1) on "Meetings of the Board of Directors" and Secretarial Standards (SS-2) on "General Meetings" issued by The Institute of Company Secretaries of India and

1.4. During the period under review, and also considering the compliance related action taken by the Company after 31<sup>st</sup> March, 2023 but before the issue of this report, the Company has, to the best of my knowledge and belief and based on the records, information and explanations furnished to me, complied with the applicable provisions / Clauses of the Acts, Rules, Regulations, Agreements, Guidelines and Standards mentioned under paragraphs 1.2 and 1.3 above.

1.5. I am informed that, during / in respect of the year:

- (i) The following Acts / Regulations and Guidelines are not applicable:
  - a) Securities Contracts (Regulations) Act, 1956 and the Rules made thereunder.
  - b) The Securities and Exchange Board of India (Substantial Acquisition of Shares and Takeovers) Regulations, 2011;
  - c) The Securities and Exchange Board of India (Prohibition of Insider Trading) Regulations, 2015;
  - d) The Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2018;
  - e) The Securities and Exchange Board of India (Share Based Employee Benefits) Regulations, 2014;
  - f) The Securities and Exchange Board of India (Issue and Listing of Debt Securities) Regulations, 2008;

**ANNEXURE III TO DIRECTORS REPORT**

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- g) The Securities and Exchange Board of India (Registrars to an Issue and Share Transfer Agents) Regulations, 1993 regarding the Companies Act and dealing with client;
  - h) The Securities and Exchange Board of India (Delisting of Equity Shares) Regulations, 2021; and
  - i) The Securities and Exchange Board of India (Buyback of Securities) Regulations, 2018;
- (ii) Due to non-occurrence of certain events, the Company was not required to comply with the following laws / guidelines / regulations and consequently was not required to maintain any books, papers, minute books or other records or file any forms / returns under:
- a) Foreign Exchange Management Act, 1999 and the rules and regulations made thereunder to the extent of Foreign Direct Investment, Overseas Direct Investment and External Commercial Borrowings;
- (iii) There was no law, other than those specified in paragraph 1.2 (iii) above, that was specifically applicable to the Company, considering the nature of its business. Hence the requirement to report on compliance with specific laws did not arise.

**2. I further report that:**

- 2.1 The Board of Directors of the Company is duly constituted with proper balance of Executive Directors, Non-Executive Directors and Independent Directors. The Board also have two Woman Directors.
- 2.2 Adequate notice is given to all directors to schedule the Board Meetings. Notice of Board meetings were sent at least seven days in advance. Agenda and detailed notes on agenda were sent atleast seven days before the Board meetings with the exception of the following items, which were either circulated separately or at the meetings:
- (i) Supplementary agenda notes and annexures in respect of unpublished price sensitive information such as audited accounts / results, unaudited financial results and connected papers; and
  - (ii) Additional subjects / information / presentations and supplementary notes.

Consent of the Board for circulating them separately or at the meeting was duly obtained as required under the Secretarial Standards.

**ANNEXURE III TO DIRECTORS REPORT**

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2.3 A system exists for directors to seek and obtain further information and clarifications on the agenda items before the meetings and for their meaningful participation at the meetings. Majority decision is carried through. I am informed that there were no dissenting members' views on any of the matters discussed during the year that were required to be captured and recorded as part of the minutes.

**3. I further report that:**

3.1 There are adequate systems and processes in the Company commensurate with its size and operations to monitor and ensure compliance with applicable laws, rules, regulations and guidelines.

Coimbatore,  
25<sup>th</sup> May, 2023.

M.R.L. Narasimha  
Practicing Company Secretary  
Membership No: 2851  
Certificate of Practice 799  
Peer Review No: 1420/2021  
"Lotus", 370-A, Alagesan Road,  
SB Mission Post, Coimbatore - 641 011.  
UDIN: F002851E000372528

**SRI VISHNU SHANKAR MILL LIMITED, RAJAPALAIYAM**

**ANNEXURE III TO DIRECTORS REPORT**

**Annexure - A to Secretarial Audit Report of even date**

To

The Members,

**Sri Vishnu Shankar Mill Limited**, [CIN:U17301TN1981PLC008677]

Sri Vishnu Shankar Mills Premises

P.A.C Ramasamy Raja Salai,

Post Box No. 109, Rajapalayam - 626 117.

**My Secretarial Audit Report (Form MR-3) of even date for the financial year ended 31<sup>st</sup> March, 2023 is to be read along with this letter.**

1. The Company's management is responsible for maintenance of secretarial records and compliance with the provisions of corporate and other applicable laws, rules, regulations and standards. My responsibility is to express an opinion on the secretarial records produced for my audit.
2. I have followed such audit practices and processes, as I considered appropriate to obtain reasonable assurance about the correctness of the contents of the secretarial records.
3. While forming an opinion on compliance and issuing this report, I have also considered compliance related action taken by the Company after 31<sup>st</sup> March, 2023 but before the issue of this report.
4. I have verified the secretarial records furnished to me on a test basis to see whether the correct facts are reflected therein. I also examined the compliance procedures followed by the Company on a test basis. I believe that the processes and practices I followed provide a reasonable basis for my opinion.
5. I have not verified the correctness and appropriateness of financial records and books of accounts of the Company.
6. I have obtained the Management's representation about compliance of laws, rules and regulations and happening of events, wherever required.
7. My Secretarial Audit report is neither an assurance as to the future viability of the Company nor of the efficacy or effectiveness with which the management has conducted the affairs of the Company.

M.R.L. Narasimha

Practicing Company Secretary

Membership No: 2851

Certificate of Practice 799

Peer Review No: 1420/2021

"Lotus", 370-A, Alagesan Road,

SB Mission Post, Coimbatore - 641 011.

UDIN: F002851E000372528

Coimbatore,  
25<sup>th</sup> May, 2023.

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ANNEXURE IV TO DIRECTORS REPORT

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**Conservation of Energy, Technology Absorption and  
Foreign Exchange Earnings and Outgo**

*[Pursuant to Section 134(3)(m) of the Companies Act, 2013  
read with Rule 8(3) of Companies (Accounts) Rules 2014]*

**A. CONSERVATION OF ENERGY**

The Company pays attention at all levels to reduce energy consumption, by continuous monitoring maintenance and improvements.

- |                                                                               |                                                                                                                                                        |
|-------------------------------------------------------------------------------|--------------------------------------------------------------------------------------------------------------------------------------------------------|
| (i) the steps taken or impact on conservation                                 | : The Company is making all efforts to improve the maintenance of Machinery in order to conserve the energy Consumption.                               |
| (ii) the steps taken by the company for utilizing alternate sources of energy | : The Company proposes to purchase 'Solar' energy by entering into a group captive arrangement to the extent of 6.00 MW during the current FY 2023-24. |
| (iii) The capital investment on energy Conservation equipments                | : Nil                                                                                                                                                  |

**B. TECHNOLOGY ABSORPTION**

- |                                                                                                                                                                  |                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                               |
|------------------------------------------------------------------------------------------------------------------------------------------------------------------|-------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| (i) The efforts made towards technology absorption and the benefits derived like product improvement, cost reduction, product development or import substitution | : (i) The Company has installed 5 Nos. TC-15 Trutzschler Carding machine to improve quality of yarn and improved performance is 30-50% higher and to reduce the manpower cost.<br><br>(ii) The Company has installed 1 No. Trutzschler Automatic Bale opener Machine to reduce foreign part separator, secure protection and dust removal include initial dust removal and to reduce manpower cost.<br><br>(iii) The Company has installed 5 Nos. K-43 Rieter Ring frames to improve quality of yarn for Corporate Customers. |
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**SRI VISHNU SHANKAR MILL LIMITED, RAJAPALAIYAM**

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**ANNEXURE IV TO DIRECTORS REPORT**

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- (ii) In case of imported technology  
(imported during the last three  
years reckoned from the  
beginning of the financial year)
- (a) The details of technology  
imported; : Nil
- (b) The year of import; : Nil
- (c) Whether the technology been  
fully absorbed; : Not Applicable
- (d) If not fully absorbed, areas  
where absorption has not  
taken place, and the reasons  
thereof; and : Not Applicable
- (iii) the expenditure incurred on  
Research and Development : Not Applicable

**C. FOREIGN EXCHANGE EARNINGS AND OUTGO**

- (i) The Foreign Exchange earned in  
terms of actual inflows during the  
year and : ₹ 8,425.75 Lakhs
- (ii) The Foreign Exchange outgo  
during the year in terms of actual  
outflows. : ₹ 13,466.40 Lakhs

On behalf of the Board  
For **SRI VISHNU SHANKAR MILL LIMITED,**

**P.R. VENKETRAMA RAJA**  
**CHAIRMAN**  
**(DIN: 00331406)**

RAJAPALAIYAM,  
25<sup>th</sup> May, 2023.

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**SRI VISHNU SHANKAR MILL LIMITED, RAJAPALAIYAM**

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**ANNEXURE IV TO DIRECTORS REPORT**

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**Form No. AOC-2**

*[Pursuant to Clause (h) of Sub-Section (3) of Section 134 of the Act and Rule 8(2) of the Companies (Accounts) Rules, 2014]*

Particulars of Contracts / Arrangements entered into by the Company with related parties referred to in Sub-Section (1) of Section 188 of the Companies Act, 2013, including certain arm's length transactions under third proviso thereto.

1. Details of contracts or arrangements or transactions not at arm's length basis: Not Applicable
2. Details of material contracts or arrangement or transactions at arm's length basis:

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|   |                                                                                                |                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                       |
|---|------------------------------------------------------------------------------------------------|-----------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| I | (a) Name(s) of the related party and nature of relationship                                    | <b>Rajapalayam Mills Limited</b><br>Shri P.R. Venketrama Raja, Chairman is the Chairman in Rajapalayam Mills Limited. He is also a promoter in Rajapalayam Mills Limited and holds 19.92% of Equity Shares in Rajapalayam Mills Limited.<br>Shri S.S. Ramachandra Raja is a Director in Rajapalayam Mills Limited and holds 0.32% of Equity Shares in Rajapalayam Mills Limited<br>Shri P.A.S. Alaghar Raja, is a Director in Rajapalayam Mills Limited and holds 0.07% of Equity Shares in Rajapalayam Mills Limited.                                                |
|   | (b) Nature of contracts / arrangements / transactions                                          | Purchase of Raw Materials / Yarn / Textile Products and Others<br>Sale of Raw Materials / Yarn / Textile Products and Others.                                                                                                                                                                                                                                                                                                                                                                                                                                         |
|   | (c) Duration of the contracts / arrangements / transactions                                    |                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                       |
|   | (d) Salient terms of the contracts or arrangements or transactions including the value, if any | Purchase of Raw Material, Yarn, Textile Products and Other items at market price prevailing on the date of the transaction Value.<br>During Financial Year 2022-23, the Company has purchased Raw Material, Yarn, Textile products and Other items for the value of ₹ 1,125.13 Lakhs.<br>Sale of Raw Material, Yarn, Textile products and Other items at market price prevailing on the date of the transaction Value.<br>During Financial Year 2022-23, the Company has sold Raw Material, Yarn, Textile products and Other items for the value of ₹ 4,108.54 Lakhs. |

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**SRI VISHNU SHANKAR MILL LIMITED, RAJAPALAIYAM**

**ANNEXURE V TO DIRECTORS REPORT**

**DISCLOSURE RELATING TO REMUNERATION UNDER SECTION 197 (12) OF THE COMPANIES ACT, 2013 READ WITH RULE 5 (1), (2) AND (3) OF THE COMPANIES (APPOINTMENT AND REMUNERATION OF MANAGERIAL PERSONNEL) RULES, 2014**

Particulars of Top 10 employees in the terms of remuneration drawn and Particulars of Employees Employed throughout the financial year 2022-23 and were in receipt of remuneration in the aggregate of not less than ₹ 102 Lakhs.

| Sl. No. | Name                | Age (Yrs) | Designation       | Remuneration Paid / Payable ₹ in lakhs | Qualification and experience (Years) | Date of Commencement of employment | Last Employment |
|---------|---------------------|-----------|-------------------|----------------------------------------|--------------------------------------|------------------------------------|-----------------|
| 1       | Smt. Sharadha Deepa | 57        | Managing Director | 187.50                                 | B.E. (21)                            | 31-01-2005                         | –               |

1. The Managing Director's employment is contractual.
2. Remuneration includes Salary, Medical Reimbursement Company's contribution to Provident Fund and Superannuation Fund, but does not include Provision for Gratuity and Leave encashment.
3. None of the employees mentioned above is related to any Director of the company except Smt. Sharadha Deepa, Managing Director who is related to Shri P.R. Venketrama Raja Chairman, Shri Srirama Raja, Director, Shri S.S. Ramachandra Raja, Director and Smt. R. Chittammal, Director.

On behalf of the Board  
For **SRI VISHNU SHANKAR MILL LIMITED,**

**P.R. VENKETRAMA RAJA**  
**CHAIRMAN**  
**(DIN: 00331406)**

RAJAPALAIYAM,  
25<sup>th</sup> May, 2023.

## **SEPARATE FINANCIAL STATEMENTS**

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**SRI VISHNU SHANKAR MILL LIMITED, RAJAPALAIYAM**

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**AUDITORS' REPORT TO SHAREHOLDERS**

**INDEPENDENT AUDITOR'S REPORT**

**To the Members of Sri Vishnu Shankar Mill Limited**

**Report on the Audit of the Separate Financial Statements**

**Opinion**

We have audited the accompanying Separate ("Standalone") Financial Statements drawn in accordance with the Indian Accounting Standards ("Standalone Financial Statements"), of Sri Vishnu Shankar Mill Limited ("Company"), which comprise the Balance Sheet as at 31<sup>st</sup> March, 2023, the Statement of Profit and Loss (including Other Comprehensive Income), the Cash Flow Statement and statement of Changes in Equity for the year ended on 31<sup>st</sup> March, 2023 and a summary of 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 Separate 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 accounting principles generally accepted in India including the Indian Accounting Standards, of the State of Affairs ("Financial Position") of the Company as at 31<sup>st</sup> March, 2023, its Loss ("Financial Performance including Other Comprehensive Income"), Cash Flows and Changes in Equity for the year ended on 31<sup>st</sup> March, 2023.

**Basis for Opinion**

We conducted our audit of the Separate Financial Statements in accordance with the Standards on Auditing ("SAs") specified under Section 143(10) of the Act. Our responsibilities under those SAs are further described in the Auditor's Responsibilities for the Audit of the Separate 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 Separate Financial Statements under the provisions of the Act and the Rules made 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 audit opinion on the Separate Financial Statements.

**Information Other than the Separate Financial Statements and Auditor's Report thereon**

The Company's Management and Board of Directors are responsible for the preparation of the other information. The other information comprises the information included in the Management Discussion and Analysis, Board's Report including Annexures to Board's Report, Business Responsibility Report, Corporate Governance and Shareholder's Information, but does not include the Separate Financial Statements, Consolidated Financial statements and our audit report thereon.

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**SRI VISHNU SHANKAR MILL LIMITED, RAJAPALAIYAM**

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**AUDITORS' REPORT TO SHAREHOLDERS**

Our opinion on the Separate 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 Separate Financial Statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the Separate 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's Responsibility for the Separate Financial Statements**

The Company's Management and Board of Directors are responsible for the matters stated in Section 134(5) of the Act with respect to the preparation and presentation of the Separate Financial Statements that give a true and fair view of the Financial Position, Financial Performance (including Other Comprehensive Income), Cash Flows and Changes in Equity of the Company in accordance with the accounting principles generally accepted in India, including the Indian Accounting Standards specified under Section 133 of the Act, read with Rule 7 of the Companies (Accounts) Rules, 2014. 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 Separate Financial Statements that give a true and fair view and are free from material misstatement, whether due to fraud or error.

In preparing the Separate Financial Statements, management and Board of Directors 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 and Board of Directors either intends to liquidate the Company or to cease operations, or has no realistic alternative but to do so.

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

**Auditor's Responsibilities for the Audit of the Separate Financial Statements**

Our objectives are to obtain reasonable assurance about whether the Separate Financial Statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an audit 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

**AUDITORS' REPORT TO SHAREHOLDERS**

or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these Separate 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 Separate Financial Statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of Internal Financial Controls relevant to the audit in order to design audit procedures that are appropriate in the circumstances. Under section 143(3)(i) of the Act, we are also responsible for expressing our opinion on whether the Company has adequate Internal Financial Controls system in place and the operating effectiveness of such controls.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our audit report to the related disclosures in the Separate 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 audit 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 Separate Financial Statements, including the disclosures, and whether the Separate Financial Statements represent the underlying transactions and events in a manner that achieves fair presentation.

Materiality is the magnitude of misstatements in the separate financial statements that, individually or in aggregate, makes it probable that the economic decisions of a reasonably knowledgeable user of the separate financial statements may be influenced. We consider quantitative materiality and qualitative factors in

- (i) planning the scope of our audit work and in evaluating the results of our work; and
- (ii) to evaluate the effect of any identified misstatements in the separate financial statements.

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.

**AUDITORS' REPORT TO SHAREHOLDERS**

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 separate 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 the Companies (Auditor's Report) Order, 2020 (Order) issued by the Central Government of India in terms of Sub-Section (11) of Section 143 of the Act, we give in the "Annexure A", a statement on the matters specified in paragraphs 3 and 4 of the Order.
- 2) As required by Section 143(3) of the Act based on our audit, we report to the extent applicable 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 Separate Balance Sheet, the Separate Statement of Profit and Loss including the Cash Flow Statement and Statement of Changes in Equity dealt with by this report are in agreement with the books of account.
  - d) In our opinion, the aforesaid Separate Financial Statements comply with the Indian Accounting Standards specified under Section 133 of the Act, read with Rule 7 of the Companies (Accounts) Rules, 2014.
  - e) On the basis of the written representations received from the Directors as on 31<sup>st</sup> March, 2023 and taken on record by the Board of Directors, none of the Directors is disqualified as on 31<sup>st</sup> March, 2023 from being appointed as a director in terms of Section 164 (2) of the Act.
  - f) We have enclosed our report in "Annexure B" with respect to the adequacy of the Internal Financial Controls over financial reporting of the Company and the operating effectiveness of such controls. Our report expresses an unmodified opinion on the adequacy and operating effectiveness of the Company's Internal Financial Controls over financial reporting.

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**SRI VISHNU SHANKAR MILL LIMITED, RAJAPALAIYAM**

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**AUDITORS' REPORT TO SHAREHOLDERS**

- g) With respect to the other matters to be included in the Auditor's Report in accordance with Rule 11 of the Companies (Audit and Auditors) Rules, 2014, in our opinion and to the best of our information and according to the explanations given to us, the Remuneration paid by the Company to its Directors during the year is in accordance with the provisions of Section 197 of the Act.
- (i) The details of the pending litigations and its impact on the Financial Statements have been disclosed in Note No. 44 (iii) of the 'Notes forming part of Separate Financial Statements' for the year ended 31<sup>st</sup> March, 2023;
- (ii) The Company did not have any long-term contracts including derivative contracts for which there were any material foreseeable losses;
- (iii) There were no amounts that were required to be transferred by the Company to the Investor Education and Protection Fund;
- (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 kinds of funds) by the Company to or in any other person or entity, including foreign entity ("Intermediaries"), with the understanding whether recorded in writing or otherwise, that the Intermediary shall:
- Whether directly or indirectly lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the Company ("Ultimate Beneficiaries"), or; and
  - 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 person or entity including Foreign entity ("Funding Parties"), with the understanding, whether recorded in writing or otherwise, that the Company shall:
- Whether directly or indirectly, lend or invest in other persons or entities identified in any manner whatsoever ("Ultimate Beneficiaries") by or on behalf of the Funding Party, or;
  - provide any guarantee, security or the like on behalf of the Ultimate Beneficiaries; and
- (c) Based on the audit procedures as considered reasonable and appropriate in the circumstances, nothing has come to our notice that has caused us to believe

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**SRI VISHNU SHANKAR MILL LIMITED, RAJAPALAIYAM**

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**AUDITORS' REPORT TO SHAREHOLDERS**

that the representations under sub-clause (iv)(a) and (iv)(b) contain any material misstatement.

(v) The dividend paid by the Company during the year is in compliance with Section 123 of the Act.

h) With respect to the matter to be included in the Audit 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 Companies Affairs has not prescribed other details under Section 197(16) of the Act which are required to be commented upon by us.

i) Proviso to Rule 3(1) of the Companies (Accounts) Rules, 2014 for maintaining books of account using accounting software which has a feature of recording audit trail (edit log) facility is applicable to the Company with effect from 1<sup>st</sup> April, 2023, and accordingly, reporting under Rule 11(g) of Companies (Audit and Auditors) Rules, 2014 is not applicable for the financial year ended 31<sup>st</sup> March, 2023.

For M.S. JAGANNATHAN & N. KRISHNASWAMI  
Chartered Accountants  
Firm Registration Number: 001208S

K SRINIVASAN  
Partner

Membership No. 021510  
UDIN: 23021510BGTPGP6923

Rajapalaiyam  
25<sup>th</sup> May, 2023

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**SRI VISHNU SHANKAR MILL LIMITED, RAJAPALAIYAM**

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**AUDITORS' REPORT TO SHAREHOLDERS**

**"ANNEXURE A" TO THE INDEPENDENT AUDITORS' REPORT**

Referred to in paragraph 1 under the heading "Report on Other Legal & Regulatory Requirements" of our report of even date to the Separate Financial Statements of the Company for the year ended 31<sup>st</sup> March, 2023:

We state the following after considering the information and explanations given to us by the Company and on the basis of examination of the records of the Company:

- 1) In respect of the Company's Property Plant and Equipment and Intangible Assets.
  - 1.1 The Company has maintained proper records showing full particulars, including quantitative details and situation of Property Plant and equipment. The Company has also maintained proper records showing full particulars of intangible assets.
  - 1.2 The Property Plant and Equipment were physically verified during the year by the Company in accordance with the phased program of verification which, in our opinion, provides for physical verification at reasonable intervals. No material discrepancies were noticed during such verification.
  - 1.3 The title deeds of immovable properties disclosed in the financial statements are held in the name of the Company (Other than the properties where the Company is a lessee, and the lease arrangements are duly executed in favour of the Company).
  - 1.4 The Company has not revalued its Property, Plant and Equipment (including Right of use Assets) and/or intangibles during the year and accordingly the provisions of Clause 3(i)(d) of the Order is not applicable to the Company.
  - 1.5 The Company does not hold any benami Property and no proceedings have been initiated or are pending against the Company for holding any benami property under the Benami Transaction (Prohibition) Act, 1988 (45 of 1988) and rules made thereunder. Hence the provision of Clause 3(i)(e) of the Order is not applicable to the Company.
- 2) Inventory and Working Capital
  - 2.1 The Company has conducted the physical verification of inventory at reasonable intervals. The discrepancies noticed on verification between the physical stocks and the book records were properly dealt with in the books of account and were not material.
  - 2.2 The Company has been sanctioned Working Capital limits in excess of five crore rupees, in aggregate, from banks or financial institutions on the basis of security of current assets. The quarterly returns or statements filed by the Company with such banks or financial institutions are in agreement with the books of accounts of the Company.
- 3) Investments made, Guarantees provided, Loans given, and Advances in the nature of loans given during the year.

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**SRI VISHNU SHANKAR MILL LIMITED, RAJAPALAIYAM**

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**AUDITORS' REPORT TO SHAREHOLDERS**

- 3.1 The details of investments made, guarantee provided, loans and advances in the nature of loans granted during the year are given below:

| ₹ In Lakhs                                        |                    |            |       |
|---------------------------------------------------|--------------------|------------|-------|
| Particulars                                       | Investments        | Guarantees | Loans |
| <b>Aggregate amount granted during the year:</b>  |                    |            |       |
| (i) Associates                                    | 14.10 (PY: 28.20)  | —          | —     |
| (ii) Other Companies                              | — (PY: Nil)        | —          | —     |
| (iii) Others                                      | —                  | —          | —     |
| <b>Balance outstanding at Balance sheet date:</b> |                    |            |       |
| (i) Associates                                    | 70.60 (PY: 851.50) | —          | —     |
| (ii) Other Companies                              | 8.26 (PY: 11.95)   | —          | —     |
| (iii) Others                                      | —                  | —          | —     |

- 3.2 The Investments made during the year are not prejudicial to Company's interest.
- 3.3 The Company has not advanced any loans and advances and accordingly the provisions of Clause 3(iii)(c) of the Order is not applicable to the Company.
- 3.4 The Company has not advanced any loans and advances and accordingly the provisions of Clause 3(iii)(d) of the Order is not applicable to the Company.
- 3.5 The Company has not advanced any loans or advance in the nature of loan which has fallen due during the year, that has been renewed or extended or granted to settle the overdue of existing loans to the same parties and accordingly the provisions of Clause 3(iii)(e) of the Order is not applicable to the Company.
- 3.6 The Company has not advanced any loans or advances in the nature of loans either repayable on demand or without specifying any terms or period of repayment, and accordingly provisions of Clause 3(iii)(f) of the Order is not applicable to the Company.
- 4) The Company has complied with the provisions of Section 185 and 186 of the Act, in respect of loans, investments, guarantees, and security.
- 5) The Company has not accepted any deposits or amounts which are deemed to be deposits from the public and hence the directives issued by the Reserve Bank of India and the provisions of Sections 73 to 76 or any other relevant provisions of the Act and the Rules made thereunder with regard to the deposits accepted from the public are not applicable and accordingly the reporting under provisions of Clause 3(v) of the order is not applicable to the Company.
- 6) The Company has maintained accounts and records which have been specified by the Central Government under Section 148(1) of the Act.
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**SRI VISHNU SHANKAR MILL LIMITED, RAJAPALAIYAM**

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**AUDITORS' REPORT TO SHAREHOLDERS**

7) Undisputed and disputed taxes and duties

7.1 The Company is regular in depositing undisputed statutory dues including Provident Fund, Employees State Insurance, Income-Tax, Service Tax, Duty of Customs, Goods and Service Tax, Duty of Excise, Value Added Tax ,Cess and any other statutory dues with the appropriate authorities. No undisputed amounts payable in respect of the above were in arrears as at 31<sup>st</sup> March, 2023 for a period of more than six months from the date they became payable.

7.2 There were no disputed statutory dues that have not been deposited with appropriate authorities.

8) There have been no transactions which were not previously recorded in the books of account but have been surrendered or disclosed as income during the year in the tax assessment by the Company, under the Income Tax Act, 1961 and accordingly reporting under the provisions of Clause 3(viii) of the order is not applicable to the Company.

9) Default in Respect of Payment of Loans or Interest during the year

9.1 The Company has not defaulted in repayment of dues to financial institutions, Banks, Government, Debenture holders or any other lender.

9.2 The Company has not been declared as a wilful defaulter by any bank or financial institution or other lender.

9.3 The term loans were applied for the purpose for which the loans were obtained.

9.4 Funds raised on short-term basis by the Company were not utilized for long-term purposes.

9.5 The Company has not taken any funds from any entity or person on account of or to meet the obligations of subsidiaries, joint ventures, or associates and accordingly the provisions of Clause 3(ix)(e) of the Order is not applicable to the Company.

9.6 The Company has not taken any loan during the year on the pledge of securities held in the subsidiaries, joint ventures, or associate companies and accordingly the provisions of Clause 3(ix)(f) of the Order is not applicable to the Company.

10) Funds Raised

10.1 The Company has not raised money by way of initial public offer or further public offer. The Company has not issued any debentures during the year. Accordingly, Clause 3(x)(a) of the Order is not applicable to the Company.

10.2 The Company has not made any preferential allotment or private placement of shares or fully or partly convertible debentures during the year under review. Accordingly, the provisions of Clause 3(x)(b) of the Order is not applicable to the Company.

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**SRI VISHNU SHANKAR MILL LIMITED, RAJAPALAIYAM**

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**AUDITORS' REPORT TO SHAREHOLDERS**

11) Fraud and Whistle Blower System

11.1 We report that no fraud by the Company or on the Company by its Officers or employees has been noticed or reported during the year.

11.2 No report under sub-section (12) of Section 143 of the Companies Act, 2013 has been filed by the auditors in respect of the Company, 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.

11.3 The Company's management has not received any whistle blower complaints during the year

12) The Company is not a Nidhi Company. Therefore, the provisions of Clause 3(xii) of the Order is not applicable to the Company.

13) All the transactions with the related parties by the Company are in compliance with Section 177 and 188 of Act and the details have been disclosed in the Separate Financial Statements as required by the applicable Accounting Standards.

14) The Company has an internal audit system commensurate with the size and nature of its business. The reports of the internal auditor have been taken into consideration.

15) The Company has not entered into any non-cash transactions with its Directors or persons connected with them. Accordingly, the provisions of Clause 3 (xv) of the Order is not applicable to the Company.

16) Registration

16.1 The Company is not required to be registered under Section 45-IA of the Reserve Bank of India Act, 1934 and accordingly, the provisions of Clause 3(xvi)(a) of the Order is not applicable to the Company.

16.2 In our opinion, the Company has not conducted any Non-Banking Financial or Housing Finance activities and accordingly, the provisions of Clause 3(xvi)(b) of the Order is not applicable to the Company.

16.3 The Company is not a Core Investment Company (CIC) as defined in the regulations made by the Reserve Bank of India and accordingly, the provisions of Clause 3(xvi)(c) of the Order is not applicable to the Company.

16.4 The Group does not have any CIC as part of it and accordingly, the provisions of Clause 3(xvi)(d) of the Order is not applicable to the Company

17) The Company has not incurred any cash losses in the financial year and in the immediately preceding financial year.

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**SRI VISHNU SHANKAR MILL LIMITED, RAJAPALAIYAM**

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**AUDITORS' REPORT TO SHAREHOLDERS**

- 18) There was no resignation of statutory auditors of the Company during the year, hence the Clause 3(xviii) of the Order is not applicable to the Company.
- 19) On the basis of the financial ratios, ageing and expected dates of realization of financial assets and payment of financial liabilities, other information accompanying the financial statements, we are of the opinion that no material uncertainty exists as on the date of the audit report that the Company is 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. Variations in ratios over 25% on comparison with previous year has also been disclosed in the notes accompanying financial statements.
- 20) CSR Compliance
- 20.1 The Company had no such unspent amount in relation to the other than ongoing projects which needs to be transferred to a fund as specified in schedule VII, hence the Clause 3(xx)(a) is not applicable to the Company.
- 20.2 The Company had no such remaining unspent amount under subsection (5) of section 135 of the Act pursuant to ongoing project, which has transferred to special account in compliance with provision of sub-section (6) of Section 135. Hence the Clause 3(xx)(b) is not applicable.
- 21) There has been no qualification or adverse remarks by the respective auditors in the Companies (Auditor's Report) Order (CARO) report of the Companies included in the Consolidated Financial Statements.

For M.S. JAGANNATHAN & N. KRISHNASWAMI  
Chartered Accountants  
Firm Registration Number: 001208S

K SRINIVASAN  
Partner

Membership No. 021510  
UDIN: 23021510BGTPGP6923

Rajapalaiyam  
25<sup>th</sup> May, 2023

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**SRI VISHNU SHANKAR MILL LIMITED, RAJAPALAIYAM**

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**AUDITORS' REPORT TO SHAREHOLDERS**

**"Annexure B" to the Independent Auditor's Report**

(Referred in paragraph 2(f) under 'Report on Other Legal and Regulatory Requirements' section of our report of even date)

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

**Opinion**

We have audited the internal financial controls over financial reporting of Sri Vishnu Shankar Mill Limited. ("the Company") as of 31<sup>st</sup> March, 2023 in conjunction with our audit of the Separate Financial Statements of the Company for the year ended on 31<sup>st</sup> March, 2023.

In our opinion, and 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 31<sup>st</sup> March, 2023, 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 ("Guidance Note") issued by the Institute of Chartered Accountants of India ("ICAI").

**Management's Responsibility for Internal Financial Controls**

The Company's Management and Board of Directors 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 ICAI. These responsibilities include the design, implementation and maintenance of adequate internal financial controls that were operating effectively for ensuring the orderly and efficient conduct of its business, including adherence to company's policies, the safeguarding of its assets, the prevention and detection of frauds and errors, the accuracy and completeness of the accounting records, and the timely preparation of reliable financial information, as required under the Act.

**Auditors' Responsibilities**

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 and the Standards on Auditing, issued by ICAI and deemed to be prescribed under Section 143(10) of the Act, to the extent applicable to an audit of internal financial controls and, both applicable to an audit of Internal financial controls and, both issued by the ICAI. Those SAs 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

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**SRI VISHNU SHANKAR MILL LIMITED, RAJAPALAIYAM**

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**AUDITORS' REPORT TO SHAREHOLDERS**

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

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

**Inherent Limitations of Internal Financial Controls 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.

For M.S. JAGANNATHAN & N. KRISHNASWAMI

Chartered Accountants

Firm Registration Number: 001208S

K SRINIVASAN

Partner

Membership No. 021510

UDIN: 23021510BGTPGP6923

Rajapalaiyam  
25<sup>th</sup> May, 2023

**SRI VISHNU SHANKAR MILL LIMITED, RAJAPALAIYAM**

**BALANCE SHEET AS AT 31<sup>ST</sup> MARCH 2023**

(₹ in Lakhs)

|                                                                                             | Note No. | As at 31-03-2023 | As at 31-03-2022 |
|---------------------------------------------------------------------------------------------|----------|------------------|------------------|
| <b>I ASSETS</b>                                                                             |          |                  |                  |
| <b>(1) Non-Current Assets</b>                                                               |          |                  |                  |
| (a) Property, Plant and Equipment                                                           | 8        | 15,526.32        | 14,599.14        |
| (b) Capital Work-in-progress                                                                | 9        | 384.54           | 453.75           |
| (c) Investment Property                                                                     | 10       | 182.86           | 185.67           |
| (d) Intangible Assets                                                                       | 11       | –                | 3.12             |
| (e) Assets held for Sales                                                                   | 12       | 164.88           | 164.88           |
| (f) Investment in Associates                                                                | 13       | 70.60            | 851.50           |
| (g) Financial Assets                                                                        |          |                  |                  |
| Other Investment                                                                            | 14       | 8.26             | 11.95            |
| Other Financial Assets                                                                      | 15       | 538.07           | 323.26           |
| (h) Other Non-Current Assets                                                                | 16       | 31.55            | 39.18            |
|                                                                                             |          | <b>16,907.08</b> | <b>16,632.45</b> |
| <b>(2) Current Assets</b>                                                                   |          |                  |                  |
| (a) Inventories                                                                             | 17       | 12,546.91        | 9,922.74         |
| (b) Financial Assets                                                                        |          |                  |                  |
| Trade Receivables                                                                           | 18       | 2,644.75         | 5,430.75         |
| Cash and Cash Equivalents                                                                   | 19       | 2.58             | 1.39             |
| Bank Balance other than Cash and Cash Equivalents                                           | 20       | 19.13            | 8.29             |
| (c) Current Tax Assets (Net)                                                                | 21       | 34.51            | 37.44            |
| (d) Other Current Assets                                                                    | 22       | 2,655.16         | 4,820.23         |
|                                                                                             |          | <b>17,903.04</b> | <b>20,220.84</b> |
| <b>TOTAL ASSETS</b>                                                                         |          | <b>34,810.12</b> | <b>36,853.29</b> |
| <b>II EQUITY &amp; LIABILITIES</b>                                                          |          |                  |                  |
| <b>(1) Equity</b>                                                                           |          |                  |                  |
| (a) Equity Share Capital                                                                    | 23       | 150.00           | 150.00           |
| (b) Other Equity                                                                            | 24       | 5,625.44         | 6,308.42         |
| <b>Total Equity</b>                                                                         |          | <b>5,775.44</b>  | <b>6,458.42</b>  |
| <b>(2) Liabilities</b>                                                                      |          |                  |                  |
| A) Non Current Liabilities                                                                  |          |                  |                  |
| (a) Financial Liabilities                                                                   |          |                  |                  |
| (i) Borrowings                                                                              | 25       | 10,057.66        | 12,013.90        |
| (b) Deferred Tax Liabilities (Net)                                                          | 26       | 6.84             | 292.67           |
| (c) Deferred Income                                                                         | 27       | 35.33            | 38.01            |
|                                                                                             |          | <b>10,099.83</b> | <b>12,344.58</b> |
| B) Current Liabilities                                                                      |          |                  |                  |
| (a) Financial Liabilities                                                                   |          |                  |                  |
| (i) Borrowings                                                                              | 28       | 17,220.77        | 16,639.02        |
| (ii) Trade Payables                                                                         |          |                  |                  |
| (i) Total outstanding dues of micro enterprises and small enterprises                       | 29       | 1.08             | 11.84            |
| (ii) Total outstanding dues of creditors other than micro enterprises and small enterprises | 29       | 519.58           | 176.07           |
| (iii) Other Financial Liabilities                                                           | 30       | 522.51           | 690.13           |
| (b) Provisions                                                                              | 31       | 662.71           | 525.03           |
| (c) Provision for Taxation                                                                  | 32       | 8.20             | 8.20             |
|                                                                                             |          | <b>18,934.85</b> | <b>18,050.29</b> |
| <b>TOTAL EQUITY AND LIABILITIES</b>                                                         |          | <b>34,810.12</b> | <b>36,853.29</b> |
| Significant Accounting Policies, Judgements and Estimates                                   | 1-7      |                  |                  |
| See accompanying notes to the financial statements.                                         | 8-55     |                  |                  |

As per our report annexed

For **M.S. JAGANNATHAN & N. KRISHNASWAMI**  
Chartered Accountants  
Firm Registration No. 001208S

**K. SRINIVASAN**  
Partner,  
Membership No. 021510  
Rajapalayam  
25<sup>th</sup> May, 2023.

For and on behalf of the Board

**Shri P.R. VENKETRAMA RAJA**  
Chairman  
(DIN: 00331406)

**Smt. SHARADHA DEEPA**  
Managing Director  
(DIN: 00383799)

**SRI VISHNU SHANKAR MILL LIMITED, RAJAPALAIYAM**

**STATEMENT OF PROFIT AND LOSS FOR THE YEAR ENDED 31<sup>st</sup> MARCH 2023**

**(₹ in Lakhs)**

|                                                                                   | Note No. | For the year ended<br>31-03-2023 | For the year ended<br>31-03-2022 |
|-----------------------------------------------------------------------------------|----------|----------------------------------|----------------------------------|
| <b>INCOME</b>                                                                     |          |                                  |                                  |
| <b>I</b> Revenue from Operations                                                  | 33       | <b>30,468.70</b>                 | 29,196.27                        |
| <b>II</b> Finance Income                                                          | 34       | <b>153.55</b>                    | 153.55                           |
| <b>III</b> Other Income                                                           | 35       | <b>456.11</b>                    | 211.03                           |
| <b>IV Total Income (I+II+III)</b>                                                 |          | <b>31,078.36</b>                 | 29,560.85                        |
| <b>V EXPENSES</b>                                                                 |          |                                  |                                  |
| Cost of Materials Consumed                                                        | 36       | <b>18,762.43</b>                 | 15,878.42                        |
| Purchases of Stock-in-Trade                                                       | 37       | <b>1,110.22</b>                  | 3,089.09                         |
| Changes in Inventories of Finished Goods,<br>Stock-in-trade, and Work-in-progress | 38       | <b>118.61</b>                    | (2,172.79)                       |
| Employee Benefit Expenses                                                         | 39       | <b>3,014.93</b>                  | 2,529.90                         |
| Finance Costs                                                                     | 40       | <b>1,997.73</b>                  | 1,413.65                         |
| Depreciation and Amortisation Expenses                                            | 41       | <b>1,625.64</b>                  | 1,250.59                         |
| Other Expenses                                                                    | 42       | <b>5,520.92</b>                  | 4,664.83                         |
| <b>Total Expenses</b>                                                             |          | <b>32,150.48</b>                 | 26,653.69                        |
| <b>VI Profit / (Loss) Before Exceptional items and Tax (IV-V)</b>                 |          | <b>(1,072.12)</b>                | 2,907.16                         |
| <b>VII Exceptional Items</b> [Refer to Note No. 53]                               |          |                                  |                                  |
| Profit / (Loss) on Sale of Property, Plant and Equipment                          |          | <b>141.86</b>                    | (107.05)                         |
| <b>VII Profit / (Loss) Before Tax (VI-VII)</b>                                    |          | <b>(930.26)</b>                  | 2,800.11                         |
| <b>VIII Tax Expenses / (Savings)</b>                                              |          |                                  |                                  |
| Current Tax                                                                       |          | -                                | -                                |
| Income Tax related to earlier years                                               |          | -                                | 8.20                             |
| Deferred Tax Expenses / (Savings)                                                 |          | <b>(280.83)</b>                  | 647.97                           |
| <b>Total Tax Expenses / (Savings)</b>                                             |          | <b>(280.83)</b>                  | 656.17                           |
| <b>IX Profit / (Loss) for the Year (VII-VIII)</b>                                 |          | <b>(649.43)</b>                  | 2,143.94                         |
| <b>X Other Comprehensive Income</b>                                               |          |                                  |                                  |
| <i>Item that will not be reclassified to Profit or Loss:</i>                      |          |                                  |                                  |
| Remeasurement Gain / (Losses) on defined benefit obligations (net)                |          | <b>(19.86)</b>                   | (32.31)                          |
| Fair Value Gain / (Loss) on Equity Instruments through OCI (net)                  |          | <b>(3.69)</b>                    | (1.84)                           |
| Current Tax                                                                       |          | -                                | -                                |
| Deferred Tax Expenses / (Savings)                                                 |          | <b>5.00</b>                      | 8.13                             |
| <b>Other Comprehensive Income / (Loss) for the year, net of tax</b>               |          | <b>(18.55)</b>                   | (26.02)                          |
| <b>XI Total Comprehensive Income / (Loss) for the year, net of tax (IX+X)</b>     |          | <b>(667.98)</b>                  | 2,117.92                         |
| <b>XII Earnings per Equity Share of face value of ₹ 10/- each</b>                 |          |                                  |                                  |
| Basic & Diluted (in Rupees) [Refer to Note No.46]                                 |          | <b>(43.00)</b>                   | 143.00                           |
| Significant Accounting Policies, Judgements and Estimates 1-7                     |          |                                  |                                  |
| See accompanying notes to the financial statements. 8-55                          |          |                                  |                                  |

As per our report annexed

For **M.S. JAGANNATHAN & N. KRISHNASWAMI**  
Chartered Accountants  
Firm Registration No. 001208S

**K. SRINIVASAN**  
Partner,  
Membership No. 021510  
Rajapalayam  
25<sup>th</sup> May, 2023.

For and on behalf of the Board

**Shri P.R. VENKETRAMA RAJA**  
Chairman  
(DIN: 00331406)

**Smt. SHARADHA DEEPA**  
Managing Director  
(DIN: 00383799)

**SRI VISHNU SHANKAR MILL LIMITED, RAJAPALAIYAM**

**STATEMENT OF CHANGES IN EQUITY FOR THE YEAR ENDED 31-03-2023**

**A. Equity Share Capital [Refer to Note No. 23] (₹ in Lakhs)**

**(1) For the year ended 31-03-2023**

|                                                         |        |
|---------------------------------------------------------|--------|
| Balance as at 01-04-2022                                | 150.00 |
| Changes in Equity Share Capital during the year 2022-23 | –      |
| Balance as at 31-03-2023                                | 150.00 |

**(2) For the year ended 31-03-2022**

|                                                         |        |
|---------------------------------------------------------|--------|
| Balance as at 01-04-2021                                | 150.00 |
| Changes in Equity Share Capital during the year 2021-22 | –      |
| Balance as at 31-03-2022                                | 150.00 |

**B. Other Equity [Refer to Note No.24]**

**(1) For the year ended 31-03-2023**

| Particulars                                      | Reserves and Surplus |                          |                 |                   | Items of OCI              |                                                | Total Other Equity |
|--------------------------------------------------|----------------------|--------------------------|-----------------|-------------------|---------------------------|------------------------------------------------|--------------------|
|                                                  | Capital Reserve      | Security Premium Reserve | General Reserve | Retained Earnings | FVTOCI Equity Instruments | Re-measurements of Defined Benefit Obligations |                    |
| Other Equity as at 01-04-2022                    | 23.77                | 25.00                    | 4,000.00        | 2,256.48          | 3.17                      | –                                              | 6,308.42           |
| Financial year 2022-23                           |                      |                          |                 |                   |                           |                                                |                    |
| Add :Profit (Loss) for the year                  | –                    | –                        | –               | (649.43)          | –                         | –                                              | (649.43)           |
| Add :Other Comprehensive Income                  | –                    | –                        | –               | –                 | (3.69)                    | (14.86)                                        | (18.55)            |
| <b>Total Comprehensive Income</b>                | –                    | –                        | –               | <b>(649.43)</b>   | <b>(3.69)</b>             | <b>(14.86)</b>                                 | <b>(667.98)</b>    |
| Less :Transfer to Retained Earnings              | –                    | –                        | –               | –                 | –                         | 14.86                                          | 14.86              |
| Add :Transfer from OCI                           | –                    | –                        | –               | (14.86)           | –                         | –                                              | (14.86)            |
| Less :Dividend Distribution to Shareholders      | –                    | –                        | –               | (15.00)           | –                         | –                                              | (15.00)            |
| <b>Balance as at 31<sup>st</sup> March, 2023</b> | <b>23.77</b>         | <b>25.00</b>             | <b>4,000.00</b> | <b>1,577.19</b>   | <b>(0.52)</b>             | <b>–</b>                                       | <b>5,625.44</b>    |

**(2) For the year ended 31-03-2022**

| Particulars                                      | Reserves and Surplus |                          |                 |                   | Items of OCI              |                                                | Total Other Equity |
|--------------------------------------------------|----------------------|--------------------------|-----------------|-------------------|---------------------------|------------------------------------------------|--------------------|
|                                                  | Capital Reserve      | Security Premium Reserve | General Reserve | Retained Earnings | FVTOCI Equity Instruments | Re-measurements of Defined Benefit Obligations |                    |
| Other Equity as at 01-04-2021                    | 23.77                | 25.00                    | 1,477.72        | 2,659.00          | 5.01                      | –                                              | 4,190.50           |
| Financial year 2021-22                           |                      |                          |                 |                   |                           |                                                |                    |
| Add: Profit for the year                         | –                    | –                        | –               | 2,143.94          | –                         | –                                              | 2,143.94           |
| Add: Other Comprehensive Income                  | –                    | –                        | –               | –                 | (1.84)                    | (24.18)                                        | (26.02)            |
| <b>Total Comprehensive Income</b>                | –                    | –                        | –               | <b>2,143.94</b>   | <b>(1.84)</b>             | <b>(24.18)</b>                                 | <b>2,117.92</b>    |
| Less: Transfer to Retained Earnings              | –                    | –                        | –               | –                 | –                         | 24.18                                          | 24.18              |
| Add: Transfer from OCI                           | –                    | –                        | –               | (24.18)           | –                         | –                                              | (24.18)            |
| Less: Transfer to General Reserve                | –                    | –                        | –               | (2,522.28)        | –                         | –                                              | (2,522.28)         |
| Add: Transfer from Retained Earnings             | –                    | –                        | 2,522.28        | –                 | –                         | –                                              | 2,522.28           |
| <b>Balance as at 31<sup>st</sup> March, 2022</b> | <b>23.77</b>         | <b>25.00</b>             | <b>4,000.00</b> | <b>2,256.48</b>   | <b>3.17</b>               | <b>–</b>                                       | <b>6,308.42</b>    |

As per our report annexed

For **M.S. JAGANNATHAN & N. KRISHNASWAMI**  
Chartered Accountants  
Firm Registration No. 001208S

**K. SRINIVASAN**  
Partner,  
Membership No. 021510  
Rajapalayam  
25<sup>th</sup> May, 2023.

For and on behalf of the Board

**Shri P.R. VENKETRAMA RAJA**  
Chairman  
(DIN: 00331406)

**Smt. SHARADHA DEEPA**  
Managing Director  
(DIN: 00383799)

**SRI VISHNU SHANKAR MILL LIMITED, RAJAPALAIYAM**

**STATEMENT OF CASH FLOWS FOR THE YEAR ENDED 31<sup>ST</sup> MARCH 2023**

(₹ in Lakhs)

| Particulars                                                                           | 31-03-2023 | 31-03-2022        |
|---------------------------------------------------------------------------------------|------------|-------------------|
| <b>A. Cash Flow from Operating Activities:</b>                                        |            |                   |
| Profit / (Loss) before Extraordinary items and Tax                                    | (930.26)   | 2,800.11          |
| Adjustments to reconcile profit before tax to net cash flows:                         |            |                   |
| Depreciation & Amortisation                                                           | 1,625.64   | 1,250.59          |
| Finance Costs                                                                         | 1,997.73   | 1,413.65          |
| Interest Income                                                                       | (153.55)   | (153.55)          |
| Dividend Income                                                                       | (93.19)    | (0.18)            |
| Rent Receipts from Investment Properties                                              | (20.59)    | (12.81)           |
| (Profit) / Loss on Sale of Assets<br>(Including Share Investment)                     | 141.86     | (107.05)          |
| Operating Profit before Working Capital Changes                                       | 2,567.64   | 5,190.76          |
| Movements in Working Capital                                                          |            |                   |
| Trade Receivables                                                                     | 2,786.00   | (1,630.69)        |
| Loans and Advances                                                                    | 2,029.01   | (1,659.67)        |
| Inventories                                                                           | (2,624.17) | (5,939.04)        |
| Gratuity                                                                              | (19.86)    | (32.31)           |
| Government Grants                                                                     | (2.68)     | (2.68)            |
| Trade Payables & Current liabilities                                                  | 302.81     | 1,189.73          |
| Cash generated from Operations                                                        | 5,038.75   | (2,883.90)        |
| Direct Taxes Paid (Net)                                                               | 10.56      | (76.62)           |
| <b>Net Cash generated from Operating Activities</b>                                   | <b>A</b>   | <b>(2,960.52)</b> |
| <b>B. Cash Flow from Investing Activities:</b>                                        |            |                   |
| Purchase of Fixed Assets (Including<br>Capital work-in-progress and Capital Advances) | (2,613.15) | (6,472.84)        |
| Purchase of Equity Shares of Associates                                               | (92.85)    | (28.19)           |
| Proceeds from Sale of Investment in Equity Shares - Others                            | 795.00     | —                 |
| Proceeds from Sale of Assets / Investment properties                                  | (6.39)     | 290.65            |
| Interest Received                                                                     | 153.55     | 153.55            |
| Dividend Received                                                                     | 93.19      | 0.18              |
| Rent Receipts from Investment Properties                                              | 20.59      | 12.81             |
| <b>Net Cash from / (used) in Investing Activities</b>                                 | <b>B</b>   | <b>(6,043.84)</b> |

**SRI VISHNU SHANKAR MILL LIMITED, RAJAPALAIYAM**

**STATEMENT OF CASH FLOWS FOR THE YEAR ENDED 31<sup>ST</sup> MARCH 2023**

**(₹ in Lakhs)**

| Particulars                                                   |                  | <b>31-03-2023</b> | 31-03-2022 |
|---------------------------------------------------------------|------------------|-------------------|------------|
| <b>C. Cash Flow from Financing Activities:</b>                |                  |                   |            |
| Proceeds from Long Term Borrowings                            |                  | <b>832.51</b>     | 5,429.02   |
| Repayment of Long Term Borrowings                             |                  | <b>(2,756.52)</b> | (2,599.16) |
| Proceeds from Loan - Related Parties                          |                  | <b>125.13</b>     | 7.15       |
| Availment / (Repayment) of Short Term Borrowings (Net)        |                  | <b>424.39</b>     | 7,407.81   |
| Payment of Dividend                                           |                  | <b>(15.00)</b>    | —          |
| Interest Paid                                                 |                  | <b>(1,997.73)</b> | (1,413.65) |
| <b>Net cash generated from Financing Activities</b>           | <b>C</b>         | <b>(3,387.22)</b> | 8,831.17   |
| <b>Net Increase / (Decrease) in Cash and Cash Equivalents</b> | <b>D=(A+B+C)</b> | <b>12.03</b>      | (173.19)   |
| <b>Opening balance of Cash and Cash Equivalents</b>           | <b>E</b>         | <b>9.68</b>       | 182.87     |
| <b>Closing balance of Cash and Cash Equivalents</b>           | <b>D + E</b>     | <b>21.71</b>      | 9.68       |

Notes:

- (i) The above Statement of Cash Flow has been prepared under 'Indirect Method' as set out in the Ind AS 7 on Statement of Cash Flow.
- (ii) Bank Borrowings including Cash Credits are considered as Financing Activities.
- (iii) For the purpose of Statement of Cash Flow, Cash and Cash Equivalents comprise the following:

| Particulars                                                      | <b>31-03-2023</b> | 31-03-2022 |
|------------------------------------------------------------------|-------------------|------------|
| Cash and Cash Equivalents (Note No.19)                           | <b>2.58</b>       | 1.39       |
| Bank Balances other than Cash and Cash Equivalents (Note No. 20) | <b>19.13</b>      | 8.29       |
|                                                                  | <b>21.71</b>      | 9.68       |

- (iv) Reconciliation of changes in liabilities arising from Financing Activities pertaining to Borrowings:

| Particulars                                           | <b>31-03-2023</b> | 31-03-2022 |
|-------------------------------------------------------|-------------------|------------|
| Balance at the beginning of the year                  |                   |            |
| Long Term Borrowings                                  | <b>12,013.90</b>  | 8,440.90   |
| Short Term Borrowings                                 | <b>16,639.02</b>  | 9,231.21   |
| Long Term Lease Liabilities                           | —                 | —          |
| Short Term Lease Liabilities                          | —                 | —          |
| Interest accrued                                      | —                 | —          |
| <b>Sub-Total Balance at the beginning of the year</b> | <b>28,652.92</b>  | 17,672.11  |

**SRI VISHNU SHANKAR MILL LIMITED, RAJAPALAIYAM**

**STATEMENT OF CASH FLOWS FOR THE YEAR ENDED 31<sup>ST</sup> MARCH 2023**

**(₹ in Lakhs)**

| Particulars                                                     | 31-03-2023        | 31-03-2022       |
|-----------------------------------------------------------------|-------------------|------------------|
| <b>Cash flows during the year</b>                               |                   |                  |
| Proceeds from Long Term Borrowings                              | 832.5             | 5,429.02         |
| Repayment of Long Term Borrowings                               | (2,756.52)        | (2,599.16)       |
| Proceeds from / (Repayment) of Loan from Related Parties, Net   | 125.13            | 7.15             |
| Proceeds from / (Repayment) of Short Term Borrowings, Net       | 424.39            | 7,407.81         |
| Payment of Principal portion of Lease Liabilities               | —                 | —                |
| Interest Paid including interest on lease liabilities           | (1,997.73)        | (1,413.65)       |
| <b>Sub-Total Cash flows during the year</b>                     | <b>(3,372.22)</b> | <b>8,831.17</b>  |
| <b>Non-cash changes</b>                                         |                   |                  |
| Interest accrual for the year                                   | —                 | —                |
| Fair Value Movement                                             | —                 | —                |
| Initial Recognition of Lease Liabilities for Right-of-use asset | —                 | —                |
| <b>Sub-Total Non-cash changes during the year</b>               | <b>—</b>          | <b>—</b>         |
| <b>Balance at the end of the year</b>                           |                   |                  |
| Long Term Borrowings                                            | 10,057.66         | 12,013.90        |
| Short Term Borrowings                                           | 17,220.77         | 16,639.02        |
| Long Term Lease Liabilities                                     | —                 | —                |
| Short Term Lease Liabilities                                    | —                 | —                |
| Interest accrued                                                | —                 | —                |
| <b>Balance at the end of the year</b>                           | <b>27,278.43</b>  | <b>28,652.92</b> |

See accompanying notes to the financial statements. [Refer to Note Nos. 8-55]

As per our report annexed

For **M.S. JAGANNATHAN & N. KRISHNASWAMI**  
Chartered Accountants  
Firm Registration No. 001208S

**K. SRINIVASAN**  
Partner,  
Membership No. 021510  
Rajapalayam  
25<sup>th</sup> May, 2023.

For and on behalf of the Board

**Shri P.R. VENKETRAMA RAJA**  
Chairman  
(DIN: 00331406)

**Smt. SHARADHA DEEPA**  
Managing Director  
(DIN: 00383799)

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**SRI VISHNU SHANKAR MILL LIMITED, RAJAPALAIYAM**

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**NOTES TO FINANCIAL STATEMENTS**

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**1. Corporate Information**

Sri Vishnu Shankar Mill Limited is a Public Limited company domiciled and headquartered in India and incorporated under the provisions of the Companies Act, 1956. The Registered office of the Company is located at Sri Vishnu Shankar Mill Premises, P.A.C. Ramasamy Raja Salai, Rajapalayam - 626 117, Tamil Nadu.

The Company is principally engaged in manufacture of Cotton Yarn. The Company is also engaged in generation of electricity from its windmills after meeting its captive requirements.

The financial statements of the Company for the year ended 31-03-2023 were approved and adopted by Board of Directors of the Company in their meeting dated 25-05-2023.

**2. Statement of Ind AS Compliance**

The financial statements are prepared in accordance with Indian Accounting Standards (Ind AS) notified under Section 133 of the Companies Act, 2013 read with Companies (Indian Accounting Standards) Rules 2015, as amended from time to time and presentation requirements of Division II of AS compliant Schedule III to the Companies Act, 2013.

**3. Basis of Preparation of Separate Financial Statements**

- (i) The significant accounting policies used in preparing the Separate financial statements are set out in Note No. 5.
- (ii) The Company has considered its operating cycle to be 12 months for the purpose of Current and Non-current classification of assets and liabilities.
- (iii) An asset is classified as current when it is expected to be realised or intended to be sold or consumed in the normal operating cycle, or held primarily for the purpose of trading or expected to be realised within 12 months after the reporting period, or cash or cash equivalents unless restricted from being exchanged or used to settle a liability 12 months after the reporting period. All other assets are classified as non-current.
- (iv) A liability is classified as current when it is expected to be settled in normal operating cycle, or held primarily for the purpose of trading or due for settlement within 12 months after the reporting period, or there is no unconditional right to defer the settlement of the liability for at least 12 months after the reporting period. All other liabilities are classified as non-current. Deferred tax assets and liabilities are classified as non-current assets and liabilities.
- (v) The financial statements are presented in Indian Rupees, which is the Company's functional currency, rounded to the nearest Lakhs with two decimals. The amount below the round off norm adopted by the Company is denoted as ₹ 0.00 lakhs.
- (vi) Previous year figures have been regrouped / restated, wherever necessary and appropriate.

#### **4. Basis of Measurement**

The financial statements have been prepared on accrual basis under historical cost convention except for certain financial instruments (Refer Note No. 5(S) - Accounting Policy for Financial Instruments) and defined benefit plan assets, which are measured at fair value.

#### **5. Significant Accounting Policies**

##### **A. Inventories**

- (i) Raw-materials, Stores & Spares, Fuel, packing materials etc., are valued at cost, computed on a moving weighted average basis including the cost incurred in bringing the inventories to their present location and condition after providing for obsolescence and other losses or net realisable value whichever is lower. Inventories are usually written down to net realisable value, if the finished products, in which they will be used, are expected to be sold below cost. However, the inventories are considered to be realizable at cost, if the finished products, in which they will be used, are expected to be sold at or above cost.
- (ii) Process stock is valued at weighted average cost including the cost of conversion with systematic allocation of production overheads based on normal capacity of production facilities but excluding borrowing cost, or net realisable value whichever is lower. Factory administration overheads to the extent attributable to bring the inventories to their present location and condition are also included in the valuation of Process stock.
- (iii) Finished goods are valued at cost or net realisable value whichever is lower. Cost includes cost of conversion with systematic allocation of production overheads based on normal capacity of production facilities and other costs but excluding borrowing cost, incurred in bringing the inventory to their present location and condition. Finished goods include stock-in-trade also which comprises cost of purchase and other cost incurred in bringing the inventories to the present location and condition. Cost is determined on a moving weighted average basis.

Net realisable value is the estimated selling price in the ordinary course of business less estimated costs of completion and estimated costs necessary to make the sale.

##### **B. Statement of Cash Flows**

- (i) Cash flows are presented using indirect method, whereby profit / (loss) before exceptional item and tax is adjusted for the effects of transactions of non-cash nature and any deferrals or accruals of past or future cash receipts or payments.
- (ii) Cash comprises cash on hand and demand deposits with banks. Cash equivalents are short-term balances with original maturity of less than 3 months, highly liquid

**NOTES TO FINANCIAL STATEMENTS**

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investments that are readily convertible into cash, which are subject to insignificant risk of changes in value.

- (iii) Bank borrowings including Bank overdrafts and Cash Credits are generally considered to be financing activities.

**C. Dividend distribution to Equity Shareholders**

Final dividend distribution to Shareholders is recognised in the period in which the dividends are approved by the Shareholders. Any interim dividend paid is recognised on approval by Board of Directors. Dividend together with applicable TDS are recognised directly in Equity.

**D. Income Taxes**

- (i) The Company has an irrevocable option of shifting to a lower tax rate and simultaneously forgo certain tax incentives, deductions and accumulated MAT credit as per Section 115BAA in the Income Tax Act, 1961. In view of the overall tax benefits available under Section 115BAA, the Company has opted for shifting to lower tax regime from FY 2021-22 onwards.
- (ii) Current tax is the amount of tax payable on the taxable income for the year as determined in accordance with the applicable tax rates, the provisions of the Income Tax Act, 1961 and other applicable tax laws including the relevant transfer pricing regulations prescribed thereunder, read with applicable judicial precedents or interpretations, wherever relevant.
- (iii) Current tax assets and liabilities are offset, when the Company has legally enforceable right to set off the recognised amounts and intends to settle the asset and the liability on a net basis.
- (iv) Deferred tax is recognised using the balance sheet approach on temporary differences between the tax bases of assets and liabilities and their carrying amounts for financial reporting at the reporting date. The Company has restated the net deferred tax liability as at 01-04-2021 in accordance with the reduced tax rates, in view of adoption of new tax regime.
- (iv) Deferred tax assets and liabilities are measured at the tax rates that are expected to apply in the year where the asset is realised or the liability is settled, based on tax rates (and tax laws) that have been enacted or substantively enacted at the reporting date.
- (vi) Deferred tax assets and liabilities are offset if such items relate to taxes on income levied by same governing tax laws and the Company has legally enforceable right to set off current tax assets against current tax liabilities.
- (vii) Both current tax and deferred tax relating to items recognised outside the Profit or Loss is recognised either in "Other Comprehensive Income" or directly in "Equity" as the case may be.

**E. Property, Plant and Equipments (PPE)**

- (i) PPEs are stated at cost of acquisition or construction less accumulated depreciation and impairment losses if any, except freehold land which is carried at cost. The cost comprises of purchase price, import duties, non-refundable purchase taxes (net of tax credits wherever applicable), borrowing cost if capitalisation criteria are met and directly attributable cost of bringing the asset to its working condition for the intended use. The directly attributable costs include cost of testing whether the asset is functioning properly, after deducting the net proceeds from selling any items produced while bringing the asset to that location and condition.
- (ii) Government grants related to assets have been deducted in arriving at the carrying amount of the respective assets.
- (iii) Subsequent expenditures are recognised 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.
- (iv) Spares which meet the definition of PPE are capitalised from the date when it is available for use. Other expenses on fixed assets, including day-to-day repair and maintenance expenditure and cost of replacing parts that does not meet the capitalisation criteria are charged to the Statement of Profit and Loss for the period during which such expenses are incurred.
- (v) The Company identifies the significant parts of plant and equipment separately which are required to be replaced at intervals. Such parts are depreciated separately based on their specific useful lives. The cost of replacement of significant parts are capitalised and the carrying amount of replaced parts are de-recognised.

The cost of major inspection / overhauling is recognised in the carrying amount of the item of PPE as a replacement if the recognition criteria are satisfied. Any remaining carrying amount of the cost of the previous inspection / overhauling (as distinct from physical parts) is de-recognised.

- (vi) The present value of the expected cost for the decommissioning of PPE after its use, if materially significant, is included in the cost of the respective asset when the recognition criteria are met.
- (vii) Capital Expenditure on tangible assets for research and development is classified as PPE and is depreciated based on the estimated useful life. Other expenditure incurred for research and development are expensed under the respective heads of accounts in the year in which it is incurred.
- (viii) The Company follows the useful lives of the significant parts of certain class of PPE on best estimate basis upon technical advice, as detailed below, that are different from the useful lives prescribed under Part C of Schedule II of the Companies Act, 2013:

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**SRI VISHNU SHANKAR MILL LIMITED, RAJAPALAIYAM**

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**NOTES TO FINANCIAL STATEMENTS**

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| Type of Plant and Machinery     | Useful life of such components ranging from |
|---------------------------------|---------------------------------------------|
| Textile Machineries / Equipment | 2 to 20 years                               |
| Windmills                       | 22 to 30 years                              |
| HFO / DG Sets                   | 12 to 25 years                              |
| Electrical Machineries          | 3 to 25 years                               |

- (ix) PPE acquired in full or part exchange for another asset are recorded at the fair market value or the net book value of the asset given up, adjusted for any balancing cash transaction. Fair market value is determined either for the assets acquired or asset given up, whichever is more clearly evident.
- (x) PPEs are eliminated from the financial statements on disposal or when no further benefit is expected from its use and disposal. Gains or losses arising from disposal, measured as the difference between the net disposal proceeds and the carrying amount of such assets, are recognised in the Statement of Profit and Loss. Amount received towards PPE that are impaired and derecognized in the financial statements, are recognized in Statement of Profit and Loss, when the recognition criteria are met.
- (xi) Depreciation is the systematic allocation of the depreciable amount of an asset over its useful life on a straight line method. The depreciable amount for assets is the cost of an asset, or other amount substituted for cost, less 5% being its residual value except for process control systems whose residual value is considered as Nil.
- (xii) Depreciation for PPE on additions is calculated on pro-rata basis from the date of such additions. For deletion / disposals, the depreciation is calculated on pro-rata basis up to the date on which such assets have been discarded / sold.
- (xiii) The residual values, useful lives and methods of depreciation of property, plant and equipment are reviewed periodically including at each reporting date and adjusted prospectively, if appropriate.

**F. Capital Work-in-Progress / Capital Advances**

- (i) Capital work-in-progress includes cost of property, plant and equipment under installation, under development including related expenses and attributable interest as at the reporting date.
- (ii) Advances given towards acquisition / construction of PPE outstanding at the reporting date are disclosed as 'Capital Advances' under 'Other Non-Current Assets'.

**G. Leases**

The determination of whether an arrangement is, or contains, a lease is based on the substance of the arrangement at the inception date whether fulfilment of arrangement is

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**SRI VISHNU SHANKAR MILL LIMITED, RAJAPALAIYAM**

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**NOTES TO FINANCIAL STATEMENTS**

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dependent on the use of an underlying asset and the arrangement conveys the right to control the use of an identified asset for a period of time in exchange for consideration.

**Company as a Lessee**

- (i) The Company recognises a Right-to-use (RoU) asset and a lease liability at the lease commencement date for all leases where non-cancellable leases is more than 12 months. The right-of-use asset is initially measured at cost, which comprises the initial amount of the lease liability adjusted for any lease payments made at or before the commencement date, plus any initial direct costs incurred and an estimate of costs to dismantle and mode the underlying asset or to restore the underlying asset or the site on which it is located, less any lease incentives received.
- (ii) The RoU asset is subsequently depreciated using the straight-line method from the commencement date to the earlier of the end of the useful life of right-of-use asset or the end of the lease term, as follows:

| Nature of RoU | Useful life ranging from |
|---------------|--------------------------|
| Land          | 99 Years                 |
| Building      | 20 Years                 |

- (iii) The estimated useful lives of right-of-use assets are determined on the same basis as those of property and equipment. In addition, the right-of-use asset is periodically reduced by impairment losses, if any and adjusted for certain re-measurements of these liability.
- (iv) The lease liability is initially measured at the present value of the lease payments that are not paid at the commencement date, discounted using the interest rate implicit in the lease or, if that rate cannot be readily determined, company's incremental borrowing rate.
- (v) Lease payments included in the measurement of the lease liability comprise the following:
  - a) Fixed payments:
  - b) Variable lease payments that depend on an index or a rate, initially measured using the index or rate as at the commencement date;
  - c) Amount expected to be payable under a residual value guarantee; and
  - d) The exercise price under a purchase option that the Company is reasonably certain to exercise, lease payments in an optional renewal period if the Company is reasonably certain to exercise an extension option, and penalties for early termination of a lease unless the Company is reasonably certain not to terminate early.

**NOTES TO FINANCIAL STATEMENTS**

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- (vi) The lease liability is measured at amortised cost using the effective interest method. It is remeasured when there is a change in future lease payments arising from a change in an index or rate, if there is a change in the company's estimate of the amount expected to be payable under a residual value guarantee, or if company changes its assessment of whether it will exercise a purchase, extension or termination option.
- (vii) When the lease liability is remeasured in this way, a corresponding adjustment is made to the carrying amount of the right-of-use asset, or is recorded in the Statement of Profit or Loss if the carrying amount of the right-of-use asset has been reduced to zero.
- (viii) The Company presents right-of-use assets that do not meet the definition of investment property in 'Property, Plant and Equipment' and Lease liabilities as a separate line item on face of the Balance sheet.
- (ix) The Company has opted not to recognise right-of-use assets and lease liabilities for short-term leases that have a lease term of 12 months or less. The Company recognises the lease payments associated with these leases as an expense on a straight-line basis over the lease term.

**Company as a Lessor**

The lease arrangements where the risks and rewards incidental to ownership of an asset substantially vests with the Lessor are recognised as operating lease. Operating lease receipts are recognised in the Statement of Profit and Loss on straight line basis over the lease terms except where the payments are structured to increase in line with the general inflation to compensate for the expected inflationary cost increases. The Company do not have any finance leases arrangements.

**H. Revenue Recognition**

- (i) Revenue from Operations

- a) Sale of Products

Revenue from product sales is recognized when the Company transfers control of the product to customers at a point in time. The transaction price is the amount of consideration to which the Company expects to be entitled in exchange for transferring goods to the customer. The Company provides discounts to customers on the achievement of the performance criteria based on agreed terms and conditions. The financing component with regard to sale of products

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**SRI VISHNU SHANKAR MILL LIMITED, RAJAPALAIYAM**

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**NOTES TO FINANCIAL STATEMENTS**

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are excluded from Revenue from operations and recognised as interest Receipts over the credits financing as per Ind AS 115. The company do not have any non-cash consideration.

b) Power Generated from Windmills.

Power generated from windmills that are covered under Wheeling and Banking agreement with TANGEDCO are consumed at mills. The monetary value of such power generated that are captively consumed are not recognized as revenue but have been set off against the cost of Power & Fuel.

The value of unadjusted units available if any, at the end of the financial year and sold to the Electricity Board at an agreed rate / tariff rate are recognized and shown as income from Wind Mills.

c) Scrap Sale

Scrap sales is recognized when the Company transfers control of the product to customers.

(ii) Other Income

- a) Interest income is recognised using the Effective Interest Rate (EIR) method. EIR is the rate that exactly discounts the estimated future cash payments or receipts over the expected life of the financial instrument or a shorter period where appropriate, the gross carrying amount of the financial asset or to the amortised cost of a financial liability.
- b) Dividend income is recognised when the Company's right to receive dividend is established.
- c) Rental income from operating lease on investment properties is recognised on a straight line basis over the term of the relevant lease.

**I. Employee Benefits**

- (i) Short-term employee benefits viz., Salaries and Wages are recognized as an expense at the undiscounted amount in the Statement of Profit and Loss for the year in which the related service is rendered.
- (ii) Defined Contribution Plan viz., Contributions to Provident Fund and Superannuation Fund are recognized as an expense in the Statement of Profit and Loss for the year in which the employees have rendered services.
- (iii) The Company contributes monthly to Employees' Provident Fund & Employees' Pension Fund administered by the Employees' Provident Fund Organisation, Government of India, at 12% of employee's basic salary and dearness allowance. The Company has no further obligations.

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**SRI VISHNU SHANKAR MILL LIMITED, RAJAPALAIYAM**

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**NOTES TO FINANCIAL STATEMENTS**

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- (iv) The Company also contributes for Superannuation Fund on an annual basis, a sum equivalent to 15% of the officer's eligible annual basic salary. Out of the said 15% contribution, a sum upto ₹ 1.50 Lacs per annum is remitted Sri Vishnu Shankar Mill Limited Officers' Superannuation fund administered by trustees and managed by LIC of India. The balance amount, if any, is paid as salary. There are no further obligations in respect of the above contribution plan.
- (v) The Company contributes to Defined Benefit Plan viz., an approved Gratuity Fund. It is in the form of lump sum payments to vested employees on resignation, retirement, death while in employment or on termination of employment, for an amount equivalent to 15 days' basic salary and dearness allowance for each completed year of service. Vesting occurs upon completion of five years of continuous service. The Company makes annual contributions to "Sri Vishnu Shankar Mill Employees Gratuity Fund" administered by trustees and managed by LIC of India, based on the Actuarial Valuation by an independent external actuary as at the reporting date using Projected Unit Credit method.
- (vi) The Company provides for expenses towards compensated absences provided to its employees. The expense is recognized at the present value of the amount payable determined based on an independent external actuarial valuation as at the Balance Sheet date, using Projected Unit Credit method. The Company presents the entire compensated absences as 'Short-term provisions' since employee has an unconditional right to avail the leave at any time during the year.
- (vii) Re-measurement of net defined benefit asset / liability comprising of actuarial gains or losses arising from experience adjustments and changes in actuarial assumptions are charged / credited to other comprehensive income in the period in which they arise and immediately transferred to retained earnings. Other costs are accounted in the Statement of Profit and Loss.

**J. Government Grants**

- (i) Government grants are recognised at fair value where there is a reasonable assurance that the grant will be received and all the attached conditions are complied with.
- (ii) In case of revenue related grant, the income is recognised on a systematic basis over the period for which it is intended to compensate an expense and is disclosed under "Other Income" or netted off against corresponding expenses wherever appropriate. Receivables of such grants are shown under "Other Financial Assets".
- (iii) Government grants related to assets have been deducted in arriving at the carrying amount of the respective assets.

- (iv) Export benefits are accounted for the year of exports based on eligibility and when there is no uncertainty in receiving the same. Receivables of such benefits are shown under "Other Financial Assets".

**K. Foreign Currency Transactions**

- (i) The financial statements are presented in Indian Rupees, which is also the Company's functional currency.
- (ii) All transactions in foreign currency are recorded on initial recognition at their functional currency spot exchange rates prevailing on that date of transaction.
- (iii) Monetary assets and liabilities in foreign currencies outstanding at the reporting date are translated to the functional currency spot rates prevailing on the reporting date and the resultant gains or losses are recognised during the year in the Statement of Profit and Loss.
- (iv) Non-monetary items which are carried at historical cost denominated in foreign currency are reported using the exchange rates at the date of transaction. The date of transaction is the date on which the Company initially recognises the non-monetary asset or non-monetary liability arising from advance consideration. If there are multiple receipts of payments in advance, the Company determines the transaction date for each payment or receipt of advance consideration.

**L. Borrowing Costs**

- (i) Borrowing cost include interest computed using Effective Interest Rate method, interest on lease liabilities, amortisation of ancillary costs incurred and exchange differences arising from foreign currency borrowings to the extent they are regarded as an adjustment to the interest cost.
- (ii) Borrowing costs that are directly attributable to the acquisition, construction, production of a qualifying asset are capitalised as part of the cost of that asset which takes substantial period of time to get ready for its intended use. The Company determines the amount of borrowing cost eligible for capitalisation by applying capitalisation rate to the expenditure incurred on such cost. The capitalisation rate is determined based on the weighted average rate of borrowing cost applicable to the borrowings of the Company which are outstanding during the period, other than borrowings made specifically towards purchase of the qualifying asset. The amount of borrowing cost that the Company capitalises during the period does not exceed the amount of borrowing cost incurred during that period. All other borrowings costs are expensed in the period in which they occur.

**M. Earnings per Share**

- (i) Basic Earnings per share is calculated by dividing the profit / (loss) attributable to equity shareholders by the weighted average number of equity shares.
- (ii) Where an item of income or expense which is otherwise required to be recognised in the Statement of Profit and Loss is debited or credited to Equity, the amount in respect thereof is suitably adjusted in Net profit for the purpose of computing Earnings per share.
- (iii) The Company does not have any potential equity shares.

**N. Impairment of Non-Financial Assets**

- (i) The carrying values of assets include property, plant and equipment, including right-of-use-asset, investment properties, cash generating units and intangible assets, are reviewed for impairment at each reporting date, if there is any indication of impairment based on internal and external factors.
- (ii) Non-financial assets are treated as impaired when the carrying amount of such asset exceeds its recoverable value. After recognition of impairment loss, the depreciation for the said assets is provided for remaining useful life based on the revised carrying amount, less its residual value if any, on straight line basis.
- (iii) An impairment loss is charged to the Statement of Profit and Loss in the year in which an asset is identified as impaired.
- (iv) An impairment loss is reversed when there is an indication that the impairment loss may no longer exist or may have decreased.

**O. Provisions, Contingent Liabilities and Contingent Assets**

- (i) Provisions involving substantial degree of estimation in measurement are recognised when there is a present obligation as a result of past events and it is probable that there will be an outflow of resources embodying economic benefits in respect of which a reliable estimate can be made.
- (ii) Provisions are discounted if the effect of the time value of money is material, using pre-tax rates that reflects the risks specific to the liability. When discounting is used, an increase in the provisions due to the passage of time is recognised as finance cost. These provisions are reviewed at each Balance Sheet date and adjusted to reflect the current best estimates.

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**SRI VISHNU SHANKAR MILL LIMITED, RAJAPALAIYAM**

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**NOTES TO FINANCIAL STATEMENTS**

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- (iii) Insurance claims are accounted on the basis of claims admitted or expected to be admitted and to the extent that the amount recoverable can be measured reliably and it is reasonable to expect ultimate collection. Any subsequent change in the recoverability is provided for. Contingent Assets are not recognised.
- (iv) Contingent liability is a possible obligation that may arise from past events and its existence will be confirmed only by occurrence or non-occurrence of one or more uncertain future events not wholly within the control of the Company or it is not probable that an outflow of resources embodying economic benefits will be required to settle the obligation and the same are not recognised but disclosed in the financial statements.

**P. Intangible Assets**

- (i) The costs of computer software acquired and its subsequent improvements are capitalised. Internally generated software is not capitalized and the expenditure is recognized in the Statement of Profit and Loss in the year in which the expenditure is incurred.
- (ii) The cost incurred for right to un-restricted usage of power transmission system for drawal of power from State grid to its Mills were capitalized as it is expected to yield future economic benefits.
- (iii) Intangible Assets are carried at cost less accumulated depreciation and impairment losses, if any and are amortised over their estimated useful life based on straight line method. The estimated useful lives of intangible assets are assessed by the internal technical team as detailed below, that are different from the useful lives prescribed under Part C of Schedule II of the Companies Act, 2013:

| Nature of Intangible assets | Estimated useful life |
|-----------------------------|-----------------------|
| Computer software           | 6 years               |
| Power Transmission System   | 5 years               |

- (iv) The intangible assets that are under development phase are carried at cost including related expenses and attributable interest, and are recognised as Intangible assets under development.

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**SRI VISHNU SHANKAR MILL LIMITED, RAJAPALAIYAM**

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**NOTES TO FINANCIAL STATEMENTS**

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- (v) The residual values, useful lives and methods of amortisation of intangible asset are reviewed at each reporting date and adjusted prospectively, if appropriate.

**Q. Investment Properties**

- (i) An investment in land or buildings both furnished and unfurnished, which are held for earning rentals or capital appreciation or both rather than for use in the production or supply of goods or services or for administrative purposes or sale in the ordinary course of business, are classified as investment properties.
- (ii) Investment properties are stated at cost, net of accumulated depreciation and impairment loss, if any except freehold land which is carried at cost.
- (iii) The company identifies the significant parts of investment properties separately which are required to be replaced at intervals. Such parts are depreciated separately based on their specific useful lives determined on best estimate basis upon technical advice. The cost of replacement of significant parts are capitalised and the carrying amount of replaced parts are de-recognised. Other expenses including day-to-day repair and maintenance expenditure and cost of replacing parts that does not meet the capitalisation criteria, are charged to the Statement of Profit and Loss for the period during which such expenses are incurred.
- (iv) Depreciation on investment properties are calculated on straight-line method based on useful life of the significant parts as detailed below, that are different from the Useful lives as prescribed under Part C of Schedule II of the Companies Act, 2013:

| <b>Asset type</b>                     | <b>Useful life</b> |
|---------------------------------------|--------------------|
| Buildings under Investment properties | 60 years           |

- (v) Investment properties are eliminated from the financial statements on disposal or when no further benefit is expected from its use and disposal. Gains or losses arising from disposal, measured as the difference between the net disposal proceeds and the carrying amount of such investment properties, are recognised in the Statement of Profit and Loss. Amount received towards investment properties that are impaired and derecognized in the financial statements, are recognized in Statement of Profit and Loss, when the recognition criteria are met.

- (vi) The residual values, useful lives and methods of depreciation of investment properties are reviewed periodically including at each reporting date and adjusted prospectively, if appropriate.

**R. Operating Segments**

Operating segments are identified on the basis of nature and usage of products and reported in a manner consistent with the internal reporting provided to Chief Operating Decision Maker. The Company's business operation comprises of two operating segment viz., Textile and Windmills.

**S. Financial Instruments**

- (i) A financial instrument is any contract that gives rise to a financial asset of one entity and a financial liability or equity instrument of another entity.
- (ii) Financial assets and liabilities are offset and the net amount is presented in the Balance sheet when and only when the Company has a legal right to offset the recognised amounts and intends either to settle on a net basis or to realise the assets and settle the liabilities simultaneously.
- (iii) The Company initially determines the classification of financial assets and liabilities. After initial recognition, no re-classification is made for financial assets which are categorised as equity instruments at FVTOCI and financial assets / liabilities that are specifically designated as FVTPL. However, other financial assets are re-classifiable when there is a change in the business model of the Company. When the Company reclassifies the financial assets, such reclassifications are done prospectively from the first day of the immediately next reporting period. The Company does not restate any previously recognised gains, losses including impairment gains or losses or interest.
- (iv) Fair Value Hedges

Changes in the fair value of forwards contracts that are designated and qualify as fair value hedges are recognised in the income statement, together with the changes in the fair value of the hedged item that are attributable to the hedged risk. If the hedge no longer meets the criteria for hedge accounting, changes in the fair value of the hedged item attributable to the hedged risk are no longer recognized in the income statement.

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**SRI VISHNU SHANKAR MILL LIMITED, RAJAPALAIYAM**

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When a hedged item in a fair value hedge is a firm commitment (or a component thereof) to acquire an asset or assume a liability, the initial carrying amount of the asset or the liability that results from the entity meeting the firm commitment is adjusted to include the cumulative change in the fair value of the hedged item that was recognised in the balance sheet, with a corresponding gain or loss recognised in Profit and loss.

**T. Financial Assets**

- (i) Financial assets comprise of investments in equity, trade receivables, cash and cash equivalents and other financial assets.
- (ii) Depending on the business model (i.e.) nature of transactions for managing those financial assets and its contractual cash flow characteristics, the financial assets are initially measured at fair value and subsequently measured and classified at:
  - a) Amortised cost; or
  - b) Fair value through other comprehensive income (FVTOCI); or
  - c) Fair value through profit or loss (FVTPL)

Amortised cost represents carrying amount on initial recognition at fair value plus or minus transaction cost.

- (iii) Financial assets are measured at FVTPL except for those financial assets whose contractual terms give rise to cash flows on specified dates that represents solely payments of principal and interest thereon, are measured as detailed below depending on the business model:

| Classification | Business Model                                                                                                                                                                                                                    |
|----------------|-----------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| Amortised Cost | The objective of the Company is to hold and collect the contractual cash flows till maturity. In other words, the Company do not intend to sell the instrument before its contractual maturity to realise its fair value changes. |
| FVTOCI         | The objective of the Company is to collect its contractual cash flows and selling financial assets.                                                                                                                               |

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**SRI VISHNU SHANKAR MILL LIMITED, RAJAPALAIYAM**

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**NOTES TO FINANCIAL STATEMENTS**

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- (iv) The Company has accounted for its investments in associates at cost. The Company has exercised an irrevocable option at time of initial recognition to measure the changes in fair value of other equity investments at FVTOCI. Accordingly, the Company classifies its financial assets for measurement as below:

| Classification | Name of Financial Assets                                                                                                                                                                |
|----------------|-----------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| Amortised Cost | Trade receivables, Loans and advances to employees and related parties, deposits, IPA receivable, interest receivable, unbilled revenue and other advances recoverable in cash or kind. |
| FVTOCI         | Equity investments in companies other than Associate as an option exercised at the time of initial recognition.                                                                         |
| FVTPL          | Forward exchange contracts.                                                                                                                                                             |

- (v) Financial assets are derecognised (i.e) removed from the financial statements, when its contractual rights to the cash flows expire or upon transfer of the said assets. The Company also derecognises when it has an obligation to adjust the cash flows arising from the financial asset with third party and either upon transfer of:

- significant risk and rewards of the financial asset, or
- control of the financial asset

However, the Company continue to recognise the transferred financial asset and its associated liability to the extent of its continuing involvement, which are measured on the basis of retainment of its rights and obligations of financial asset.

- (vi) Upon de-recognition of its financial asset or part thereof, the difference between the carrying amount measured at the date of recognition and the consideration received including any new asset obtained less any new liability assumed shall be recognised in the Statement of Profit and Loss.

- (vii) For impairment purposes, significant financial assets are tested on individual basis at each reporting date. Other financial assets are assessed collectively in groups that share similar credit risk characteristics. Accordingly, the impairment testing is done retrospectively on the following basis:

**SRI VISHNU SHANKAR MILL LIMITED, RAJAPALAIYAM**

**NOTES TO FINANCIAL STATEMENTS**

| <b>Name of Financial asset</b> | <b>Impairment testing methodology</b>                                                                                                                                                                                                                                                                                                                                                                                                                                                                                            |
|--------------------------------|----------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| Trade Receivables              | Expected Credit Loss model (ECL) is applied. The ECL over lifetime of the assets are estimated by using a provision matrix which is based on historical loss rates reflecting current conditions and forecasts of future economic conditions which are grouped on the basis of similar credit characteristics such as nature of industry, customer segment, past due status and other factors that are relevant to estimate the expected cash loss from these assets.                                                            |
| Other Financial assets         | When the credit risk has not increased significantly, 12 month ECL is used to provide for impairment loss. When there is significant change in credit risk since initial recognition, the impairment is measured based on probability of default over the life time. If, in a subsequent period, credit quality of the instrument improves such that there is no longer a significant increase in credit risk since initial recognition, then the entity reverts to recognising impairment loss allowance based on 12 month ECL. |

**U. Financial Liabilities**

- (i) Financial liabilities comprise of Borrowings from Banks, Trade payables, Derivative financial instruments, financial guarantee obligation and other financial liabilities.
- (ii) The Company measures its financial liabilities as below:

| <b>Measurement basis</b> | <b>Name of Financial liabilities</b>                                                                                                                                 |
|--------------------------|----------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| Amortised Cost           | Borrowings, Trade payables, Lease Liabilities, Interest accrued, Unclaimed dividends, Security deposits and other financial liabilities not for trading.             |
| FVTPL                    | Foreign exchange Forward contracts being derivative contracts do not qualify for hedge accounting under Ind AS 109 and other financial liabilities held for trading. |

- (iii) Financial guarantee contracts issued by the company are those contracts that require a payment to be made to reimburse the holder for a loss it incurs because the specified debtor fails to make a payment when due in accordance with the terms of a debt instrument. Transaction cost of financial guarantee contracts that are directly attributable to the issuance of the guarantee are recognized initially as a liability at fair value. Subsequently, the liability is measured at the higher of the amount of loss allowance determined as per impairment requirements of Ind AS 109 and the amount recognized less cumulative amortization.
- (iv) Financial liabilities are de-recognised when and only when it is extinguished (i.e) when the obligation specified in the contract is discharged or cancelled or expired.
- (v) Upon de-recognition of its financial liabilities or part thereof, the difference between the carrying amount of a financial liability that has been extinguished or transferred to another party and the consideration paid including any non-cash assets transferred or liabilities assumed is recognised in the Statement of Profit and Loss.

**V. Fair Value Measurement**

- (i) Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date.
- (ii) The fair value of an asset or a liability is measured using the assumptions that the market participants would use when pricing the asset or liability, assuming that the market participants act in the economic best interest.
- (iii) All assets and liabilities for which fair value is measured and disclosed in the financial statements are categorised within fair value hierarchy based on the lowest level input that is significant to the fair value measurement as a whole. The fair value hierarchy is described as below:
  - Level 1: Unadjusted quoted prices in active markets for identical assets or liabilities
  - Level 2: Valuation techniques for which the lowest level inputs that are significant to the fair value measurement is directly or indirectly observable.
  - Level 3: Valuation techniques for which the lowest level inputs that are significant to the fair value measurement is unobservable.
- (iv) For assets and liabilities that are recognised in the Balance sheet on a recurring basis, the company determines whether transfers have occurred between levels in the hierarchy by reassessing categorisation at the end of each reporting period (i.e) based on the lowest level input that is significant to the fair value measurement as a whole.

- (v) For the purpose of fair value disclosures, the company has determined the classes of assets and liabilities based on the nature, characteristics and risks of the assets or liabilities and the level of the fair value hierarchy as explained above.
- (vi) The basis for fair value determination for measurement and / or disclosure purposes is detailed below:

**a) Investments in Equity**

The fair value is determined by reference to their quoted prices at the reporting date. In the absence of the quoted price, the fair value of the equity is measured using valuation techniques.

**b) Trade and other receivables**

The fair value is estimated as the present value of the future cash flows, discounted at the market rate of interest at the reporting date. However, the fair value generally approximates the carrying amount due to the short term nature of such assets.

**c) Forward exchange contracts**

The fair value of forward exchange contracts is based on the quoted price if available; otherwise it is estimated by discounting the difference between contractual forward price and current forward price for the residual maturity of the contract using government bond rates.

**d) Non-derivative financial liabilities**

The fair value of non-derivative financial liabilities viz., borrowings and lease liabilities are determined for disclosure purposes calculated based on the present value of future principal and interest cash flows, discounted at the market rate of interest at the reporting date.

**e) Financial guarantee obligation**

The fair value of financial guarantee obligation with reference to loan availed by associates is determined on the basis of estimated cost involved in securing equivalent size of the guarantees from bank.

**f) Investment Properties**

The fair value is determined for disclosure purposes based on an annual evaluation performed by an internal technical team measured using the technique of quoted prices for similar assets in the active markets and further moderated by market corroborated inputs.

**6. Amendments to the existing accounting standards effective from 01-04-2022 onwards.**

The details of amendments to the existing standards that are relevant to the Company with effect from 01-04-2022 are given below:

The amendment to Ind AS 16 on Property, Plant & Equipment has clarified that excess of net sale proceeds of items produced over the cost of testing (while bringing the asset to that location and condition) shall not be recognized in the profit or loss but deducted from the directly attributable costs considered as part of cost of an item of Property, Plant and Equipment.

**7. Significant Estimates and Judgements**

The preparation of the financial statements requires management to make judgements, estimates and assumptions that affect the reported amounts of revenues, expenses, assets and liabilities and the accompanying disclosures, and the disclosure of contingent liabilities. Actual results could vary from these estimates. The estimates and underlying assumptions are reviewed on an on-going basis. Revisions to accounting estimates are recognised in the period in which the estimate is revised if the revision effects only that period or in the period of the revision or future periods, if the revision affects both current and future years.

Accordingly, the management has applied the following estimates/ assumptions / judgements in preparation and presentation of financial statements:

**(i) Revenue Recognition**

Significant management judgement is exercised in determining the transaction price and discounts to customer which is based on market factors namely demand and supply. The Company offers credit period to customers and management judgement is exercised in assessing whether a contract contains a significant financing components.

**(ii) Property, Plant and Equipment, Intangible Assets and Investment Properties**

The residual values and estimated useful life of PPEs, Intangible Assets and Investment Properties are assessed by the technical team periodically including at each reporting date by taking into account the nature of asset, the estimated usage of the asset, the operating condition of the asset, past history of replacement and maintenance support. Upon review, the management accepts the assigned useful life and residual value for computation of depreciation / amortisation. Also, management judgement is exercised for classifying the asset as investment properties or vice versa.

**(iii) Current Taxes**

Calculations of income taxes for the current period are done based on applicable tax laws and management's judgement by evaluating positions taken in tax returns and interpretations of relevant provisions of law and applicable judicial precedence.

**(iv) Deferred Tax Asset**

Significant management judgement is exercised by reviewing the deferred tax assets at each reporting date to determine the amount of deferred tax assets that can be retained / recognised, based upon the likely timing and the level of future taxable profits together with future tax planning strategies.

**(v) Provisions**

The timing of recognition requires application of judgement to existing facts and circumstances that may be subject to change. The litigations and claims to which the company is exposed are assessed by the management and in certain cases with the support of external experts. The amounts are determined by discounting the expected future cash flows at a pre-tax rate that reflects the current market assessments of the time value of money and the risks specific to the liability.

**(vi) Segment Reporting**

Management's judgement is exercised to aggregate two or more business segments as single operating segment, based on economic characteristics, products, production process and types of customer, which are similar in nature.

**(vii) Contingent Liabilities**

Management judgement is exercised for estimating the possible outflow of resources, if any, in respect of contingencies / claims / litigations against the Company as it is not possible to predict the outcome of pending matters with accuracy.

**(viii) Classification of Investment**

Management judgement is exercised in determining the following criteria while making classification of investments:

- the intention of the Company to sell the investment immediately;
- the sale is highly probable;
- it is unlikely that significant change to the sale plan will be made and;
- that plan will not be withdrawn.

Based on this judgement, the investments are classified as "Investment held for sale", if all the above criteria are met and continue to classify the investment as "Non-current investment", if the above criteria are not met.

**(ix) Impairment of Trade Receivables**

The impairment for trade receivables are done based on assumptions about risk of default and expected loss rates. The assumptions, selection of inputs for calculation of impairment are based on management judgement considering the past history, market conditions and forward looking estimates at the end of each reporting date.

**(x) Impairment of Non-financial assets (PPE / Intangible Assets / Investment Properties)**

The impairment of non-financial assets is determined based on estimation of recoverable amount of such assets. The assumptions used in computing the recoverable amount are based on management judgement considering the timing of future cash flows, discount rates and the risks specific to the asset.

**(xi) Impairment of Investments in Associates**

Significant management judgement is exercised in determining whether the investment in associates are impaired or not is on the basis of its nature of long term strategic investments and business projections.

**(xii) Defined Benefit Plans and Other Long Term Benefits**

The cost of the defined benefit plan and other long term benefits and the present value of such obligation are determined by the independent actuarial valuer. An actuarial valuation involves making various assumptions that may differ from actual developments in future. Management believes that the assumptions used by the actuary in determination of the discount rate, future salary increases, mortality rates and attrition rates are reasonable. Due to the complexities involved in the valuation and its long term nature, this obligation is highly sensitive to changes in these assumptions. All assumptions are reviewed at each reporting date.

**(xiii) Determination of lease term of contracts as non-cancellable term**

Significant management judgement is exercised in determining the lease term as non-cancellable term of the lease, together with any periods covered by an option to extend the lease if it is reasonably certain to be exercised, or any periods covered by an option to terminate the lease, if it is reasonably certain not to be exercised, by considering all relevant factors that create an economic incentive for it to exercise either the renewal or termination.

**(xiv) Fair value measurement of financial instruments / Firm Commitments**

When the fair values of financial assets and financial liabilities could not be measured based on quoted prices in active markets, management uses valuation techniques including the Discounted Cash Flow (DCF) model / Net Asset Value Method, to determine its fair value. The inputs to these models are taken from observable markets where possible, but where this is not feasible, a degree of judgement is exercised in establishing fair values. Judgements include considerations of inputs such as liquidity risk, credit risk and volatility.

In case of unrecognised firm commitments denominated in foreign currency, which also qualify as a hedged item, the fair value of such firm commitments outstanding at the reporting date are measured at functional currency based on the quoted price in the active market prevailing on the reporting date.

**(xv) Interests in Other Entities**

Significant management judgement is exercised in determining the interests in other entities. The management believes that wherever there is a significant influence over certain companies belonging to its group, such companies are treated as Associate companies even though it holds less than 20% of the voting rights.

**SRI VISHNU SHANKAR MILL LIMITED, RAJAPALAIYAM**

**NOTES TO SEPARATE FINANCIAL STATEMENTS**

**NOTE NO. 8**

**PROPERTY, PLANT AND EQUIPMENT**

| Particulars                   | Year    | Gross Block                     |           |                          | Depreciation |                           |                                 | Net Block                 |                                 |
|-------------------------------|---------|---------------------------------|-----------|--------------------------|--------------|---------------------------|---------------------------------|---------------------------|---------------------------------|
|                               |         | As at the beginning of the year | Additions | Deductions / Adjustments | Transfer     | As at the end of the year | As at the beginning of the year | As at the end of the year | As at the beginning of the year |
| Land - Free hold              | 2022-23 | 313.63                          | 9.03      | 1.26                     | -            | 321.40                    | -                               | -                         | 313.63                          |
|                               | 2021-22 | 313.63                          | -         | -                        | -            | 313.63                    | -                               | -                         | 313.63                          |
| Own Buildings                 | 2022-23 | 2,743.09                        | 1,037.20  | -                        | -            | 3,780.29                  | 1,281.52                        | 64.21                     | 1,345.73                        |
|                               | 2021-22 | 2,730.59                        | 12.51     | -                        | -            | 2,743.10                  | 1,230.61                        | 50.92                     | 1,281.53                        |
| Plant and Machinery           | 2022-23 | 28,146.49                       | 1,452.90  | 269.66                   | -            | 29,329.73                 | 15,938.36                       | 1,465.99                  | 136.13                          |
|                               | 2021-22 | 22,947.24                       | 5,921.66  | 722.41                   | -            | 28,146.49                 | 15,328.21                       | 1,151.47                  | 541.32                          |
| Electrical Machinery          | 2022-23 | 1,330.79                        | 127.33    | 7.87                     | -            | 1,450.25                  | 837.16                          | 58.33                     | 7.49                            |
|                               | 2021-22 | 970.98                          | 359.81    | -                        | -            | 1,330.79                  | 811.59                          | 25.57                     | -                               |
| Furniture & Office Equipments | 2022-23 | 217.62                          | 49.78     | -                        | -            | 267.40                    | 156.63                          | 19.65                     | 0.11                            |
|                               | 2021-22 | 182.33                          | 35.29     | -                        | -            | 217.62                    | 147.55                          | 9.08                      | -                               |
| Vehicles                      | 2022-23 | 135.31                          | 6.14      | 1.54                     | -            | 139.91                    | 74.11                           | 11.43                     | 1.26                            |
|                               | 2021-22 | 170.20                          | 14.10     | 48.99                    | -            | 135.31                    | 109.85                          | 10.75                     | 46.48                           |
| Total                         | 2022-23 | 32,886.93                       | 2,682.38  | 280.33                   | -            | 35,288.98                 | 18,287.78                       | 1,619.61                  | 144.84                          |
|                               | 2021-22 | 27,314.97                       | 6,343.37  | 771.40                   | -            | 32,886.94                 | 17,627.81                       | 1,247.79                  | 587.80                          |

Notes: (i) Borrowings cost of ₹ 0.00 Lakhs have been capitalised for current year (PY: ₹ 104.11 Lakhs)

(ii) All the moveable fixed assets have been pledged as security for borrowings.

(iii) The Company has opted to present the government grants related to assets as deduction from the carrying value of eligible assets in accordance with Ind AS20. No grants related to assets had been received during financial year 2022-23 (PY: NIL).

(iv) The Company has not revalued its Property, Plant and Equipment (including Right-of-Use Asset) since the Company has adopted cost model as its accounting policy to an entire class of Property, Plant and Equipment in accordance with Ind AS 16.

(v) All the title deeds of immovable properties are held in the name of the Company.

**SRI VISHNU SHANKAR MILL LIMITED, RAJAPALAIYAM**

**NOTES TO SEPARATE FINANCIAL STATEMENTS**

| (vi) Deductions / Adjustments in Gross Block comprises of: |  | (₹ in Lakhs)   |                 |                   |               |
|------------------------------------------------------------|--|----------------|-----------------|-------------------|---------------|
|                                                            |  | 2022-23        |                 | 2021-22           |               |
| Particulars                                                |  | Sale of Assets | Scrap of Assets | Government Grants | Total         |
| Land - Free hold                                           |  | 1.26           | -               | -                 | -             |
| Own Buildings                                              |  | -              | -               | -                 | -             |
| Plant and Machinery                                        |  | 269.66         | -               | -                 | 722.41        |
| Electrical Machinery                                       |  | 7.87           | -               | -                 | -             |
| Furniture & Office Equipments                              |  | -              | -               | -                 | -             |
| Vehicles                                                   |  | 1.54           | -               | -                 | 48.99         |
| <b>Total</b>                                               |  | <b>280.33</b>  | <b>-</b>        | <b>-</b>          | <b>771.40</b> |

(vii) Scrap of assets represent components of assets that were derecognised due to wear and tear and damages, since no future benefits is expected from those components and thus replaced by new components.

**SRI VISHNU SHANKAR MILL LIMITED, RAJAPALAIYAM**

**NOTES TO SEPARATE FINANCIAL STATEMENTS**

**NOTE NO. 9**

**CAPITAL WORK IN PROGRESS**

| Particulars              | Year    | As at the beginning of the year | Additions | Capitalised | As at the end of the year |
|--------------------------|---------|---------------------------------|-----------|-------------|---------------------------|
| Capital Work in Progress | 2022-23 | 453.75                          | 2,468.21  | 2,537.42    | 384.54                    |
|                          | 2021-22 | 380.00                          | 122.74    | 48.99       | 453.75                    |

(₹ in Lakhs)

Notes: (i) Refer Note No. 52(b) for information relating to Ageing Schedule.

**NOTE NO. 10**

**INVESTMENT PROPERTY**

| Particulars | Year    | Gross Block                     |           |      | Amortisation |                           |                                 | Net Block                 |                                 |
|-------------|---------|---------------------------------|-----------|------|--------------|---------------------------|---------------------------------|---------------------------|---------------------------------|
|             |         | As at the beginning of the year | Additions | Sold | Transfer IN  | As at the end of the year | As at the beginning of the year | As at the end of the year | As at the beginning of the year |
| Land        | 2022-23 | 122.24                          | -         | -    | -            | 122.24                    | -                               | -                         | 122.24                          |
|             | 2021-22 | 122.24                          | -         | -    | -            | 122.24                    | -                               | -                         | 122.24                          |
| Building    | 2022-23 | 95.33                           | -         | -    | -            | 95.33                     | 31.91                           | 2.80                      | 60.62                           |
|             | 2021-22 | 95.33                           | -         | -    | -            | 95.33                     | 29.10                           | 2.80                      | 63.42                           |
| Total       | 2022-23 | 217.57                          | -         | -    | -            | 217.57                    | 31.91                           | 2.80                      | 182.86                          |
|             | 2021-22 | 217.57                          | -         | -    | -            | 217.57                    | 29.10                           | 2.80                      | 185.67                          |

(₹ in Lakhs)

Notes: (i) The Company measured all of its Investment Properties at Cost in accordance with Ind AS 40.

(ii) The fair valuation of these investment property are determined by an internal technical team, who are specialists in valuing these types of investment properties by using the technique of quoted prices for similar assets in active markets or recent price of similar properties in less active markets and adjusted to reflect those differences. Since the valuation is done by internal technical team, the fair value of investment property as disclosed above is not based on valuation by a register valuer as defined under rule 2 of Companies (Registered Valuers and Valuation) Rules, 2017. All resulting fair value estimates for investment properties as given below:

| Particulars                         | 31-03-2023 | 31-03-2022 |
|-------------------------------------|------------|------------|
| Fair value of Investment Properties | 680.40     | 680.40     |

(iii) The Company has no restrictions on the realisability of its investment properties and no contractual obligations to purchase, construct or develop investment properties or for repairs, maintenance and enhancements.

(iv) Fair value hierarchy disclosures for investment properties have been provided in Note No. 47.

(v) Information regarding income and expenditure of investment property.

| Particulars                                                                        | 31-03-2023 | 31-03-2022 |
|------------------------------------------------------------------------------------|------------|------------|
| Rental Income from Investment Properties                                           | 1.80       | 1.80       |
| Direct Operating Expenses                                                          | 1.04       | 0.73       |
| Profit arising from Investment Properties before Deprecation and indirect expenses | 0.76       | 1.07       |
| Less: Depreciation                                                                 | 2.80       | 2.80       |
| Profit / (Loss) arising from Investment Properties before indirect expenses        | (2.04)     | (1.73)     |

**SRI VISHNU SHANKAR MILL LIMITED, RAJAPALAIYAM**

**NOTES TO SEPARATE FINANCIAL STATEMENTS**

**NOTE NO. 11**

**INTANGIBLE ASSETS**

(₹ in Lakhs)

| Particulars               | Year    | Gross Block                     |           |                                         | Amortisation              |                                 |                                     | Net Block                 |                           |
|---------------------------|---------|---------------------------------|-----------|-----------------------------------------|---------------------------|---------------------------------|-------------------------------------|---------------------------|---------------------------|
|                           |         | As at the beginning of the year | Additions | Deductions/ Adjustments during the year | As at the end of the year | As at the beginning of the year | For the year (Refer to Note No. 41) | Withdrawn during the year | As at the end of the year |
| Computer Software         | 2022-23 | 39.47                           | -         | -                                       | 39.47                     | -                               | 1.97                                | 0.11                      | 39.47                     |
|                           | 2021-22 | 39.47                           | -         | -                                       | 39.47                     | -                               | -                                   | -                         | 37.61                     |
| Power Transmission System | 2022-23 | 25.17                           | -         | -                                       | 25.17                     | -                               | 1.26                                | -                         | 25.17                     |
|                           | 2021-22 | 25.17                           | -         | -                                       | 25.17                     | -                               | -                                   | -                         | 23.92                     |
| Total - Intangible Assets | 2022-23 | 64.64                           | -         | -                                       | 64.64                     | -                               | 3.23                                | 0.11                      | 64.64                     |
|                           | 2021-22 | 64.64                           | -         | -                                       | 64.64                     | -                               | -                                   | -                         | 61.53                     |

Note: i) Deductions / Adjustments represents Intangible Assets derecognised from the financial statements since no future economic benefits is expected.

ii) The Company has not revalued its Intangible Asset since the Company has adopted cost model as its accounting policy to an entire class of Intangible Asset in accordance with Ind AS 38.

**SRI VISHNU SHANKAR MILL LIMITED, RAJAPALAIYAM**

**NOTES TO SEPARATE FINANCIAL STATEMENTS**

(₹ in Lakhs)

|  | As at<br>31-03-2023 | As at<br>31-03-2022 |
|--|---------------------|---------------------|
|--|---------------------|---------------------|

**NOTE NO. 12**

**ASSETS HELD FOR SALES**

|                                        |               |        |
|----------------------------------------|---------------|--------|
| Assets held for Sales - Andhra Pradesh | <b>164.88</b> | 164.88 |
|----------------------------------------|---------------|--------|

**NOTE NO. 13**

**INVESTMENT IN ASSOCIATES**

|                                                                     |                           | 31-03-2023       |                  | 31-03-2022  |           |
|---------------------------------------------------------------------|---------------------------|------------------|------------------|-------------|-----------|
| Particulars                                                         | Face Value<br>₹ per share | Numbers          | Amount           | Numbers     | Amount    |
| <b>I. Investment in Equity Instruments</b>                          |                           |                  |                  |             |           |
| <b>1) Quoted</b>                                                    |                           |                  |                  |             |           |
| The Ramco Cements Limited                                           | 1                         | <b>3,094,200</b> | <b>19.18</b>     | 3,094,200   | 19.18     |
| Rajapalayam Mills Limited                                           | 10                        | <b>37,174</b>    | <b>51.06</b>     | 34,696      | 36.96     |
| The Ramaraju Surgical Cotton Mills Limited                          | 10                        | <b>2,200</b>     | <b>0.36</b>      | 2,200       | 0.36      |
| Sub-Total (A)                                                       | —                         | —                | <b>70.60</b>     | —           | 56.50     |
| <b>2) Unquoted</b>                                                  |                           |                  |                  |             |           |
| JKR Enterprise Limited                                              | 1                         | <b>100</b>       | —                | 100         | —         |
| Sub-Total (B)                                                       | —                         | —                | —                | —           | —         |
| Grand-Total (A) + (B)                                               | (C )                      | —                | <b>70.60</b>     | —           | 56.50     |
| <b>II. Investment in Preference Shares</b>                          |                           |                  |                  |             |           |
| <b>1) Unquoted</b>                                                  |                           |                  |                  |             |           |
| JKR Enterprise Limited - 9% Cumulative Redeemable Preference Shares | 1                         | —                | —                | 7,95,00,000 | 795.00    |
| Sub-Total (D)                                                       | —                         | —                | —                | —           | 795.00    |
| Quoted Investments - Cost (A)                                       | —                         | —                | <b>70.60</b>     | —           | 56.50     |
| Market Value                                                        | —                         | —                | <b>23,621.14</b> | —           | 24,077.94 |
| Unquoted Investments - Cost (B) + (D)                               | ( E )                     | —                | —                | —           | 795.00    |
| Grand Total (C) + (D)                                               | —                         | —                | <b>70.60</b>     | —           | 851.50    |

Notes: (i) The Company has accounted for Investment in Associates at cost. Refer Note No. 47(A) for information on principal place of business / country of incorporation and the Company's interest / percentage of shareholding in the above associates.

(ii) The carrying amount of investment in Associates is tested for impairment in accordance with Ind AS 36. The investment in Associates are long term strategic in nature, no impairment is considered as at the reporting date, considering its long term future prospects.

**SRI VISHNU SHANKAR MILL LIMITED, RAJAPALAIYAM**

**NOTES TO SEPARATE FINANCIAL STATEMENTS**

**NOTE NO. 14**

**OTHER INVESTMENT (DESIGNATED AT FVTOCI)**

| Particulars                                                  | Face Value<br>₹ per share | 31-03-2023      |             | 31-03-2022 |        |
|--------------------------------------------------------------|---------------------------|-----------------|-------------|------------|--------|
|                                                              |                           | Numbers         | Amount      | Numbers    | Amount |
| <b>I. Investment in Equity Instruments - Unquoted</b>        |                           |                 |             |            |        |
| Ramco Windfarms Limited                                      | 1                         | <b>6,15,000</b> | <b>6.15</b> | 6,15,000   | 6.15   |
| Ramco Industrial and Technology Services Limited             | 10                        | <b>26,350</b>   | <b>2.11</b> | 26,350     | 5.80   |
| <b>Total Investment in Equity Investments - Unquoted (A)</b> |                           |                 | <b>8.26</b> |            | 11.95  |
| <b>Total Other Investments (A)</b>                           |                           |                 | <b>8.26</b> |            | 11.95  |
| Aggregate Market Value of Unquoted Investments               |                           |                 | 8.26        |            | 11.95  |

Notes: 1) Refer to Note No. 49 for information about fair value hierarchy under Disclosure of Fair Value Measurement.

2) Market Value of quoted investments for some equity instruments were not available due to no trading activities in stock market.

**(₹ in Lakhs)**

|  |                             |                     |
|--|-----------------------------|---------------------|
|  | <b>As at<br/>31-03-2023</b> | As at<br>31-03-2022 |
|--|-----------------------------|---------------------|

**NOTE NO. 15**

**OTHER FINANCIAL ASSETS - NON CURRENT**

**Unsecured, considered good**

|                                                   |               |        |
|---------------------------------------------------|---------------|--------|
| Security Deposits with Electricity Board / Others | <b>459.32</b> | 323.26 |
| Application Money for Securities Subscription     | <b>78.75</b>  | –      |
|                                                   | <b>538.07</b> | 323.26 |

Notes: i) The Company has made application for appreciation of 7,87,500 Nos. of equity share of M/s. Green Infra Clean Wind Generation Limited for purchase of solar power under Group Captive mode and the equity shares has been allotted to the Company during May 2023.

**(₹ in Lakhs)**

|  |                             |                     |
|--|-----------------------------|---------------------|
|  | <b>As at<br/>31-03-2023</b> | As at<br>31-03-2022 |
|--|-----------------------------|---------------------|

**NOTE NO. 16**

**OTHER NON-CURRENT ASSETS**

**Unsecured, considered good**

|                              |              |       |
|------------------------------|--------------|-------|
| Income Tax Refund Receivable | <b>31.55</b> | 39.18 |
|                              | <b>31.55</b> | 39.18 |

**SRI VISHNU SHANKAR MILL LIMITED, RAJAPALAIYAM**

**NOTES TO SEPARATE FINANCIAL STATEMENTS**

(₹ in Lakhs)

|                                                               | As at<br>31-03-2023 | As at<br>31-03-2022 |
|---------------------------------------------------------------|---------------------|---------------------|
| <b>NOTE NO. 17</b>                                            |                     |                     |
| INVENTORIES (VALUED AT LOWER OF COST OR NET REALISABLE VALUE) |                     |                     |
| Finished Goods - Yarn                                         | 1,245.61            | 973.40              |
| Rawmaterials - Cotton & Cotton Waste                          | 9,588.99            | 6,843.55            |
| Stores and Spares                                             | 88.85               | 91.51               |
| Works-in-progress (Cotton Yarn)                               | 1,623.46            | 2,014.28            |
|                                                               | <b>12,546.91</b>    | <b>9,922.74</b>     |

- Notes: i) The total carrying amount of inventories as at reporting date has been pledged as Security for Borrowings.  
ii) Raw Materials Stock value is after making provision for mark to market on Cotton stock of ₹ 5.71 Lakhs as at 31-03-2023 (PY : NIL).  
iii) The mode of valuation of Inventories has been stated in Note No. 5 (A).

(₹ in Lakhs)

|                                                              | As at<br>31-03-2023 | As at<br>31-03-2022 |
|--------------------------------------------------------------|---------------------|---------------------|
| <b>NOTE NO. 18</b>                                           |                     |                     |
| TRADE RECEIVABLES                                            |                     |                     |
| Secured, Considered good                                     | 395.96              | 2,109.44            |
| Unsecured, Considered good                                   | 2,240.24            | 3,312.76            |
| Unsecured and which have significant increase in credit risk | 17.77               | 17.77               |
| Less: Allowance for expected credit loss                     | (9.22)              | (9.22)              |
|                                                              | <b>2,644.75</b>     | <b>5,430.75</b>     |

- Notes: (i) Trade receivables are generally non-interest bearing.  
(ii) No trade receivable are due from Directors or other officers of the company either severally or jointly with any other person. Nor any trade or other receivable are due from firms or private companies respectively in which any director is a partner, a director or a member.  
(iii) The total carrying amount of trade receivables has been pledged as security for Borrowings.  
(iv) Trade Receivables aging schedule have been provided in Note No. 51(c).

(₹ in Lakhs)

|                           | As at<br>31-03-2023 | As at<br>31-03-2022 |
|---------------------------|---------------------|---------------------|
| <b>NOTE NO. 19</b>        |                     |                     |
| CASH AND CASH EQUIVALENTS |                     |                     |
| Cash on Hand              | 1.84                | 1.01                |
| Balance with Bank         |                     |                     |
| In Current Account        | 0.74                | 0.38                |
|                           | <b>2.58</b>         | <b>1.39</b>         |

**SRI VISHNU SHANKAR MILL LIMITED, RAJAPALAIYAM**

**NOTES TO SEPARATE FINANCIAL STATEMENTS**

(₹ in Lakhs)

|  | As at<br>31-03-2023 | As at<br>31-03-2022 |
|--|---------------------|---------------------|
|--|---------------------|---------------------|

**NOTE NO. 20**

**BANK BALANCE OTHER THAN CASH AND CASH EQUIVALENTS**

|                                                         |              |             |
|---------------------------------------------------------|--------------|-------------|
| Balances with Banks held as security against Borrowings | 17.71        | 8.29        |
| Earmarked balances with Banks for Unclaimed Dividend    | 1.42         | –           |
|                                                         | <b>19.13</b> | <b>8.29</b> |

(₹ in Lakhs)

|  | As at<br>31-03-2023 | As at<br>31-03-2022 |
|--|---------------------|---------------------|
|--|---------------------|---------------------|

**NOTE NO. 21**

**CURRENT TAX ASSETS**

|                                   |       |       |
|-----------------------------------|-------|-------|
| Tax Assets - Other Current Assets | 34.51 | 37.44 |
|-----------------------------------|-------|-------|

Note: Advance Income Tax, Self Assessment Tax and Tax deducted at source is net of Provision for tax of ₹ 34.51 Lakhs  
(PY : ₹ 37.44 Lakhs)

(₹ in Lakhs)

|  | As at<br>31-03-2023 | As at<br>31-03-2022 |
|--|---------------------|---------------------|
|--|---------------------|---------------------|

**NOTE NO. 22**

**OTHER CURRENT ASSETS**

**Unsecured, considered good**

|                                            |                 |                 |
|--------------------------------------------|-----------------|-----------------|
| Advance to Suppliers / Others              | 866.69          | 2,900.36        |
| Tax Credit and Refund due - Indirect Taxes | 1,250.21        | 1,291.94        |
| Accrued Income                             | 386.80          | 442.15          |
| Prepaid Expenses                           | 145.71          | 182.23          |
| Other Current Assets                       | 5.75            | 3.55            |
|                                            | <b>2,655.16</b> | <b>4,820.23</b> |

(₹ in Lakhs)

|  | As at<br>31-03-2023 | As at<br>31-03-2022 |
|--|---------------------|---------------------|
|--|---------------------|---------------------|

**NOTE NO. 23**

**EQUITY SHARE CAPITAL**

**Authorised**

|                                                                                        |        |        |
|----------------------------------------------------------------------------------------|--------|--------|
| 30,00,000 Equity Shares of ₹ 10/- each<br>(PY: 30,00,000 Equity Shares of ₹ 10/- each) | 300.00 | 300.00 |
|----------------------------------------------------------------------------------------|--------|--------|

**Issued, Subscribed and Fully paid-up**

|                                                                                        |               |               |
|----------------------------------------------------------------------------------------|---------------|---------------|
| 15,00,000 Equity Shares of ₹ 10/- each<br>(PY: 15,00,000 Equity Shares of ₹ 10/- each) | 150.00        | 150.00        |
|                                                                                        | <b>150.00</b> | <b>150.00</b> |

**SRI VISHNU SHANKAR MILL LIMITED, RAJAPALAIYAM**

**NOTES TO SEPARATE FINANCIAL STATEMENTS**

a) (5,00,000 Equity Shares of ₹ 10/- each were allotted as fully paid Bonus Shares by Capitalisation of Reserves).

b) Reconciliation of the number of shares outstanding: (₹ in Lakhs)

| Particulars                       | As at 31-03-2023 |        | As at 31-03-2022 |        |
|-----------------------------------|------------------|--------|------------------|--------|
|                                   | No. of Shares    | Amount | No. of Shares    | Amount |
| Number of Shares at the beginning | 15,00,000        | 150.00 | 15,00,000        | 150.00 |
| Number of Shares at the end       | 15,00,000        | 150.00 | 15,00,000        | 150.00 |

c) Rights / Restrictions attached to Equity Shares

The Company has one class of equity shares having a face value of ₹ 10/- each. Each Shareholder is eligible for one vote per share held. The Company declares and pays dividend in Indian Rupees. In the event of liquidation of the Company, the equity shareholders will be entitled to receive remaining assets of the Company, after distribution of all preferential amounts. The distribution will be in proportion to the number of equity shares held by the shareholders.

(₹ in Lakhs)

d) List of Shareholders holding more than 5 percent in the Company.

| Particulars    | As at 31-03-2023 |              | As at 31-03-2022 |              |
|----------------|------------------|--------------|------------------|--------------|
|                | No. of Shares    | % of holding | No. of Shares    | % of holding |
| R. Sudarsanam  | 81,000           | 5.40%        | 81,000           | 5.40%        |
| Sharadha Deepa | 6,83,550         | 45.57%       | 6,83,550         | 45.57%       |

e) Shareholders holding of Promoters as at 31-03-2023

| S.No.        | Name of the Promoters                      | No. of Shares   | % of total shares | % Change during the year |
|--------------|--------------------------------------------|-----------------|-------------------|--------------------------|
| 1            | P.R. Venketrama Raja                       | 48,000          | 3.20%             | —                        |
| 2            | R. Sudarsanam                              | 81,000          | 5.40%             | —                        |
| 3            | S.S. Ramachandra Raja                      | 13,470          | 0.90%             | —                        |
| 4            | R. Chittammal                              | 7,320           | 0.49%             | —                        |
| 5            | Nalina Ramalakshmi                         | 29,000          | 1.93%             | —                        |
| 6            | Sharadha Deepa                             | 683,550         | 45.57%            | —                        |
| 7            | B. Srisandhya Raju                         | 16,000          | 1.07%             | —                        |
| 8            | Srirama Raja                               | 2,660           | 0.18%             | —                        |
| 9            | The Ramco Cements Limited                  | 2,100           | 0.14%             | —                        |
| 10           | The Ramaraju Surgical Cotton Mills Limited | 11,200          | 0.75%             | —                        |
| 11           | Rajapalayam Mills Limited                  | 38,400          | 2.56%             | —                        |
| <b>Total</b> |                                            | <b>9,32,700</b> | <b>62.18%</b>     |                          |

**SRI VISHNU SHANKAR MILL LIMITED, RAJAPALAIYAM**

**NOTES TO SEPARATE FINANCIAL STATEMENTS**

**f) Shareholders holding of Promoters as at 31-03-2022**

| S.No.        | Name of the Promoters                      | No. of Shares   | % of total shares | % Change during the year |
|--------------|--------------------------------------------|-----------------|-------------------|--------------------------|
| 1            | P.R. Venketrama Raja                       | 48,000          | 3.20%             | —                        |
| 2            | R. Sudarsanam                              | 81,000          | 5.40%             | —                        |
| 3            | S.S. Ramachandra Raja                      | 13,470          | 0.90%             | —                        |
| 4            | R. Chittammal                              | 7,320           | 0.49%             | —                        |
| 5            | Nalina Ramalakshmi                         | 29,000          | 1.93%             | —                        |
| 6            | Sharadha Deepa                             | 683,550         | 45.57%            | —                        |
| 7            | B. Srisandhya Raju                         | 16,000          | 1.07%             | —                        |
| 8            | Srirama Raja                               | 2,660           | 0.18%             | —                        |
| 9            | The Ramco Cements Limited                  | 2,100           | 0.14%             | —                        |
| 10           | The Ramaraju Surgical Cotton Mills Limited | 11,200          | 0.75%             | —                        |
| 11           | Rajapalayam Mills Limited                  | 38,400          | 2.56%             | —                        |
| <b>Total</b> |                                            | <b>9,32,700</b> | <b>62.18%</b>     |                          |

**NOTE NO. 24**

**OTHER EQUITY**

(₹ in Lakhs)

**Capital Reserve**

| Particulars                             | 31-03-2023   | 31-03-2022   |
|-----------------------------------------|--------------|--------------|
| Balance as per Last Financial Statement | 23.77        | 23.77        |
| <b>Total</b>                            | <b>23.77</b> | <b>23.77</b> |

**Nature of Reserve**

Capital Reserve represents the difference between the shares allotted to the Share Holders of Transferor Company and Net Worth acquired from Transferor Company as per scheme of Amalgamation.

(₹ in Lakhs)

**Securities Premium**

| Particulars                             | 31-03-2023   | 31-03-2022   |
|-----------------------------------------|--------------|--------------|
| Balance as per Last Financial Statement | 25.00        | 25.00        |
| <b>Total</b>                            | <b>25.00</b> | <b>25.00</b> |

**Nature of Reserve**

Securities Premium was credited when shares are issued at a Premium. The Company can use this reserve to issue bonus shares, to provide for preliminary expenses, the commission paid or discount allowed and expenses related to any issue of shares of the Company.

**SRI VISHNU SHANKAR MILL LIMITED, RAJAPALAIYAM**

**NOTES TO SEPARATE FINANCIAL STATEMENTS**

| <b>General Reserve</b>                         |                   | <b>(₹ in Lakhs)</b> |
|------------------------------------------------|-------------------|---------------------|
| <b>Particulars</b>                             | <b>31-03-2023</b> | <b>31-03-2022</b>   |
| Balance as per Last Financial Statement        | 4,000.00          | 1,477.72            |
| Add: Amount transferred from Retained Earnings | –                 | 2,522.28            |
| <b>Total</b>                                   | <b>4,000.00</b>   | <b>4,000.00</b>     |

**Nature of Reserve**

General Reserve represents the statutory reserve in accordance with Companies Act, 2013 wherein a portion of profit is apportioned to general reserve. Under Companies Act, 1956 it was mandatory to transfer amount before a Company can declare dividend, however under Companies Act, 2013 transfer of any amount to General reserve is at the discretion of the Company.

| <b>FVTOCI Reserve</b>                        |                   | <b>(₹ in Lakhs)</b> |
|----------------------------------------------|-------------------|---------------------|
| <b>Particulars</b>                           | <b>31-03-2023</b> | <b>31-03-2022</b>   |
| Balance as per Last Financial Statement      | 3.17              | 5.01                |
| Add: Other Comprehensive Income for the year | (3.69)            | (1.84)              |
| <b>Total</b>                                 | <b>(0.52)</b>     | <b>3.17</b>         |

**Nature of Reserve**

Fair Value through Other Comprehensive Income Reserve represents the balance in equity for items to be accounted in Other Comprehensive Income (OCI). The Company has opted to recognise the changes in the fair value of certain investments in equity instruments and remeasurement of defined benefit obligations in OCI. The Company transfers amounts from this reserve to Retained Earnings in case of actuarial loss / gain and in case of fair value recognition of equity instrument, the same will be transferred when the respective equity instruments are derecognised.

| <b>Retained Earnings</b>                              |                   | <b>(₹ in Lakhs)</b> |
|-------------------------------------------------------|-------------------|---------------------|
| <b>Particulars</b>                                    | <b>31-03-2023</b> | <b>31-03-2022</b>   |
| Balance as per Last Financial Statement               | 2,256.48          | 2,659.00            |
| Profit / (Loss) for the year                          | (649.43)          | 2,143.94            |
| Transfer from FVTOCI Reserve                          | (14.86)           | (24.18)             |
| <b>Sub-Total</b>                                      | <b>1,592.19</b>   | <b>4,778.76</b>     |
| Less: Appropriations                                  |                   |                     |
| Dividend Distribution to Shareholders for FY: 2021-22 | (15.00)           | –                   |
| Transfer to General Reserve                           | –                 | (2,522.28)          |
| <b>Total</b>                                          | <b>1,577.19</b>   | <b>2,256.48</b>     |

**SRI VISHNU SHANKAR MILL LIMITED, RAJAPALAIYAM**

**NOTES TO SEPARATE FINANCIAL STATEMENTS**

(₹ in Lakhs)

|                                                                                                 | As at<br>31-03-2023 | As at<br>31-03-2022 |
|-------------------------------------------------------------------------------------------------|---------------------|---------------------|
| <b>Nature of Reserve</b>                                                                        |                     |                     |
| Represents that portion of the net income of the Company that has been retained by the Company. |                     |                     |
| <b>Total Other Equity</b>                                                                       | <b>5,625.44</b>     | 6,308.42            |

(₹ in Lakhs)

|  | As at<br>31-03-2023 | As at<br>31-03-2022 |
|--|---------------------|---------------------|
|--|---------------------|---------------------|

**NOTE NO. 25**

**NON CURRENT BORROWINGS**

**Secured**

|                      |                 |           |
|----------------------|-----------------|-----------|
| Term Loan from Banks | <b>9,957.66</b> | 11,713.90 |
|----------------------|-----------------|-----------|

**Unsecured**

|                 |                  |           |
|-----------------|------------------|-----------|
| Term Loan Banks | <b>100.00</b>    | 300.00    |
|                 | <b>10,057.66</b> | 12,013.90 |

- Notes: i) Term Loan from Banks of ₹ 9,957.66 Lakhs (PY: ₹ 11,713.90 Lakhs) are secured by *pari-passu* first charge on all the Fixed Assets of the Company and *pari-passu* second charge on the Current Assets of the Company.
- ii) The Company has used the borrowings from banks and financial institutions for the specific purpose for which it was taken as at the reporting date.
- iii) Registration, Modification and Satisfaction of charges relating to the year under review, had been filed with the ROC, within the prescribed time or within the extended time requiring the payment of additional fees.
- iv) Refer to Note No.50 for information about risk profile of borrowings under Financial Risk Management.
- v) The Long Term Borrowings from Banks are repayable in quarterly / monthly installments. The year wise repayment is as follows:

| Year         | Amount           | Amount    |
|--------------|------------------|-----------|
| 2023-24      | –                | 2,713.61  |
| 2024-25      | <b>3,346.00</b>  | 3,253.56  |
| 2025-26      | <b>3,603.00</b>  | 3,487.64  |
| 2026-27      | <b>1,356.00</b>  | 1,330.96  |
| 2027-28      | <b>804.00</b>    | 727.50    |
| 2028-29      | <b>457.00</b>    | 381.14    |
| 2029-30      | <b>263.00</b>    | 119.49    |
| 2030-31      | <b>95.18</b>     | –         |
| 2031-32      | <b>133.48</b>    | –         |
| <b>Total</b> | <b>10,057.66</b> | 12,013.90 |

**SRI VISHNU SHANKAR MILL LIMITED, RAJAPALAIYAM**

**NOTES TO SEPARATE FINANCIAL STATEMENTS**

**NOTE NO. 26**

**DEFERRED TAX LIABILITIES (NET)**

(₹ in Lakhs)

| Particulars                                                                                                                | As at<br>01-04-2021 | MAT Credit<br>withdrawn and<br>recognised in<br>Profit and Loss | Recognised<br>in Profit<br>and Loss | As at<br>31-03-2022 | Recognised<br>in Profit<br>and Loss | As at<br>31-03-2023 |
|----------------------------------------------------------------------------------------------------------------------------|---------------------|-----------------------------------------------------------------|-------------------------------------|---------------------|-------------------------------------|---------------------|
| Tax Impact on difference in written down value of Property, Plant & Equipment as per books and as per Income Tax Act, 1961 | 2,376.59            | –                                                               | 1,313.49                            | 3,690.08            | (173.47)                            | 3,516.61            |
| Tax impact on provision for compensated absences & Bonus                                                                   | (1,398.47)          | –                                                               | (1,285.77)                          | (2,684.24)          | 1,758.29                            | –925.95             |
| Tax impact on allowance for expected credit losses                                                                         | –                   | –                                                               | –                                   | –                   | –                                   | –                   |
| Tax impact on lease accounting as per Ind AS 116                                                                           | –                   | –                                                               | –                                   | –                   | –                                   | –                   |
| Tax Impact on Fair value of forward contracts                                                                              | –                   | –                                                               | –                                   | –                   | –                                   | –                   |
| Unused tax credits (i.e.) MAT Credit Entitlement                                                                           | –                   | –                                                               | –                                   | –                   | –                                   | –                   |
| Tax Impact on unabsorbed Depreciation / unadjusted losses                                                                  | (1,325.28)          | –                                                               | 612.11                              | (713.17)            | (1,870.65)                          | (2,583.82)          |
| Others                                                                                                                     | –                   | –                                                               | –                                   | –                   | –                                   | –                   |
| <b>Total</b>                                                                                                               | <b>(347.17)</b>     | <b>–</b>                                                        | <b>639.84</b>                       | <b>292.67</b>       | <b>(285.83)</b>                     | <b>6.84</b>         |

**Reconciliation of Deferred tax Liabilities (Net)**

(₹ in Lakhs)

| Particulars                                                                   | 31-03-2023      | 31-03-2022      |
|-------------------------------------------------------------------------------|-----------------|-----------------|
| <b>Balance at the beginning of the year</b>                                   | <b>292.67</b>   | <b>(347.17)</b> |
| Deferred Tax recognised in Statement of Profit and Loss - Expense / (Savings) | <b>(285.83)</b> | 639.84          |
| MAT Credit withdrawn and recognised in Profit and Loss                        | –               | –               |
| <b>Balance at the end of the year</b>                                         | <b>6.84</b>     | <b>292.67</b>   |

**Components of Tax Expenses / (Savings)**

(₹ in Lakhs)

| Particulars                                                                    | 31-03-2023      | 31-03-2022    |
|--------------------------------------------------------------------------------|-----------------|---------------|
| <b>(i) Profit or Loss Section</b>                                              |                 |               |
| <b>Current Tax</b>                                                             |                 |               |
| Current Income Tax charge                                                      | –               | 8.20          |
| Current Tax adjustments of earlier years                                       | –               | –             |
| <b>Deferred Tax</b>                                                            |                 |               |
| Relating to the origination and reversal of temporary differences              | <b>(285.83)</b> | 639.84        |
| MAT Credit withdrawn and recognised in Profit and Loss                         | –               | –             |
| Deferred Tax adjustments of earlier years                                      | –               | –             |
| <b>Total Tax Expenses / (Savings) recognised in Profit or Loss section</b>     | <b>(285.83)</b> | <b>656.17</b> |
| <b>(ii) Other Comprehensive Income Section</b>                                 |                 |               |
| Current Tax credit on remeasurement losses on defined benefit obligations, net | –               | –             |
| <b>Total Tax Credit to OCI</b>                                                 | <b>–</b>        | <b>–</b>      |

**SRI VISHNU SHANKAR MILL LIMITED, RAJAPALAIYAM**

**NOTES TO SEPARATE FINANCIAL STATEMENTS**

**(iii) Total Tax Expenses / (Savings) recognised in Statement of Profit and Loss (i) + (ii) (285.83) 656.17**

Reconciliation of the Income tax provision to the amount computed by applying the statutory Income tax rate to the Income before taxes is summarised below:

(₹ in Lakhs)

| Particulars                                                        | 31-03-2023      | 31-03-2022    |
|--------------------------------------------------------------------|-----------------|---------------|
| Accounting Profit before Tax (including OCI)                       | (953.81)        | —             |
| Corporate Tax Rate %                                               | 25.168%         | 25.168%       |
| <b>Computed Tax Expense</b>                                        | <b>(240.05)</b> | <b>—</b>      |
| Increase/(reduction) in taxes on account of:                       |                 |               |
| Non-deductible expenses                                            | —               | —             |
| Change in Tax Rate                                                 | —               | —             |
| Changes in WDV as per Books and IT                                 | 984.57          | —             |
| Change in carried forward unabsorbed Depreciation                  | (1,049.76)      | —             |
| Income chargeable to tax under different tax rates (Capital Gains) | —               | —             |
| Tax Expenses related to Capital Gains                              | —               | —             |
| Others                                                             | 19.41           | —             |
| <b>Tax Expenses recognised in the Statement of Profit and Loss</b> | <b>(285.83)</b> | <b>656.17</b> |

*Note: As per Section 115BAA of the Income Tax Act, 1961, the Company has an irrecoverable option of shifting to a lower tax rate (new tax regime) and simultaneously to forgo certain tax incentives, deductions and accumulated MAT Credit. In view of the overall tax benefits available under Section 115BAA, the Company had opted for shifting of new tax regime with effect from the AY 2021-22 (FY 2020-21). The deferred tax provision of ₹ (285.83) Lakhs for the year ended 31-03-2023 is after netting-off the this.*

(₹ in Lakhs)

|                                   | 31-03-2023 | 31-03-2022 |
|-----------------------------------|------------|------------|
| <b>NOTE NO. 27</b>                |            |            |
| <b>DEFERRED INCOME</b>            |            |            |
| Deferred Income Government Grants | 35.33      | 38.01      |

**SRI VISHNU SHANKAR MILL LIMITED, RAJAPALAIYAM**

**NOTES TO SEPARATE FINANCIAL STATEMENTS**

(₹ in Lakhs)

|  | As at<br>31-03-2023 | As at<br>31-03-2022 |
|--|---------------------|---------------------|
|--|---------------------|---------------------|

**NOTE NO. 28**

**CURRENT BORROWINGS**

**Secured**

|                                       |           |           |
|---------------------------------------|-----------|-----------|
| Loan from Banks *                     | 13,104.32 | 10,291.23 |
| Current Maturities of Long Term Loans | 2,656.52  | 2,399.16  |

**Unsecured**

|                                                                      |                  |                  |
|----------------------------------------------------------------------|------------------|------------------|
| Loan from Banks                                                      | 1,000.00         | 3,466.33         |
| Loans and Advances from Related Parties [Refer to Note No. 47(b)(i)] | 352.98           | 227.85           |
| Loan from Other Parties                                              | 6.95             | 54.45            |
| Current Maturities of Long Term Loans                                | 100.00           | 200.00           |
|                                                                      | <b>17,220.77</b> | <b>16,639.02</b> |

Notes: (i)\* Borrowings are secured by *pari-passu* first charge on the current assets of the Company and *pari-passu* second charge on the fixed assets of the Company.

(ii) The Company has used the Borrowings from banks for the specific purpose for which it was taken as at the reporting date.

(iii) Refer to Note No. 50 for information about risk profile of borrowings under Financial Risk Management.

(₹ in Lakhs)

|  | As at<br>31-03-2023 | As at<br>31-03-2022 |
|--|---------------------|---------------------|
|--|---------------------|---------------------|

**NOTE NO. 29**

**TRADE PAYABLES**

|                                                                           |               |               |
|---------------------------------------------------------------------------|---------------|---------------|
| (i) Dues of Micro Enterprises and Small Enterprises                       | 1.08          | 11.84         |
| (ii) Dues of creditors other than Micro Enterprises and Small Enterprises | 519.58        | 176.07        |
|                                                                           | <b>520.66</b> | <b>187.91</b> |

Notes: (i) The disclosures as per the requirement of the Micro, Small and Medium Enterprises Development Act, 2006 are furnished in Note No. 52.

(ii) Refer to Note No. 50 for information about risk profile of Trade payables under Financial Risk Management.

(iii) Trade Payables aging schedule given in Note No. 51(a).

**SRI VISHNU SHANKAR MILL LIMITED, RAJAPALAIYAM**

**NOTES TO SEPARATE FINANCIAL STATEMENTS**

(₹ in Lakhs)

|                                                                      | As at<br>31-03-2023 | As at<br>31-03-2022 |
|----------------------------------------------------------------------|---------------------|---------------------|
| <b>NOTE NO. 30</b>                                                   |                     |                     |
| OTHER CURRENT FINANCIAL LIABILITIES                                  |                     |                     |
| Interest Accrued                                                     | 9.93                | 4.79                |
| Unclaimed Dividends                                                  | 1.42                | –                   |
| Advance / trade deposit received from Customers                      | –                   | 201.91              |
| Statutory Liabilities Payable                                        | 401.58              | 366.58              |
| Derivatives Designated as Hedges - Foreign Exchange Forward Contract | –                   | 27.92               |
| Other payables                                                       | 109.58              | 88.93               |
|                                                                      | <b>522.51</b>       | 690.13              |

Notes: (i) Unclaimed dividends represents amount not due for transfer to Investor Education and Protection Fund.

(ii) The Company has recognised financial guarantee obligation at fair value towards the corporate guarantees issued to the bankers on behalf of Related parties, and the same is recognised as other Income over the tenure of the corporate guarantee.

(₹ in Lakhs)

|                                                           | As at<br>31-03-2023 | As at<br>31-03-2022 |
|-----------------------------------------------------------|---------------------|---------------------|
| <b>NOTE NO. 31</b>                                        |                     |                     |
| PROVISIONS                                                |                     |                     |
| Provision for Employee Benefits                           | 280.80              | 110.12              |
| Provision for Compensated absences (Refer to Note No. 45) | 82.11               | 144.01              |
| Provision for Electricity Payable                         | 266.09              | 206.41              |
| Other Expenses                                            | 33.71               | 64.49               |
|                                                           | <b>662.71</b>       | 525.03              |

Notes: (i) The Company provides for expenses towards compensated absence provided to its employees. The expense is recognized at the present value of the amount payable determined based on an independent external actuarial valuation as at the Balance Sheet date, using Projected unit credit method.

(ii) Movement in Provisions for compensated absences.

Carrying amount as the beginning of the year

|                                        |                |         |
|----------------------------------------|----------------|---------|
| Add: Current Service Cost              | 144.01         | 154.63  |
| Add: Interest Cost                     | 16.61          | 13.68   |
| Add: Actuarial Loss                    | 10.19          | 9.62    |
| Loss: Benefits paid                    | (77.38)        | (0.69)  |
| Carrying amount as the end of the year | <b>(11.32)</b> | (33.23) |
|                                        | <b>82.11</b>   | 144.01  |

**SRI VISHNU SHANKAR MILL LIMITED, RAJAPALAIYAM**

**NOTES TO SEPARATE FINANCIAL STATEMENTS**

(₹ in Lakhs)

As at  
31-03-2023      As at  
31-03-2022

**NOTE NO. 32**

**PROVISION FOR TAXES**

|                                        |      |      |
|----------------------------------------|------|------|
| Income Tax Provision for earlier years | 8.20 | 8.20 |
|----------------------------------------|------|------|

(₹ in Lakhs)

2022-23      2021-22

**NOTE NO. 33**

**REVENUE FROM OPERATION**

**Sale of Products**

|              |                  |                  |
|--------------|------------------|------------------|
| Yarn         | 30,007.66        | 28,204.40        |
| Waste Cotton | 435.07           | 582.88           |
|              | <b>30,442.73</b> | <b>28,787.28</b> |

**Other Operating Revenue**

|                           |                  |                  |
|---------------------------|------------------|------------------|
| Export Incentive          | 2.47             | 67.53            |
| Scrap Sales               | 7.46             | 41.93            |
| Job Work Charges Received | 16.04            | 299.53           |
|                           | <b>30,468.70</b> | <b>29,196.27</b> |

Note : The disaggregation of revenue as required under Ind AS 115 is given below:

(₹ in Lakhs)

2022-23      2021-22

**Gross Revenue from Operations**

|                         |           |           |
|-------------------------|-----------|-----------|
| Domestic Sales          | 19,245.64 | 14,727.14 |
| Export Sales            | 7,564.26  | 8,793.32  |
| Merchant Export Sales   | 3,197.76  | 4,683.94  |
| Waste Cotton Sales      | 435.07    | 582.88    |
| Rebates & Discounts     | 32.95     | 19.64     |
| GST Collected           | 1,032.98  | 784.58    |
| Other Operating Revenue | 25.97     | 408.99    |

|                                      |                  |                  |
|--------------------------------------|------------------|------------------|
| <b>Gross Revenue from Operations</b> | <b>35,534.63</b> | <b>30,000.49</b> |
|--------------------------------------|------------------|------------------|

|                           |          |          |
|---------------------------|----------|----------|
| Less: Rebates & Discounts | 32.95    | 19.64    |
| Less: GST                 | 1,032.98 | 1,065.93 |
|                           | 784.58   | 804.22   |

|                                             |                  |                  |
|---------------------------------------------|------------------|------------------|
| <b>Net of GST - Revenue from Operations</b> | <b>30,468.70</b> | <b>29,196.27</b> |
|---------------------------------------------|------------------|------------------|

(₹ in Lakhs)

2022-23      2021-22

**NOTE NO. 34**

**FINANCE INCOME**

|                   |        |        |
|-------------------|--------|--------|
| Interest Receipts | 153.55 | 153.55 |
|-------------------|--------|--------|

**SRI VISHNU SHANKAR MILL LIMITED, RAJAPALAIYAM**

**NOTES TO SEPARATE FINANCIAL STATEMENTS**

(₹ in Lakhs)

|                                                      | 2022-23       | 2021-22       |
|------------------------------------------------------|---------------|---------------|
| <b>NOTE NO. 35</b>                                   |               |               |
| <b>OTHER INCOME</b>                                  |               |               |
| Rent Receipts                                        | 20.59         | 12.81         |
| Dividend Income                                      | 93.19         | 0.18          |
| Exchange Gain on Foreign Currency Transactions (Net) | 50.60         | –             |
| Carbon Credit Sale                                   | –             | 12.05         |
| Government Grants                                    | 2.68          | 2.68          |
| Profit on Sale of Cotton                             | 169.75        | 179.30        |
| Canteen Income                                       | 56.10         | –             |
| Miscellaneous Income                                 | 63.20         | 4.01          |
|                                                      | <b>456.11</b> | <b>211.03</b> |

(₹ in Lakhs)

|                                   | 2022-23   | 2021-22   |
|-----------------------------------|-----------|-----------|
| <b>NOTE NO. 36</b>                |           |           |
| <b>COST OF MATERIALS CONSUMED</b> |           |           |
| <b>Rawmaterials Consumed</b>      |           |           |
| Cotton & Cotton Waste             | 18,762.43 | 15,878.42 |

(₹ in Lakhs)

|                                   | 2022-23  | 2021-22  |
|-----------------------------------|----------|----------|
| <b>NOTE NO. 37</b>                |          |          |
| <b>PURCHASE OF STOCK-IN-TRADE</b> |          |          |
| Purchases of Stock-in-Trade       | 1,110.22 | 3,089.09 |

(₹ in Lakhs)

|                                                                      | 2022-23           | 2021-22           |
|----------------------------------------------------------------------|-------------------|-------------------|
| <b>NOTE NO. 38</b>                                                   |                   |                   |
| <b>CHANGES IN INVENTORIES OF FINISHED GOODS AND WORK-IN-PROGRESS</b> |                   |                   |
| <b>Opening Stock</b>                                                 |                   |                   |
| Finished Goods                                                       | 973.40            | 124.54            |
| Work-in-Progress                                                     | 2,014.28 2,987.68 | 690.35 814.89     |
| <b>Closing Stock</b>                                                 |                   |                   |
| Finished Goods                                                       | 1,245.61          | 973.40            |
| Work-in-Progress                                                     | 1,623.46 2,869.07 | 2,014.28 2,987.68 |
| <b>Net (Increase) / Decrease in Stock</b>                            | <b>118.61</b>     | <b>(2,172.79)</b> |

**SRI VISHNU SHANKAR MILL LIMITED, RAJAPALAIYAM**

**NOTES TO SEPARATE FINANCIAL STATEMENTS**

(₹ in Lakhs)

|  | 2022-23 | 2021-22 |
|--|---------|---------|
|--|---------|---------|

**NOTE NO. 39**

**EMPLOYEE BENEFITS**

**For Employees Other than Managing Director**

|                                              |          |          |
|----------------------------------------------|----------|----------|
| Salaries, Wages and Bonus                    | 2,254.45 | 1,948.34 |
| Contribution to Provident and Other Funds    | 265.24   | 225.00   |
| Staff and Labour Welfare & Training Expenses | 306.99   | 2,826.68 |

**For Managing Director**

|                                           |          |          |
|-------------------------------------------|----------|----------|
| Managing Director Remuneration            | 180.00   | 180.00   |
| Contribution to Provident and Other Funds | 7.50     | 7.50     |
| Sitting Fees                              | 0.75     | 188.25   |
|                                           | 3,014.93 | 2,529.90 |

*Note: Refer to Note No.45 for disclosures pertaining to defined contribution plan and defined benefit obligations under Ind AS 19.*

(₹ in Lakhs)

|  | 2022-23 | 2021-22 |
|--|---------|---------|
|--|---------|---------|

**NOTE NO. 40**

**FINANCE COSTS**

|                                  |          |          |
|----------------------------------|----------|----------|
| Interest on Debts and Borrowings | 1,997.73 | 1,413.65 |
|----------------------------------|----------|----------|

Notes: (i) Interest on Term Loans represent interest calculated using the effective interest rate method.

(ii) Refer to Note No. 50 for information about interest rate risk exposure under Financial Risk anagement.

(₹ in Lakhs)

|  | 2022-23 | 2021-22 |
|--|---------|---------|
|--|---------|---------|

**NOTE NO. 41**

**DEPRECIATION**

|                                                                     |          |          |
|---------------------------------------------------------------------|----------|----------|
| Depreciation of Plant, Property and Equipment [Refer to Note No. 8] | 1,619.61 | 1,247.79 |
| Depreciation on Investment Properties [Refer to Note No. 10]        | 2.80     | 2.80     |
| Amortization Intangible Assets [Refer to Note No. 11]               | 3.23     | –        |
|                                                                     | 1,625.64 | 1,250.59 |

**SRI VISHNU SHANKAR MILL LIMITED, RAJAPALAIYAM**

**NOTES TO SEPARATE FINANCIAL STATEMENTS**

(₹ in Lakhs)

|                                                   | 2022-23         | 2021-22         |
|---------------------------------------------------|-----------------|-----------------|
| <b>NOTE NO. 42</b>                                |                 |                 |
| <b>OTHER EXPENSES</b>                             |                 |                 |
| <b>Manufacturing Expenses</b>                     |                 |                 |
| Power and Fuel                                    | 2,125.71        | 1,539.39        |
| Packing Materials Consumption                     | 448.43          | 349.04          |
| Repairs to Buildings                              | 123.49          | 107.94          |
| Repairs to Plant and Machinery                    | 779.86          | 602.06          |
| Repairs - Wind Mills & Others                     | 609.19          | 495.32          |
| Jobwork Charges Paid                              | 303.41          | 334.33          |
|                                                   | <b>4,390.09</b> | <b>3,428.08</b> |
| <b>Establishment Expenses</b>                     |                 |                 |
| Rates and Taxes                                   | 81.25           | 59.55           |
| Insurance                                         | 113.49          | 112.05          |
| Postage and Telephone                             | 13.22           | 11.23           |
| Printing and Stationery                           | 11.07           | 10.47           |
| Travelling Expenses                               | 28.12           | 19.03           |
| Vehicle Maintenance                               | 36.31           | 30.08           |
| Loss on Sale of Cotton                            | -               | 7.60            |
| Exchange Loss on Foreign Currency Transactions    | -               | 43.77           |
| Directors Sitting Fees to Non-Executive Directors | 8.70            | 7.50            |
| Rent Paid                                         | 6.36            | 11.71           |
| Audit Fees and Legal Expenses                     | 35.23           | 24.41           |
| Corporate Social Responsibility Expenses          | 6.42            | 13.40           |
| Mark to Market Loss on Cotton                     | 5.71            | -               |
| Miscellaneous Expenses                            | 72.50           | 26.61           |
|                                                   | <b>418.38</b>   | <b>377.41</b>   |
| <b>Selling Expenses</b>                           |                 |                 |
| Sales Commission                                  | 295.81          | 282.04          |
| Export Expenses                                   | 274.18          | 480.17          |
| Other Selling Expenses                            | 142.46          | 87.91           |
| Impairment allowance for trade receivables        | -               | 9.22            |
|                                                   | <b>712.45</b>   | <b>859.34</b>   |
|                                                   | <b>5,520.92</b> | <b>4,664.83</b> |

Note: The details of CSR Expenditure are disclosed in Note No. 51(h).

**SRI VISHNU SHANKAR MILL LIMITED, RAJAPALAIYAM**

**NOTES TO SEPARATE FINANCIAL STATEMENTS**

(₹ in Lakhs)

2022-23      2021-22

**NOTE NO. 43**

**AUDIT FEES AND EXPENSES (NET OF TAX CREDITS)**

**Statutory Auditors**

|                           |      |      |
|---------------------------|------|------|
| Statutory Audit fee       | 8.57 | 8.09 |
| Other Certification Work  | 8.93 | 1.98 |
| Reimbursement of Expenses | 1.93 | 0.37 |

**Tax Auditors**

|               |      |      |
|---------------|------|------|
| Tax Audit fee | 1.40 | 2.11 |
|---------------|------|------|

**Cost Auditors**

|                |      |      |
|----------------|------|------|
| Cost Audit fee | 0.90 | 0.90 |
|----------------|------|------|

**Secretarial Auditors**

|                          |              |              |
|--------------------------|--------------|--------------|
| Secretarial Audit fee    | 0.40         | 0.30         |
| Other Certification Work | –            | 0.03         |
|                          | <b>22.13</b> | <b>13.78</b> |

(₹ in Lakhs)

2022-23      2021-22

**NOTE NO. 44**

**CONTINGENT LIABILITIES**

|                                                      |          |          |
|------------------------------------------------------|----------|----------|
| Guarantees given by the bankers on behalf of company | 127.64   | 36.96    |
| Disputed GST Liability                               | 3.64     | 33.30    |
| Other Demands                                        | 1,827.00 | 1,742.00 |

- i. Income Tax Assessment have been completed upto the Accounting Year ended 31<sup>st</sup> March, 2022 i.e. AY 2022-23
- ii. Sales Tax /VAT Assessment has been completed upto the Accounting year 2017-18. The Assessment under CST Act was completed upto the Accounting year 2017-18.
- iii. In respect of Electricity matters, Appeals / Writ petition are pending with TNERC / APTEL / High Court for various matters for which no provision has been made in the books of accounts to the extent of ₹ 1,827 Lakhs (PY: ₹ 1,742 Lakhs). In view of the various case laws decided in favour of the Company and in the opinion of the management, there may not be any tax liability on this matter.
- iv. In respect of Income Tax matter, assessment is pending with Assistant Commissioner of Income Tax, Madurai for the demand of the tax for the amount of ₹ 59.20 Lakhs for the AY 2019-20 (PY: Nil) towards the error in calculation of Book Profit u/s. 115JB of the Income Tax Act, 1961. The demand will be set aside on our rectification petition.
- v. Due to GST Surprise Inspection, there is disputed demand of ₹ 655.92 Lakhs alongwith interest and penalties for the assessment years from 2017-18 to 2021-22. Due to disputed nature of demand and the demand will not be sustained further proceeds no provision was made.

**SRI VISHNU SHANKAR MILL LIMITED, RAJAPALAIYAM**

**NOTES TO SEPARATE FINANCIAL STATEMENTS**

(₹ in lakhs)

**2022-23**      2021-22

**NOTE NO. 45**

As per Ind AS 19, the disclosures pertaining to "Employee Benefits" are given below:

**Defined Contribution Plan:**

|                                                |               |        |
|------------------------------------------------|---------------|--------|
| Employer's Contribution to Provident Fund      | <b>174.84</b> | 154.86 |
| Employer's Contribution to Superannuation Fund | <b>12.47</b>  | 9.68   |

**Defined Benefit Plan - Gratuity**

The Gratuity payable to employees is based on the employee's service and last drawn salary at the time of leaving the services of the Company and is in accordance with the rules of the Company read with Payment of Gratuity Act, 1972. This is a defined plan in nature. The Company makes annual contributions to "Sri Vishnu Shankar Mill Limited Employees' Gratuity Fund" administered by the Trustees and managed by LIC of India, based on the Actuarial Valuation by an Independent external actuary as at the Balance Sheet date using Projected Unit Credit method. The Company has the exposure of actuarial risk such as adverse salary growth, change in demography experience, inadequate return on underlying plan assets. This may result in an increase in cost of providing these benefits to employees in future. Since the benefits are lump sum in nature, the plan is not subject to any longevity risks.

(₹ in lakhs)

**2022-23**      2021-22

**Details of Leave encashment plan (Unfunded) are as follows:**

**Reconciliation of Opening and Closing balances of Present Value of Obligation:**

|                                 |                  |          |
|---------------------------------|------------------|----------|
| As at the beginning of the year | <b>144.01</b>    | 154.63   |
| Current Service Cost            | <b>16.62</b>     | 13.68    |
| Interest Cost                   | <b>10.20</b>     | 9.62     |
| Actuarial (Gain) / Loss         | <b>(-) 77.38</b> | -0.69    |
| Benefits paid                   | <b>(-) 11.32</b> | (-)33.23 |
| AS at the end of the year       | <b>82.11</b>     | 144.01   |

**Reconciliation of Opening and Closing Balances of Fair Value of Plan Assets:**

|                                 |                  |          |
|---------------------------------|------------------|----------|
| As at the beginning of the year | <b>Nil</b>       | Nil      |
| Expected return on plan assets  | <b>Nil</b>       | Nil      |
| Actuarial (Gain) / Loss         | <b>Nil</b>       | Nil      |
| Employer Contribution           | <b>11.32</b>     | 33.23    |
| Benefits paid                   | <b>(-) 11.32</b> | (-)33.23 |
| As at the end of the year       | <b>Nil</b>       | Nil      |

**SRI VISHNU SHANKAR MILL LIMITED, RAJAPALAIYAM**

**NOTES TO SEPARATE FINANCIAL STATEMENTS**

(₹ in lakhs)

**31-03-2023** 31-03-2022

**Details of the post retirement gratuity plan (Funded) are as follows:**

**Reconciliation of Opening and Closing balances of present value of Obligation:**

|                                 |                  |           |
|---------------------------------|------------------|-----------|
| As at the beginning of the year | <b>530.08</b>    | 475.68    |
| Current Service Cost            | <b>38.20</b>     | 32.04     |
| Interest Cost                   | <b>37.39</b>     | 31.63     |
| Actuarial (Gain) / Loss         | <b>19.44</b>     | 34.34     |
| Benefits paid                   | <b>(-) 45.62</b> | (-) 43.62 |
| As at the end of the year       | <b>579.49</b>    | 530.08    |

**Reconciliation of Opening and Closing Balances of Fair Value of Plan Assets:**

|                                 |                  |           |
|---------------------------------|------------------|-----------|
| As at the beginning of the year | <b>543.94</b>    | 544.95    |
| Expected return on plan assets  | <b>38.43</b>     | 36.60     |
| Actuarial (Gain) / Loss         | <b>(-) 0.42</b>  | 2.03      |
| Employer Contribution           | <b>0.61</b>      | 3.98      |
| Benefits paid                   | <b>(-) 45.62</b> | (-) 43.62 |
| As at the end of the year       | <b>536.95</b>    | 543.94    |

**Actual Return on Plan Assets:**

|                                        |                 |          |
|----------------------------------------|-----------------|----------|
| Expected Return on Plan Assets         | <b>38.43</b>    | 36.60    |
| Actuarial Gain / (Loss) on Plan Assets | <b>(-) 0.42</b> | (-) 2.03 |
| Actual Return on Plan Assets           | <b>38.01</b>    | 38.63    |

**Reconciliation of Fair Value of Assets and Obligations:**

|                                            |               |        |
|--------------------------------------------|---------------|--------|
| Fair value of plan assets                  | <b>536.95</b> | 530.08 |
| Present value of obligation                | <b>579.49</b> | 579.49 |
| Present value of Funded defined obligation | <b>42.55</b>  | -13.86 |

**Expenses recognized during the year:**

|                                                     |                 |          |
|-----------------------------------------------------|-----------------|----------|
| Current Service Cost                                | <b>38.20</b>    | 32.04    |
| Net Interest on obligations                         | <b>(-) 1.04</b> | (-) 4.97 |
| Expenses recognized in Statement of Profit and Loss | <b>37.16</b>    | 27.07    |

**Amount recognized in the Other Comprehensive Income:**

|                                                 |              |          |
|-------------------------------------------------|--------------|----------|
| Actuarial changes arising from:                 |              |          |
| Experience adjustments on Plan Assets           | <b>0.42</b>  | (-) 2.03 |
| Actuarial (Gain) / Loss                         | <b>19.44</b> | 34.34    |
| Gain / (Loss) recognized in OCI during the year | <b>19.86</b> | 32.31    |

**SRI VISHNU SHANKAR MILL LIMITED, RAJAPALAIYAM**

**NOTES TO SEPARATE FINANCIAL STATEMENTS**

(₹ in lakhs)

**31-03-2023** 31-03-2022

**Major Categories of Plan Assets:**

|                |               |        |
|----------------|---------------|--------|
| GOI Securities | –             | –      |
| Funds with LIC | <b>536.95</b> | 543.94 |
| Others         | –             | –      |
| <b>Total</b>   | <b>536.95</b> | 543.94 |

**Actuarial assumptions:**

|                                                      |              |       |
|------------------------------------------------------|--------------|-------|
| LIC 2012-14 table applied for Service Mortality Rate | <b>Yes</b>   | Yes   |
| Discount rate p.a.                                   | <b>7.24%</b> | 7.37% |
| Expected Rate of Return on Plan Assets p.a.          | <b>7.24%</b> | 7.37% |
| Rate of escalation in salary p.a.                    | <b>3.85%</b> | 3.85% |
| Rate of Employee Turnover                            | <b>0.01%</b> | 0.01% |

**Estimate of Expected Benefit payments**

|              |               |        |
|--------------|---------------|--------|
| Year 1       | <b>32.99</b>  | 16.80  |
| Year 2       | <b>104.04</b> | 49.70  |
| Year 3       | <b>29.31</b>  | 88.54  |
| Year 4       | <b>33.98</b>  | 25.14  |
| Year 5       | <b>41.48</b>  | 42.48  |
| Next 5 Years | <b>246.49</b> | 245.91 |

**Quantitative Sensitivity Analysis for Significant Assumptions**

|                                      |              |       |
|--------------------------------------|--------------|-------|
| 0.50% Increase in Discount Rate      | <b>38.08</b> | 35.80 |
| 0.50% Decrease in Discount Rate      | <b>43.27</b> | 40.85 |
| 0.50% Increase in Salary Growth Rate | <b>43.36</b> | 40.94 |
| 0.50% Decrease in Salary Growth Rate | <b>37.99</b> | 35.71 |

The above sensitivity analysis is based on a change in an assumption while holding all other assumptions constant. When calculating the sensitivity of the defined benefit obligation to significant actuarial assumptions the same method (projected unit cred method) has been applied as when calculating the defined benefit obligation recognized within the Balance Sheet.

**SRI VISHNU SHANKAR MILL LIMITED, RAJAPALAIYAM**

**NOTES TO SEPARATE FINANCIAL STATEMENTS**

**Defined Benefit Plan (Leave encashment plan):** (₹ in Lakhs)

| <b>Particulars</b>                                                                    | <b>2022-23</b>   | <b>2021-22</b> |
|---------------------------------------------------------------------------------------|------------------|----------------|
| <b>Reconciliation of Opening and Closing balances of Present Value of Obligation:</b> |                  |                |
| As at the beginning of the year                                                       | <b>144.01</b>    | 154.63         |
| Current Service Cost                                                                  | <b>16.62</b>     | 13.68          |
| Interest Cost                                                                         | <b>10.20</b>     | 9.62           |
| Actuarial Loss                                                                        | <b>(-) 77.38</b> | (-) 0.69       |
| Benefits paid                                                                         | <b>(-) 11.32</b> | (-) 33.23      |
| As at the end of the year                                                             | <b>82.13</b>     | 144.01         |
| <b>Reconciliation of Opening and Closing Balances of Fair Value of Plan Assets:</b>   |                  |                |
| As at the beginning of the year                                                       | <b>NIL</b>       | NIL            |
| Expected return on plan assets                                                        | <b>NIL</b>       | NIL            |
| Actuarial Gain / (Loss)                                                               | <b>NIL</b>       | NIL            |
| Employer Contribution                                                                 | <b>11.32</b>     | 33.23          |
| Benefits paid                                                                         | <b>(-) 11.32</b> | (-) 33.23      |
| As at the end of the year                                                             | <b>NIL</b>       | NIL            |
| <b>Actual Return of plan assets:</b>                                                  |                  |                |
| Expected return of plan assets                                                        | <b>Nil</b>       | Nil            |
| Actuarial Gain / (Loss) on plan assets                                                | <b>Nil</b>       | Nil            |
| Actual return on plan assets                                                          | <b>Nil</b>       | Nil            |
| <b>Reconciliation of Fair Value of Assets and Obligations:</b>                        |                  |                |
| Fair Value of plan assets                                                             | <b>Nil</b>       | Nil            |
| Present Value of obligation                                                           | <b>82.11</b>     | 144.01         |
| Difference, Amount recognized in Balance Sheet                                        | <b>82.11</b>     | 144.01         |
| <b>Expenses recognized during the year:</b>                                           |                  |                |
| Current Service Cost                                                                  | <b>16.62</b>     | 13.68          |
| Net Interest on obligations                                                           | <b>10.20</b>     | 9.62           |
| Actuarial (Gain) / Loss recognized during the year                                    | <b>(-) 77.38</b> | (-) 0.69       |
| Expense / (Gain) recognized in the Statement of Profit and loss                       | <b>(-) 50.57</b> | 22.61          |

**SRI VISHNU SHANKAR MILL LIMITED, RAJAPALAIYAM**

**NOTES TO SEPARATE FINANCIAL STATEMENTS**

(₹ in lakhs)

**31-03-2023** 31-03-2022

**Amount recognized in the Other Comprehensive Income:**

|                                            |            |     |
|--------------------------------------------|------------|-----|
| Actuarial changes arising from:            |            |     |
| Experience adjustments on Plan Liabilities | <b>NIL</b> | NIL |
| Experience adjustments on Plan Assets      | <b>NIL</b> | NIL |
| Changes in financial assumptions           | <b>NIL</b> | NIL |
| Changes in demographic assumptions         | <b>NIL</b> | NIL |
| Amount recognized in OCI during the year   | <b>NIL</b> | NIL |

**Investment details:**

|                |            |     |
|----------------|------------|-----|
| Funds with LIC | <b>NIL</b> | NIL |
| Bank balance   | <b>NIL</b> | NIL |
| <b>Total</b>   | <b>NIL</b> | NIL |

**Actuarial assumptions:**

|                                             |              |       |
|---------------------------------------------|--------------|-------|
| Discount rate p.a.                          | <b>7.37%</b> | 7.37% |
| Expected rate of return on plan assets p.a. | <b>Nil</b>   | Nil   |
| Rate of escalation in salary p.a.           | <b>3.85%</b> | 3.85% |
| Rate of employee turnover                   | <b>0.01%</b> | 0.01% |

**Estimate of Expected Benefit payments**

|              |              |       |
|--------------|--------------|-------|
| Year 1       | <b>1.40</b>  | 1.91  |
| Year 2       | <b>41.56</b> | 6.82  |
| Year 3       | <b>0.64</b>  | 87.50 |
| Year 4       | <b>2.54</b>  | 1.70  |
| Year 5       | <b>0.99</b>  | 4.57  |
| Next 5 Years | <b>21.96</b> | 32.73 |

**Quantitative Sensitivity Analysis for Significant Assumptions**

|                                      |              |       |
|--------------------------------------|--------------|-------|
| 0.50% Increase in Discount Rate      | <b>16.01</b> | 15.69 |
| 0.50% Decrease in Discount Rate      | <b>18.06</b> | 17.64 |
| 0.50% Increase in Salary Growth Rate | <b>18.09</b> | 17.61 |
| 0.50% Decrease in Salary Growth Rate | <b>15.97</b> | 15.65 |

The above sensitivity analysis is based on a change in an assumption while holding all other assumptions constant. When calculating the sensitivity of the defined benefit obligation to significant actuarial assumptions the same method (projected unit cred method) has been applied as when calculation the defined benefit obligation recognized within the balance sheet.

**SRI VISHNU SHANKAR MILL LIMITED, RAJAPALAIYAM**

**NOTES TO SEPARATE FINANCIAL STATEMENTS**

**NOTE NO. 46**

**EARNINGS PER SHARE**

| <b>Particulars</b>                                      | <b>31-03-2023</b> | <b>31-03-2022</b> |
|---------------------------------------------------------|-------------------|-------------------|
| Net profit after tax (₹ In Lakhs) (A)                   | <b>(649.43)</b>   | 2,143.94          |
| Weighted average number of Equity shares [In Lakhs] (B) | <b>15.00</b>      | 15.00             |
| Nominal value per equity share (in ₹)                   | <b>10.00</b>      | 10.00             |
| Basic & Diluted Earnings per share (A)/(B) (in ₹)       | <b>(43.00)</b>    | 143.00            |

**NOTE NO. 47**

**RELATED PARTY TRANSACTIONS**

Information on names of Related parties and nature of Relationship as required by Ind AS 24 on Related party disclosures for the year ended 31<sup>st</sup> March, 2023:

**A) Associates Company**

| <b>Name of the Company</b>                 | <b>Place of Business /<br/>Country of Incorporation</b> | <b>% of Shareholding as at</b> |                   |
|--------------------------------------------|---------------------------------------------------------|--------------------------------|-------------------|
|                                            |                                                         | <b>31-03-2023</b>              | <b>31-03-2022</b> |
| The Ramco Cements Limited                  | India                                                   | <b>1.31%</b>                   | 1.31%             |
| Rajapalayam Mills Limited                  | India                                                   | <b>0.40%</b>                   | 0.40%             |
| The Ramaraju Surgical Cotton Mills Limited | India                                                   | <b>0.06%</b>                   | 0.06%             |
| JKR Enterprise Limited                     | India                                                   | <b>0.001%</b>                  | 0.001%            |

**B) Key Managerial Personnel (including KMP under Companies Act, 2013)**

| <b>Name of the Key Management Personnel</b> | <b>Designation</b>     |
|---------------------------------------------|------------------------|
| Shri P.R. Venketrama Raja                   | Chairman               |
| Smt. Sharadha Deepa                         | Managing Director      |
| Shri S.S. Ramachandra Raja                  | Non-Executive Director |
| Smt. R. Chittammal                          | Non-Executive Director |
| Shri N.K. Shrikantan Raja                   | Independent Director   |
| Shri Srirama Raja                           | Non-Executive Director |
| Shri Arunkumar Goenka                       | Non-Executive Director |
| Shri S. Kanthimathinathan                   | Non-Executive Director |
| Shri P.A.S. Alaghar Raja                    | Independent Director   |

**C) Relatives of Key Managerial Personnel**

| <b>Name of the Relative of KMP</b> | <b>Relationship</b>                 |
|------------------------------------|-------------------------------------|
| Smt. Nalina Ramalakshmi            | Sister of Shri P.R. Venketrama Raja |

**SRI VISHNU SHANKAR MILL LIMITED, RAJAPALAIYAM**

**NOTES TO SEPARATE FINANCIAL STATEMENTS**

**D) Companies over which KMP / Relatives of KMP exercise significant influence**

|                               |                                                  |
|-------------------------------|--------------------------------------------------|
| Sandhya Spinning Mill Limited | Ramco Industries Limited                         |
| Shri Harini Media Limited     | Rajapalayam Textile Limited                      |
| Ramco Windfarms Limited       | Ramco Industrial and Technology Services Limited |
| Shri Harini Textiles Limited  |                                                  |

**E) Employee Benefit Funds where control exists**

|                                                               |
|---------------------------------------------------------------|
| Sri Vishnu Shankar Mill Limited Officers' Superannuation Fund |
| Sri Vishnu Shankar Mill Limited Employees' Gratuity Fund      |

**F) Other entities over which there is a significant influence**

|                                                        |
|--------------------------------------------------------|
| PACR Sethurammam Charity Trust,                        |
| Ramco Organic Farming Centre,                          |
| PACR Centenary Trust, Vinvint Chemilab Private Limited |

Disclosure in respect of Related Party Transactions (excluding Reimbursements) during the year and outstanding balances including commitments as at the reporting date:

**a. Transactions during the year at Arm's length basis or its equivalent**

|                                                                                  | (₹ in Lakhs) |          |
|----------------------------------------------------------------------------------|--------------|----------|
|                                                                                  | 2022-23      | 2021-22  |
| <b>i. Good Supplied / Services rendered</b>                                      |              |          |
| <b>Associates</b>                                                                |              |          |
| The Ramco Cements Limited                                                        | 40.25        | 18.17    |
| Rajapalayam Mills Limited                                                        | 4,105.54     | 2,248.71 |
| The Ramaraju Surgical Cotton Mills Limited                                       | 891.85       | 197.47   |
| <b>Companies over which KMP / Relative of KMP exercise significant Influence</b> |              |          |
| Ramco Industries Limited                                                         | 1,156.45     | 1,944.53 |
| Sandhya Spinning Mill Limited                                                    | 1,495.62     | 648.95   |
| Rajapalayam Textile Limited                                                      | 455.77       | 1,252.07 |
| <b>ii. Sale of Fixed Assets</b>                                                  |              |          |
| <b>Companies over which KMP / Relative of KMP exercise significant Influence</b> |              |          |
| Ramco Industries Limited                                                         | 0.35         | —        |
| Rajapalayam Mills Limited                                                        | 23.25        | —        |
| Sandhya Spinning Mill Limited                                                    | 16.52        | 19.94    |
| Rajapalayam Textile Limited                                                      | 3.25         | —        |

**SRI VISHNU SHANKAR MILL LIMITED, RAJAPALAIYAM**

**NOTES TO SEPARATE FINANCIAL STATEMENTS**

|                                                                                  |          | (₹ in Lakhs) |         |
|----------------------------------------------------------------------------------|----------|--------------|---------|
|                                                                                  |          | Value        |         |
| Name of the Related party                                                        |          | 2022-23      | 2021-22 |
| <b>iii. Cost of Goods &amp; Services purchased / availed</b>                     |          |              |         |
| <b>Associates</b>                                                                |          |              |         |
| The Ramco Cements Limited                                                        | 4.62     | 9.73         |         |
| The Ramaraju Surgical Cotton Mills Limited                                       | 413.88   | 905.99       |         |
| Rajapalayam Mills Limited                                                        | 1,124.42 | 3,912.59     |         |
| <b>Companies over which KMP / Relative of KMP exercise significant influence</b> |          |              |         |
| Ramco Industries Limited                                                         | 639.58   | 825.04       |         |
| Ramco Systems Limited                                                            | 16.21    | 14.25        |         |
| Ramco Windfarms Limited                                                          | 288.86   | 285.95       |         |
| Sandhya Spinning Mill Limited                                                    | 91.65    | 963.04       |         |
| Rajapalayam Textile Limited                                                      | 685.75   | 627.11       |         |
| Sri Harini Media Limited                                                         | 0.37     | 0.74         |         |
| <b>Other entities over which there is significant influence</b>                  |          |              |         |
| PACR Sethuramammal Charity Trust                                                 | 113.75   | 64.55        |         |
| Ramco Organic Farming Centre                                                     | 0.11     | 0.11         |         |
| Vincent Chemilab Private Limited                                                 | 2.09     | 1.90         |         |
| <b>iv. Purchase of Fixed Assets</b>                                              |          |              |         |
| <b>Other entities over which there is a significant influence</b>                |          |              |         |
| Rajapalayam Mills Limited                                                        | 10.74    | –            |         |
| Ramco Industries Limited                                                         | 1.69     | –            |         |
| <b>v. Dividend Received</b>                                                      |          |              |         |
| <b>Associates</b>                                                                |          |              |         |
| The Ramco Cements Limited                                                        | 92.82    | –            |         |
| Rajapalayam Mills Limited                                                        | 0.35     | 0.17         |         |
| The Ramaraju Surgical Cotton Mills Limited                                       | 0.02     | 0.01         |         |
| <b>vi. Rent Received</b>                                                         |          |              |         |
| JKR Enterprise Limited                                                           | 2.12     | 2.12         |         |
| <b>vii. Leasing Arrangements - Rent Paid</b>                                     |          |              |         |
| <b>Relative of Key Managerial Personnel</b>                                      |          |              |         |
| Smt. Nalina Ramalakshmi                                                          | 0.76     | 1.51         |         |

**SRI VISHNU SHANKAR MILL LIMITED, RAJAPALAIYAM**

**NOTES TO SEPARATE FINANCIAL STATEMENTS**

(₹ in Lakhs)

| Name of the Related party                                                     | Value   |         |
|-------------------------------------------------------------------------------|---------|---------|
|                                                                               | 2022-23 | 2021-22 |
| <b>viii. Reimbursement of Expenses Paid / (Received)</b>                      |         |         |
| The Ramco Cements Limited                                                     | 14.84   | 7.92    |
| Rajapalayam Mills Limited                                                     | 4.11    | 34.94   |
| Rajapalayam Textile Limited                                                   | 3.65    | –       |
| <b>ix. Interest Paid</b>                                                      |         |         |
| <b>Key Managerial Personnel</b>                                               |         |         |
| Smt. Sharadha Deepa                                                           | 13.14   | 7.76    |
| Shri S.S. Ramachandra Raja                                                    | 0.16    | 1.93    |
| Smt. R. Chittammal                                                            | 6.63    | 13.50   |
| <b>x. Sitting Fees</b>                                                        |         |         |
| <b>Key Managerial Personnel</b>                                               |         |         |
| Shri P.R. Venketrama Raja                                                     | 0.90    | 0.75    |
| Smt. Sharadha Deepa                                                           | 0.75    | 0.60    |
| Shri S.S. Ramachandra Raja                                                    | 0.90    | 0.75    |
| Smt. R. Chittammal                                                            | 0.75    | 0.60    |
| Shri Srirama Raja                                                             | 0.75    | 0.60    |
| Shri N.K. Shrikantan Raja                                                     | 1.95    | 1.65    |
| Shri S. Kanthimathinathan                                                     | 1.05    | 1.05    |
| Shri Arunkumar Goenka                                                         | 0.60    | 0.60    |
| Shri P.A.S. Alaghar Raja                                                      | 1.80    | 1.50    |
| <b>xi. Remuneration to Key Managerial Personnel (Other than Sitting Fees)</b> |         |         |
| <b>Key Managerial Personnel</b>                                               |         |         |
| Smt. Sharadha Deepa, Managing Director                                        | 203.10  | 203.10  |
| <b>xii. Contribution to Superannuation Fund / Gratuity Fund</b>               |         |         |
| <b>Other entities over which there is a significant influence</b>             |         |         |
| Sri Vishnu Shankar Mill Limited Officers' Superannuation Fund                 | 10.55   | 9.68    |
| Sri Vishnu Shankar Mill Limited Employees' Gratuity Fund                      | 56.41   | 1.14    |

**SRI VISHNU SHANKAR MILL LIMITED, RAJAPALAIYAM**

**NOTES TO SEPARATE FINANCIAL STATEMENTS**

(₹ in Lakhs)

| Name of the Related party | Value   |         |
|---------------------------|---------|---------|
|                           | 2022-23 | 2021-22 |

**xiii. Maximum amount of loans and advance / (borrowings) outstanding during the year**

|                                 |                 |           |
|---------------------------------|-----------------|-----------|
| <b>Key Managerial Personnel</b> |                 |           |
| Smt. Sharadha Deepa             | <b>(321.96)</b> | (1850.07) |
| Shri S.S. Ramachandra Raja      | <b>(2.25)</b>   | ( 2.12)   |
| Smt. R. Chittammal              | <b>(141.08)</b> | (144.09)  |

**b. Outstanding balance including commitments**

**i. Borrowings**

|                                 |               |        |
|---------------------------------|---------------|--------|
| <b>Key Managerial Personnel</b> |               |        |
| Shri S.S. Ramachandra Raja      | <b>2.26</b>   | 2.11   |
| Smt. R. Chittammal              | <b>103.43</b> | 125.34 |
| Smt. Sharadha Deepa             | <b>247.29</b> | 100.39 |

**c. Disclosure of Key Managerial Personnel compensation in total and for each of the following categories:**

| Particulars                                                    | 31-03-2023    | 31-03-2022 |
|----------------------------------------------------------------|---------------|------------|
| Short - Term Benefits <sup>[1]</sup>                           | <b>180.75</b> | 180.60     |
| Defined Contribution Plan <sup>[2]</sup>                       | <b>7.50</b>   | 7.50       |
| Defined Benefit Plan / Other Long-Term Benefits <sup>[3]</sup> | <b>—</b>      | —          |
| <b>Total</b>                                                   | <b>188.25</b> | 188.10     |

1. It includes bonus, sitting fees, and value of perquisites.
2. It includes contribution to Provident fund and Superannuation fund.
3. As the liability for gratuity and compensated absences are provided on actuarial basis for the Company as a whole, amounts accrued pertaining to key managerial personnel are not included above. However, amounts paid towards compensated absences is included whenever Company makes such payments to KMPs.

**SRI VISHNU SHANKAR MILL LIMITED, RAJAPALAIYAM**

**NOTES TO SEPARATE FINANCIAL STATEMENTS**

**NOTE NO. 48**

SEGMENT INFORMATION FOR THE YEAR ENDED 31-03-2023

(**₹ in Lakhs**)

| Particulars                               | Textiles         |                  | Power from Windmills |                 | Total            |                  |
|-------------------------------------------|------------------|------------------|----------------------|-----------------|------------------|------------------|
|                                           | 31-Mar-2023      | 31-Mar-2022      | 31-Mar-2023          | 31-Mar-2022     | 31-Mar-2023      | 31-Mar-2022      |
| <b>REVENUE</b>                            |                  |                  |                      |                 |                  |                  |
| External Sales (Net)                      | 30,468.70        | 29,196.27        | -                    | -               | 30,468.70        | 29,196.27        |
| Inter Segment Sale                        | -                | -                | 1,446.21             | 1,356.51        | 1,446.21         | 1,356.51         |
| <b>Total Sales</b>                        | <b>30,468.70</b> | <b>29,196.27</b> | <b>1,446.21</b>      | <b>1,356.51</b> | <b>31,914.91</b> | <b>30,552.78</b> |
| Other Income                              | 609.66           | 364.58           | -                    | -               | 609.66           | 364.58           |
| <b>Total Revenue</b>                      | <b>31,078.36</b> | <b>29,560.85</b> | <b>1,446.21</b>      | <b>1,356.51</b> | <b>32,524.57</b> | <b>30,917.36</b> |
| <b>RESULT</b>                             |                  |                  |                      |                 |                  |                  |
| Segment Profit                            | 316.14           | 3,455.72         | 754.56               | 758.04          | 1,070.70         | 4,213.76         |
| Unallocated Income                        | -                | -                | -                    | -               | (153.55)         | (153.55)         |
| Unallocated Expenses                      | -                | -                | -                    | -               | -                | -                |
| Operating Profit                          | -                | -                | -                    | -               | 917.15           | 4,060.21         |
| Interest Expenses                         | -                | -                | -                    | -               | 1,997.73         | 1,413.66         |
| Interest Income                           | -                | -                | -                    | -               | 153.55           | 153.55           |
| Provision for Taxation                    |                  |                  |                      |                 |                  |                  |
| Current Tax                               | -                | -                | -                    | -               | -                | -                |
| Income Tax related to earlier years       | -                | -                | -                    | -               | -                | 8.20             |
| Deferred Tax                              | -                | -                | -                    | -               | (285.83)         | 639.84           |
| MAT Credit entitlement                    | -                | -                | -                    | -               | -                | -                |
| MAT Credit entitlement-py                 | -                | -                | -                    | -               | -                | -                |
| Profit from ordinary activities           | -                | -                | -                    | -               | (874.84)         | 2,152.06         |
| Other Comprehensive Income                | -                | -                | -                    | -               | (23.55)          | (34.15)          |
| Exceptional Items                         | -                | -                | -                    | -               | -                | -                |
| <b>Net Profit</b>                         |                  |                  |                      |                 | <b>(667.98)</b>  | <b>2,117.91</b>  |
| <b>OTHER INFORMATION</b>                  |                  |                  |                      |                 |                  |                  |
| Segment Assets                            | 33,212.29        | 35,053.08        | 1,601.05             | 1,800.21        | 34,813.34        | 36,853.29        |
| Unallocated Assets                        | -                | -                | -                    | -               | -                | -                |
| <b>Total Assets</b>                       |                  |                  |                      |                 | <b>34,813.34</b> | <b>36,853.29</b> |
| Segment Liabilities                       | 18,934.85        | 18,050.29        | -                    | -               | 18,934.85        | 18,050.29        |
| Unallocated Liabilities                   | -                | -                | -                    | -               | -                | -                |
| <b>Total Liabilities</b>                  |                  |                  |                      |                 | <b>18,934.84</b> | <b>18,050.29</b> |
| Capital Expenditure                       | 2,613.15         | 6,472.85         | -                    | -               | 2,613.15         | 6,472.85         |
| Unallocated Capital Expenditure           | -                | -                | -                    | -               | -                | -                |
| Depreciation                              | 1,423.25         | 1,051.43         | 199.16               | 199.16          | 1,625.64         | 1,250.59         |
| Unallocated Depreciation Expenditure      | -                | -                | -                    | -               | -                | -                |
| Non-Cash expenses other than Depreciation | -                | -                | -                    | -               | -                | -                |

**NOTE NO. 49**

**DISCLOSURE OF FAIR VALUE MEASUREMENTS**

The fair values of financial assets and liabilities are determined at the amount at which the instrument could be exchanged in a current transaction between willing parties, other than in a forced or liquidation sale. Fair value of cash and short-term deposits, trade and other short term receivables, trade payables, other current liabilities, short term loans from banks and other financial instruments approximate their carrying amounts largely due to their short term maturities of these instruments.

**SRI VISHNU SHANKAR MILL LIMITED, RAJAPALAIYAM**

**NOTES TO SEPARATE FINANCIAL STATEMENTS**

Financial Instruments by category

(**₹ in Lakhs**)

| <b>Particulars</b>               | <b>Amortised Cost</b> | <b>FVTPL</b> | <b>FVTOCI</b> | <b>Carrying Amount</b> | <b>Fair Value</b> |
|----------------------------------|-----------------------|--------------|---------------|------------------------|-------------------|
| <b>As at 31-03-2023</b>          |                       |              |               |                        |                   |
| <b>Financial Assets</b>          |                       |              |               |                        |                   |
| Investments In Preference Shares | 795.00                | –            | (795.00)      | –                      | –                 |
| Other Investments                | 11.95                 | –            | (3.69)        | 8.26                   | 8.26              |
| Loans                            | –                     | –            | –             | –                      | –                 |
| Trade Receivables                | 2644.75               | –            | –             | 2644.75                | 2644.75           |
| Cash and Bank balances           | 21.71                 | –            | –             | 21.71                  | 21.71             |
| Other Financial Assets           | 459.32                | –            | –             | 459.32                 | 459.32            |
| <b>Financial Liabilities</b>     |                       |              |               |                        |                   |
| Borrowings                       | 10,057.66             | –            | –             | 10,057.66              | 10,057.66         |
| Trade Payables                   | 520.66                | –            | –             | 520.66                 | 520.66            |
| Other Financial Liabilities      | 522.51                | –            | –             | 522.51                 | 522.51            |
| <b>As at 31-03-2022</b>          |                       |              |               |                        |                   |
| <b>Financial Assets</b>          |                       |              |               |                        |                   |
| Investments In Preference Shares | 795.00                |              |               | 795.00                 | 795.00            |
| Other Investments                | –                     | –            | 11.95         | 11.95                  | 11.95             |
| Loans                            | –                     | –            | –             | –                      | –                 |
| Trade Receivables                | 5,430.75              | –            | –             | 5,430.75               | 5,430.75          |
| Cash and Bank balances           | 9.68                  | –            | –             | 9.68                   | 9.68              |
| Other Financial Assets           | –                     | –            | –             | –                      | –                 |
| <b>Financial Liabilities</b>     |                       |              |               |                        |                   |
| Borrowings                       | 12,013.90             | –            | –             | 12,013.90              | 12,013.90         |
| Trade Payables                   | 187.91                | –            | –             | 187.91                 | 187.91            |
| Other Financial Liabilities      | 690.13                | –            | –             | 690.13                 | 690.13            |

**Fair value hierarchy**

The Company uses the following hierarchy for determining and disclosing the fair value of financial instruments by valuation technique:

Level 1 : Quoted (Unadjusted) prices in active markets for identical assets or liabilities.

Level 2 : Other techniques for which all inputs which have a significant effect on the recorded fair value are observable, either directly or indirectly.

Level 3 : Techniques which use inputs that have a significant effect on the recorded fair value that are not based on observable market data.

**SRI VISHNU SHANKAR MILL LIMITED, RAJAPALAIYAM**

**NOTES TO SEPARATE FINANCIAL STATEMENTS**

The details of financial instruments that are measured at fair value on recurring basis are given below: **(₹ in Lakhs)**

| Particulars                              | Level 1 | Level 2 | Level 3 | Total  |
|------------------------------------------|---------|---------|---------|--------|
| <b>Financial Instruments at FVTOCI</b>   |         |         |         |        |
| <b>Investment in unlisted securities</b> |         |         |         |        |
| As at 31-03-2023                         | –       | –       | 87.01   | 87.01  |
| As at 31-03-2022                         | –       | –       | 806.95  | 806.95 |

**Valuation techniques used to determine the fair value**

The significant inputs used in the fair value measurement categorized within the fair value hierarchy are given below:

| Nature of Financial Instrument     | Valuation Technique | Remarks                                                      |
|------------------------------------|---------------------|--------------------------------------------------------------|
| Investment in Listed securities    | Market Value        | Closing Price as at 31 <sup>st</sup> March in Stock Exchange |
| Investment in Unlisted securities  | At Book Value       | Insignificant Value                                          |
| Foreign exchange forward contracts | Mark to Market      | Based on MTM valuations provided by the Banker               |

**NOTE NO. 50**

**FINANCIAL RISK MANAGEMENT**

The Board of Directors (BOD) has overall responsibility for the establishment and oversight of the Company's risk management framework and thus established a risk management policy to identify and analyze the risk faced by the Company. Risk Management systems are reviewed by the BOD periodically to reflect changes in market conditions and the Company's activities. The Company through its training and management standards and procedures develop a disciplined and constructive control environment in which all employees understand their roles and obligations. The Audit Committee oversees how management monitors compliance with the Company's risk management policies and procedures, and reviews the risk management framework. The Audit committee is assisted in the oversight role by Internal Audit. Internal Audit undertakes reviews of the risk management controls and procedures, the results of which are reported to the Audit Committee.

**The Company has the following financial risks:**

| Categories of Risk | Nature of Risk                              |
|--------------------|---------------------------------------------|
| Credit Risk        | Receivables                                 |
|                    | Financial Instruments and Cash deposits     |
| Liquidity Risk     | Fund Management                             |
| Market Risk        | Foreign Currency Risk                       |
|                    | Cash flow and fair value interest rate risk |

The Board of Directors regularly reviews these risks and approves the risk management policies, which covers the management of these risks:

**Credit Risk**

Credit Risk is the risk of financial loss to the Company if the customer or counter party to the financial instruments fails to meet its contractual obligations and arises principally from the Company's receivables, treasury operations and other operations that are in the nature of lease.

**SRI VISHNU SHANKAR MILL LIMITED, RAJAPALAIYAM**

**NOTES TO SEPARATE FINANCIAL STATEMENTS**

**Receivables**

The Company's exposure to credit risk is influenced mainly by the individual characteristic of each customer. The Company extends credit to its customers in the normal course of business by considering the factors such as financial reliability of customers. The Company evaluates the concentration of the risk with respect to trade receivables as low, as its customers are located in several jurisdictions and operate in largely independent markets. In case of Corporate / Export Customer, credit risks are mitigated by way of enforceable securities. However, unsecured credits are extended based on creditworthiness of the customers on case-to-case basis.

Trade receivables are written off when there is no reasonable expectation of recovery, such as a debtor declaring bankruptcy or failing to engage in a repayment plan with the company and where there is a probability of default, the company creates a provision based on Expected Credit Loss for trade receivables under simplified approach as below:

(₹ in Lakhs)

| Particulars                                            | Due less than<br>45 days | 46 to<br>90 days | 91 to<br>180 days | More than<br>180 days | Total    |
|--------------------------------------------------------|--------------------------|------------------|-------------------|-----------------------|----------|
| <b>As at 31-03-2023</b>                                |                          |                  |                   |                       |          |
| Gross carrying amount                                  | 2,272.30                 | 182.36           | 68.72             | 121.37                | 2,644.75 |
| Expected Loss Rate                                     | 0%                       | 0%               | 0%                | 0%                    | 0%       |
| Expected Credit Losses                                 | —                        | —                | —                 | —                     | —        |
| Carrying amount of trade receivables net of impairment | 2,272.30                 | 182.36           | 68.72             | 121.37                | 2,644.75 |
| <b>As at 31-03-2022</b>                                |                          |                  |                   |                       |          |
| Gross carrying amount                                  | 3,618.79                 | 1,735.71         | 76.25             | —                     | 5,430.75 |
| Expected Loss Rate                                     | 0%                       | 0%               | 0%                | 0%                    | 0%       |
| Expected Credit Losses                                 | —                        | —                | —                 | —                     | —        |
| Carrying amount of trade receivables net of impairment | 3,618.79                 | 1,735.71         | 76.25             | —                     | 5,430.75 |

**Financial Instruments and Cash deposits**

Investments of surplus funds are made only with the approved counterparties. The Company is presently exposed to counter party risk relating to short term and medium term deposits placed with Banks. The Company places its cash equivalents based on the creditworthiness of the financial institutions.

**Liquidity Risk**

Liquidity Risks are those risk that the Company will not be able to settle or meet its obligations on time or at reasonable price. In the management of liquidity risk, the Company monitors and maintains a level of cash and cash equivalents deemed adequate by the management to finance the company's operations and to mitigate the effects of fluctuations in cash flows.

Due to the dynamic nature of the underlying business, the Company aims at maintaining flexibility in funding by keeping both committed and uncommitted credit lines available. The Company has laid well defined policies and procedures facilitated by robust information system for timely and qualitative decision making by the management including its day to day operations.

**SRI VISHNU SHANKAR MILL LIMITED, RAJAPALAIYAM**

**NOTES TO SEPARATE FINANCIAL STATEMENTS**

**Financial arrangements**

The Company has access to the following undrawn borrowing facilities: (₹ in Lakhs)

| Particulars                         | 31-03-2023 | 31-03-2022 |
|-------------------------------------|------------|------------|
| <b>Expiring within one year</b>     |            |            |
| Bank Overdraft and other facilities | 17,220.77  | 16,639.02  |
| Term Loans                          | 2,756.52   | 2,599.16   |
| <b>Expiring beyond year</b>         |            |            |
| Term Loans                          | –          | –          |

**Maturities of Financial Liabilities**

(₹ in Lakhs)

| Nature of Financial Liability                | < 1 Year  | 1 - 5 Years | >5 years | Total     |
|----------------------------------------------|-----------|-------------|----------|-----------|
| <b>As at 31-3-2023</b>                       |           |             |          |           |
| Borrowings from Banks / Related Parties      | 17,220.77 | 6,226.00    | 3,831.66 | 27,278.43 |
| Trade payables                               | 520.65    | –           | –        | 520.65    |
| Other Financial Liabilities (Incl. Interest) | 522.51    | –           | –        | 522.51    |
| <b>As at 31-3-2022</b>                       |           |             |          |           |
| Borrowings from Banks                        | 16,639.02 | 11,513.27   | 500.63   | 28,652.92 |
| Trade payables                               | 187.92    | –           | –        | 187.92    |
| Other Financial Liabilities (Incl. Interest) | 690.13    | –           | –        | 690.13    |

**Foreign Currency Risk**

The Company's exposure in USD and other foreign currency denominated transactions in connection with import of cotton, capital goods & spares, besides exports of finished goods and borrowings in foreign currency, gives rise to exchange rate fluctuation risk. The Company has following policies to mitigate this risk:

Decisions regarding borrowing in Foreign Currency and hedging thereof, (both interest and exchange rate risk) and the quantum of coverage is driven by the necessity to keep the cost comparable. Foreign Currency loans, imports and exports transactions are hedged by way of forward contract / packing credit foreign currency which acts as natural hedge against export receivable. The Company enters the above transactions, after taking into consideration the anticipated Foreign exchange inflows / outflows, timing of cash flows, tenure of the forward contract and prevailing Foreign exchange market conditions.

The Company uses derivative financial instruments viz. Foreign Exchange Forward Contracts exclusively for hedging currency risks that arise from imports / exports transactions. The Company measures the risk by forecasting foreign currency cash flows and manages its currency risks by appropriately hedging the transactions. When a forward contract is entered into for the purpose of being a hedge, the Company finalizes the terms of those forward contracts to match the terms of the hedged exposure i.e. receivables / payables / Firm Commitments. All identified exposures are managed as per the policy duly approved by the Board of Directors.

**SRI VISHNU SHANKAR MILL LIMITED, RAJAPALAIYAM**

**NOTES TO SEPARATE FINANCIAL STATEMENTS**

The carrying amounts of the Company's foreign currency denominated monetary assets and monetary liabilities / Firm Commitments as at the end of reporting periods are given below:

**As at 31-03-2023**

**In Millions**

| Type                       | Particulars                                                                      | USD  | EURO |
|----------------------------|----------------------------------------------------------------------------------|------|------|
|                            | <b>Financial Asset / Firm commitments related to Financial Assets</b>            |      |      |
|                            | (a) Trade Receivable                                                             |      |      |
| <b>Hedged Items</b>        | <b>Financial Liabilities / Firm commitments related to Financial Liabilities</b> |      |      |
|                            | (a) Buyers Credit Loan                                                           |      |      |
|                            | (b) Contracts for import of materials                                            | 0.20 |      |
|                            | <b>Instruments for hedging the currency risk on Financial Assets</b>             |      |      |
| <b>Hedging Instruments</b> | (a) PCFC Loan                                                                    | 0.92 |      |
|                            | <b>Instruments for hedging the currency risk on Financial Liabilities</b>        |      |      |
| <b>(Forward contracts)</b> | (a) Forward contracts for Buyers Credit Loan                                     | 2.17 |      |
|                            | (b) Forward contract for imports                                                 |      |      |
|                            | (c) Forward Contracts for Exports                                                |      |      |

**As at 31-03-2022**

**In Millions**

| Type                       | Particulars                                                                      | USD  | EURO |
|----------------------------|----------------------------------------------------------------------------------|------|------|
|                            | <b>Financial Asset / Firm commitments related to Financial Assets</b>            |      |      |
|                            | (a) Trade Receivable                                                             | 0.66 | –    |
| <b>Hedged Items</b>        | <b>Financial Liabilities / Firm commitments related to Financial Liabilities</b> |      |      |
|                            | (a) Buyers Credit Loan                                                           | 2.81 | –    |
|                            | (b) Contracts for import of materials                                            | 6.71 | –    |
|                            | <b>Instruments for hedging the currency risk on Financial Assets</b>             |      |      |
| <b>Hedging Instruments</b> | (a) PCFC Loan                                                                    | 0.61 | 0.33 |
|                            | <b>Instruments for hedging the currency risk on Financial Liabilities</b>        |      |      |
| <b>(Forward contracts)</b> | (a) Forward contracts for Buyers Credit Loan                                     |      |      |
|                            | (b) Forward contract for imports                                                 | 2.81 | –    |
|                            | (c) Forward Contracts for Exports                                                | 6.71 | –    |

The details of foreign currency forward contracts outstanding at the end of the reporting period is given below:

| Particulars            | Foreign currency<br>(in Lakhs) |            | Nominal Amount<br>(₹ in Lakhs) |            |
|------------------------|--------------------------------|------------|--------------------------------|------------|
|                        | 31-03-2023                     | 31-03-2022 | 31-03-2023                     | 31-03-2022 |
| USD / INR buy forward  | 2.17                           | 6.71       | –                              | NIL        |
| EURO / INR buy forward | NIL                            | NIL        | –                              | NIL        |

The above forward contracts are having maturity of less than 12 months.

**SRI VISHNU SHANKAR MILL LIMITED, RAJAPALAIYAM**

**NOTES TO SEPARATE FINANCIAL STATEMENTS**

**Cash flow and fair value interest rate risk**

**(₹ in Lakhs)**

Interest rate risk arises from long-term borrowings with variable rates, which exposed the company to cash flow interest rate risk. The Company's fixed rate borrowing are carried at amortized cost and therefore are not subject to interest rate risk as defined in Ind AS 107 since neither the carrying amount nor the future cash flows will fluctuate because of the change in market interest rates. The Company is exposed to the evolution of interest rates and credit markets for its future refinancing, which may result in a lower or higher cost of financing, which is mainly addressed through the management of the fixed / floating ratio of financial liabilities. The Company constantly monitors credit markets to strategize a well-balanced maturity profile in order to reduce both the risk of refinancing and large fluctuations of its financing cost. The Company believes that it can source funds for both short term and long term at a competitive rate considering its strong fundamentals on its financial position

**Interest rate risk exposure**

| Particulars              | 31-03-2023 | 31-03-2022 |
|--------------------------|------------|------------|
| Variable rate borrowings | 27278.43   | 28,652.92  |
| Fixed rate borrowings    | -          | -          |

The Company does not have any interest rate swap contracts.

**Sensitivity on Interest rate fluctuation**

| Incremental Interest Cost works out to | 31-03-2023 | 31-03-2022 |
|----------------------------------------|------------|------------|
| 1% Increase in Interest Rate           | 272.28     | 286.53     |

**NOTE NO. 51**

DISCLOSURE AS REQUIRED UNDER MICRO, SMALL AND MEDIUM ENTERPRISES DEVELOPMENT ACT, 2006:

The categorization of supplier as MSME registered under the Act under new definition, has been determined based on the information available with the Company as at the reporting date. The Company has also considered suppliers as MSME who possess the erstwhile MSME certificate for the period upto the reporting date, for the purpose of categorization and disclosures. The disclosures as required under Micro, Small and Medium Enterprises Development Act, 2006:

**(₹ in Lakhs)**

| Particulars                                                                                                                                   | 31-03-2023 | 31-03-2022 |
|-----------------------------------------------------------------------------------------------------------------------------------------------|------------|------------|
| (a) (i) The Principal amount remaining unpaid to any supplier at the end of the financial year included in -                                  |            |            |
| Trade Payables                                                                                                                                | 1.08       | 11.84      |
| Other Current Financial Liabilities                                                                                                           | -          | -          |
| (ii) The Interest due on the above                                                                                                            | -          | -          |
| (b) The amount of interest paid by the buyer in terms of Section 16 of the Act                                                                | -          | -          |
| (c) The amount of the payment made to the supplier beyond the appointed day during the financial year                                         | -          | -          |
| (d) The amount of interest accrued and remaining unpaid at the end of the financial year                                                      | -          | -          |
| (e) The amount of interest due and payable for the period of delay in making payment but without adding the interest specified under this Act | -          | -          |

**SRI VISHNU SHANKAR MILL LIMITED, RAJAPALAIYAM**

**NOTES TO SEPARATE FINANCIAL STATEMENTS**

**NOTE NO. 52**

Additional regulatory information as required under Companies Act, 2013 / Indian Accounting Standards:

**a) Trade Payables Ageing Schedule** (₹ in Lakhs)

| Particulars             | Outstanding for following periods from due date of payment |               |             |              |             | Total         |
|-------------------------|------------------------------------------------------------|---------------|-------------|--------------|-------------|---------------|
|                         | No due                                                     | < 1 Year      | 1 – 2 Years | 2 - 3 years  | > 3 years   |               |
| <b>As at 31-03-2023</b> |                                                            |               |             |              |             |               |
| MSME                    | –                                                          | 1.08          | –           | –            | –           | 1.08          |
| Others                  | –                                                          | 500.85        | 2.45        | 10.05        | 6.23        | 519.58        |
| Disputed Dues - MSME    | –                                                          | –             | –           | –            | –           | –             |
| Disputed Dues - Others  | –                                                          | –             | –           | –            | –           | –             |
| Unbilled dues           | –                                                          | –             | –           | –            | –           | –             |
| <b>Total</b>            | <b>–</b>                                                   | <b>501.93</b> | <b>2.45</b> | <b>10.05</b> | <b>6.23</b> | <b>520.66</b> |
| <b>As at 31-03-2022</b> |                                                            |               |             |              |             |               |
| MSME                    | –                                                          | 11.84         | –           | –            | –           | 11.84         |
| Others                  | –                                                          | 176.07        | –           | –            | –           | 176.07        |
| Disputed Dues - MSME    | –                                                          | –             | –           | –            | –           | –             |
| Disputed Dues - Others  | –                                                          | –             | –           | –            | –           | –             |
| Unbilled dues           | –                                                          | –             | –           | –            | –           | –             |
| <b>Total</b>            | <b>–</b>                                                   | <b>187.91</b> | <b>–</b>    | <b>–</b>     | <b>–</b>    | <b>187.91</b> |

**b) Capital Work-in-Progress Ageing Schedule** (₹ in Lakhs)

| Particulars      | Amount in CWIP for a period of |             |             |           | Total  |
|------------------|--------------------------------|-------------|-------------|-----------|--------|
|                  | < 1 Year                       | 1 – 2 Years | 2 - 3 years | > 3 years |        |
| As at 31-03-2023 | 315.26                         | 69.28       | –           | –         | 384.54 |
| As at 31-03-2022 | 453.75                         | –           | –           | –         | 453.75 |

Notes: (i) None of the capital-work-in-progress whose completion is overdue or has exceeded its cost compared to its original plan.

(ii) The Company does not have any projects whose activity has been suspended

(iii) The Company has no intangible assets under development

**SRI VISHNU SHANKAR MILL LIMITED, RAJAPALAIYAM**

**NOTES TO SEPARATE FINANCIAL STATEMENTS**

**c) Trade Receivables Ageing Schedule**

**(₹ in Lakhs)**

| Particulars                                                                   | Outstanding for following periods from due date of payment |                    |                   |             |             |           |          |
|-------------------------------------------------------------------------------|------------------------------------------------------------|--------------------|-------------------|-------------|-------------|-----------|----------|
|                                                                               | Not due                                                    | Less than 6 months | 6 months - 1 year | 1 - 2 years | 2 - 3 years | > 3 years | Total    |
| As at 31-03-2023                                                              |                                                            |                    |                   |             |             |           |          |
| Undisputed Trade receivables - considered good                                | –                                                          | 2,523.38           | 121.37            | –           | –           | –         | 2,644.75 |
| Undisputed Trade receivables - which have significant increase in credit risk | –                                                          | –                  | –                 | –           | –           | –         | –        |
| Disputed Trade receivables - considered good                                  | –                                                          | –                  | –                 | –           | –           | –         | –        |
| Disputed Trade receivables - which have significant increase in credit risk   | –                                                          | –                  | –                 | –           | –           | –         | –        |
| Total                                                                         | –                                                          | 2,523.38           | 121.37            | –           | –           | –         | 2,644.75 |
| As at 31-03-2022                                                              |                                                            |                    |                   |             |             |           |          |
| Undisputed Trade receivables - considered good                                | –                                                          | 5,412.98           | –                 | 17.77       | –           | –         | 5,430.75 |
| Undisputed Trade receivables - which have significant increase in credit risk | –                                                          | –                  | –                 | –           | –           | –         | –        |
| Disputed Trade receivables - considered good                                  | –                                                          | –                  | –                 | –           | –           | –         | –        |
| Disputed Trade receivables - which have significant increase in credit risk   | –                                                          | –                  | –                 | –           | –           | –         | –        |
| Total                                                                         | –                                                          | 5,412.98           | –                 | 17.77       | –           | –         | 5,430.75 |

**SRI VISHNU SHANKAR MILL LIMITED, RAJAPALAIYAM**

**NOTES TO SEPARATE FINANCIAL STATEMENTS**

**d) Undisclosed Income**

The Company does not have any transaction, which are not recorded in the books of accounts that has been surrounded or disclosed as income in the tax assessments under the Income Tax Act, 1961 during any of the years.

**e) Relationship with Struck off Companies**

The Company did not have any transactions with Companies struck off under Section 248 of Companies Act, 2013 or Section 560 of the Companies Act, 1956 considering the information available with the Company.

**f) Details of Crypto Currency or Virtual Currency**

The Company did not trade or invest in Crypto Currency or virtual currency during the financial year. Hence disclose relating to it are not applicable.

**g) Key Financial Ratios**

| Particulars                          | UOM         | 31-03-2023      | 31-03-2022 | Variation in % |
|--------------------------------------|-------------|-----------------|------------|----------------|
| (a) Current Ratio                    | In multiple | <b>0.95</b>     | 1.12       | (16%)          |
| (b) Debt-Equity Ratio                | In multiple | <b>4.92</b>     | 4.44       | 11%            |
| (c) Debt Service Coverage ratio      | In multiple | <b>1.35</b>     | 3.87       | (65%)          |
| (d) Return on Equity Ratio           | In%         | <b>(0.16%)</b>  | 0.33%      | (149%)         |
| (e) Inventory Turnover Ratio         | In Days     | <b>94</b>       | 69         | 36%            |
| (f) Trade receivables Turnover Ratio | In Days     | <b>659</b>      | 511        | 29%            |
| (g) Trade payables Turnover Ratio    | In Days     | <b>61</b>       | 137        | (56%)          |
| (h) Net Capital Turnover Ratio       | In Days     | <b>814</b>      | 717        | (13%)          |
| (i) Net Profit Ratio                 | In%         | <b>(2.98%)</b>  | 9.47%      | (131%)         |
| (j) Return on Capital Employed       | In%         | <b>6.32%</b>    | 19.17%     | (37%)          |
| (k) Return on Investment (Assets)    | In%         | <b>(14.97%)</b> | 39.22%     | (138%)         |

Formula adopted for above Ratios:

- Current Ratio = Current Assets / (Total Current Liabilities - Other Financial Liabilities - Current maturities of Long Term Debt)
- Debt Equity Ratio = Total Debt / Total Equity
- Debt Service Coverage Ratio (EBITDA - Current Tax) / (Principal Repayment + Gross Interest)
- Return on Equity Ratio = Total Comprehensive Income / Average Total Equity
- Inventory Turnover Ratio (Average Inventory days) = 365 / (Net Revenue / Average Inventories)
- Trade receivables Turnover Ratio (Average Receivables days) = 365 / (Net Revenue / Average Trade receivables)
- Trade Payables Turnover Ratio (Average Payable days) = 365 / (Net Revenue / Average Trade payables)
- Net Capital Turnover Ratio = (Inventory Turnover Ratio + Trade receivables turnover ratio - Trade payables turnover ratio)
- Net Profit Ratio = Net Profit / Net Revenue

**SRI VISHNU SHANKAR MILL LIMITED, RAJAPALAIYAM**

**NOTES TO SEPARATE FINANCIAL STATEMENTS**

(j) Return on Capital employed = (Total Comprehensive Income + Interest) / (Average of (Equity + Total Debt)

(k) Return on Investment (Assets) = Total Comprehensive Income / Average Total Assets

*Return on Equity Ratio:*

The reduction in profit during the financial year 2022-23 is the main reason for variation in the above ratios.

**h) Disclosures related to CSR activities**

| Particulars                                                | Amount (₹ in Lakhs)           |
|------------------------------------------------------------|-------------------------------|
| Amount required to be spent by the Company during the year | 1.62                          |
| Amount of expenditure incurred                             | 6.22                          |
| Shortfall at the end of the year                           | Nil                           |
| Total of previous years shortfall                          | Nil                           |
| Reason for shortfall                                       | Nil                           |
| Nature of CSR activities                                   | Please refer to Table-A below |

Note : The Company has not made any provision related to CSR activities for the financial year 2022-23 and 2021-22.

Table - A Nature of CSR activities:

| Nature                                                                                                                                                                                                                                            | Amount (₹ in Lakhs) |
|---------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|---------------------|
| 1 Eradication of Hunger and Promotion of Healthcare including Preventive Healthcare                                                                                                                                                               | 0.62                |
| 2 Preservation and protection of National Heritage, Art and Culture including restoration of building and site of historical importance and work of art setting up public libraries promotion and development of traditional arts and handicrafts | 5.60                |
| <b>Total</b>                                                                                                                                                                                                                                      | <b>6.22</b>         |

**NOTE NO. 53**

**a) Exceptional Items:**

**Profit on Sale of Property, Plant & Equipment and Investment Property**

The Company has modernized Blow Room and carding machineries and sold the old machineries during the financial year 2022-23. The WDV of old machineries and building (Investment Property) as on 31-03-2023 was ₹ 42.52 Lakhs. The Company has incurred Profit on sale of the above old machineries and investment property to the extent of ₹ 141.86 Lakhs (PY: ₹ 107.05 Lakhs) and the same is shown as an Exceptional Items in the Statement of Profit and Loss.

**SRI VISHNU SHANKAR MILL LIMITED, RAJAPALAIYAM**

**NOTES TO SEPARATE FINANCIAL STATEMENTS**

**NOTE NO. 54**

**EVENTS AFTER THE REPORTING PERIOD - DISTRIBUTION MADE AND PROPOSED**

| Particulars                                                                              | 31-03-2023 | 31-03-2022 |
|------------------------------------------------------------------------------------------|------------|------------|
| <b>Cash Dividends on Equity Shares declared and paid</b>                                 |            |            |
| Dividend for the year ended 31 <sup>st</sup> March 2023                                  | 15.00      | Nil        |
| <b>Proposed Dividends on Equity Shares</b>                                               |            |            |
| Final dividend for the year ended 31 <sup>st</sup> March 2022: Nil per Share (PY: ₹ 1/-) | Nil        | 15.00      |

**NOTE NO. 55**

**CAPITAL MANAGEMENT**

For the purpose of the Company's capital management, capital includes issued equity share capital and all other equity reserves attributable to the equity holders of the Company. The primary objective of the Company's capital management is to maximize the Shareholders' wealth.

The Company manages its capital structure and makes adjustments in the light of changes in economic conditions and the requirements of the financial covenants. The Company monitors capital using a gearing ratio, which is net debt divided by total capital plus Debt.

| Particulars                                   | 31-03-2023       | 31-03-2022       |
|-----------------------------------------------|------------------|------------------|
| Long Term Borrowings                          | 10,057.66        | 12,013.90        |
| Current maturities of Long Term borrowings    | 2,756.52         | 2,599.16         |
| Short Term Borrowings                         | 14,464.25        | 14,039.86        |
| Less: Cash and Cash Equivalents               | 21.71            | 9.68             |
| <b>Net Debt (A)</b>                           | <b>27,256.72</b> | <b>28,643.24</b> |
| Equity Share Capital                          | 150.00           | 150.00           |
| Other Equity                                  | 5,625.44         | 6,308.42         |
| <b>Total Equity (B)</b>                       | <b>5,775.44</b>  | <b>6,458.42</b>  |
| <b>Total Capital Employed (C) = (A) + (B)</b> | <b>33,032.16</b> | <b>35,101.66</b> |
| <b>Capital Gearing Ratio (A) / (C)</b>        | <b>82.52%</b>    | <b>81.60%</b>    |

In order to achieve this overall objective, the Company's capital management, amongst other things, aims to ensure that it meets financial covenants attached to the interest-bearing loans and borrowings that define capital structure requirements. There have been no breaches in the financial covenants of any interest-bearing loans / borrowing. The Company has been consistently focusing on reduction in long term borrowings. There are no significant changes in the objectives, policies or processes for managing capital during the years ended 31-03-2023 and 31-03-2022.

As per our report annexed

For **M.S. JAGANNATHAN & N. KRISHNASWAMI**  
Chartered Accountants  
Firm Registration No. 001208S

**K. SRINIVASAN**  
Partner,  
Membership No. 021510  
Rajapalayam  
25<sup>th</sup> May, 2023.

For and on behalf of the Board

**Shri P.R. VENKETRAMA RAJA**  
Chairman  
(DIN: 00331406)

**Smt. SHARADHA DEEPA**  
Managing Director  
(DIN: 00383799)

## **CONSOLIDATED FINANCIAL STATEMENTS**

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**SRI VISHNU SHANKAR MILL LIMITED, RAJAPALAIYAM**

**INDEPENDENT AUDITOR'S REPORT**

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**To the Members of M/s. Sri Vishnu Shankar Mill Limited**

**Report on the Consolidated Financial Statements**

**Opinion**

We have audited the accompanying Consolidated Financial Statements drawn in accordance with the Indian Accounting Standards ('Consolidated Financial Statements') of **Sri Vishnu Shankar Mill Limited** (hereinafter referred to as 'Company') and the share of profit/loss of its associates. These Consolidated Financial Statements comprise the Consolidated Balance Sheet as at 31<sup>st</sup> March, 2023, the Consolidated Statement of Profit and Loss, Consolidated Cash Flow Statement and the Consolidated Statement of Changes in Equity for the year ended 31<sup>st</sup> March, 2023 and 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 Consolidated Financial Statements give the information required by the Companies Act, 2013, ("Act") in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India including the Indian Accounting Standards, of the Consolidated State of Affairs (Financial Position) of the Company including the effect of share in the profit of its associates as at 31<sup>st</sup> March, 2023, and their Consolidated Loss (Financial Performance including Other Comprehensive Income) including the share in the profit of its associates, Consolidated Cash Flow Statement and the Consolidated Statement of Changes in Equity for the year ended 31<sup>st</sup> March, 2023.

**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 SAs 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 in accordance with the Code of Ethics issued by the Institute of Chartered Accountants of India ("ICAI") together with the independence requirements that are relevant to our audit of the Financial Statements under the provisions of the Act and the Rules made 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 audit opinion on the Consolidated Financial Statements.

**AUDITORS' REPORT TO SHAREHOLDERS**

**Information Other than the Financial Statements and Auditor's Report thereon**

The Company's Management and Board of Directors are responsible for the preparation of the other information. The other information comprises the information included in the Management Discussion and Analysis, Board's Report including Annexures to Board's Report, but does not include the Separate Financial Statements, 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 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 the fact. We have nothing to report in this regard.

**Management's Responsibilities for the Consolidated Financial Statements**

The Company's Management and Board of Directors are responsible for the preparation of these Consolidated Financial Statements in terms of the requirements of the Act, that give a true and fair view of the consolidated financial position, consolidated financial performance (including Other Comprehensive Income), consolidated cash flow and consolidated statement of changes in equity of the Company including its associates in accordance with the accounting principles generally accepted in India and including the Indian Accounting Standards specified under Section 133 of the Act, read with applicable Rules there under.

The respective Board of Directors of the Company and its associates are responsible for maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding the assets of the Company and its associates and for preventing and detecting frauds and other irregularities; the selection and application of appropriate accounting policies; making judgments and estimates that are reasonable and prudent; and the 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, which have been used for the purpose of preparation of the Consolidated Financial Statements by the Directors of the Company, as aforesaid.

**AUDITORS' REPORT TO SHAREHOLDERS**

In preparing the Consolidated Financial Statements, the respective Management and Board of Directors of the Company and its Associates are responsible for assessing the ability of the respective entities to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the respective Management and Board of Directors either intends to liquidate their respective entities or to cease operations, or have no realistic alternative but to do so.

**Auditor's Responsibility**

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 scepticism 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 Financial Control relevant to the audit in order to design audit procedures that are appropriate in the circumstances. Under Section 143(3)(i) of the Act, we are also responsible for expressing our opinion on whether the Company has adequate internal financial controls system in place and the operating effectiveness of such controls.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the 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 ability of the Group to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw

**AUDITORS' REPORT TO SHAREHOLDERS**

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 report. However, future events or conditions may cause the Group 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 information of the entities within the Group to express an opinion on the Consolidated Financial Statements. We are responsible for the direction, supervision and performance of the audit of the Financial Statements of such entities included in the Consolidated Financial Statements of which we are the independent auditors.
- Materiality is the magnitude of misstatements in the Consolidated Financial Statements that, individually or in aggregate, makes it probable that the economic decisions of a reasonably knowledgeable user of the Consolidated Financial Statements may be influenced. We consider quantitative materiality and qualitative factors in
  - (i) planning the scope of our audit work and in evaluating the results of our work; and
  - (ii) to evaluate the effect of any identified misstatements in the Consolidated Financial Statements.

We communicate with those charged with governance of the Company and such other entities included in the Consolidated Financial Statements of which we are the independent auditors 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 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.

**AUDITORS' REPORT TO SHAREHOLDERS**

**Other Matters**

The Consolidated Financial Statements includes the Company's share of profit after tax of ₹ 432.74 Lakhs and total comprehensive income of ₹ 429.24 Lakhs for the year ended 31<sup>st</sup> March, 2023 as consider in the Consolidated Audited Financial Statements in respect of all three associates. All of these Financial Statements are audited by an Independent Auditor.

Our opinion on the Consolidated Financial Statements, and our report on Other Legal and Regulatory Requirements below, is based on the Financial Statements / Financial information certified by the Management.

**Report on Other Legal and Regulatory Requirements**

- A. There has been no qualification are adverse remarks by the respective auditor's in the Companies (Auditor's Report) Order (CARO) report of the Companies included in the Consolidated Financial Statements.
- B. As required by Section 143(3) of the Act, based on our audit report, we report, to the extent applicable, that:
  - 1. 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 of the aforesaid Consolidated Financial Statements.
  - 2. In our opinion, proper books of accounts as required by law relating to preparation of the aforesaid Consolidated Financial Statements have been kept so far as it appears from our examination of those books.
  - 3. The Consolidated Balance Sheet, the Consolidated Statement of Profit and Loss (including Other Comprehensive Income), the Consolidated Statement of Changes in Equity and the Consolidated Statement of Cash Flow dealt with by this Report are in agreement with the relevant books of account maintained for the purpose of preparation of the Consolidated Financial Statements.
  - 4. In our opinion, the aforesaid Consolidated Financial Statements comply with the Indian Accounting Standards specified under Section 133 of the Act.

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**SRI VISHNU SHANKAR MILL LIMITED, RAJAPALAIYAM**

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**AUDITORS' REPORT TO SHAREHOLDERS**

5. On the basis of the written representations received from the Directors of the Company as on 31<sup>st</sup> March, 2023 taken on record by the Board of Directors of the Company and the reports of the Statutory Auditor of the associate companies, none of the Directors of the Company and its associate companies is disqualified as on 31<sup>st</sup> March, 2023 from being appointed as a Director of the Company in terms of Section 164 (2) of the Act.
6. We have enclosed our separate report in "Annexure A" with respect to the adequacy of the Internal Financial Controls over financial reporting of the entities in the Company and associate companies and the operating effectiveness of such controls. Our report expresses an unmodified opinion on the adequacy and operating effectiveness of the internal financial controls over financial reporting of entities in the Company and the associate companies.
7. 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, in our opinion and to the best of our information and according to the explanations given to us:
  - i. The details of the pending litigations and its impact on the Financial Statements have been disclosed in Note No. 45 of the Consolidated Financial Statements of the Company.
  - ii. The Company and associate companies did not have any long-term contracts including derivative contracts for which there were any material foreseeable losses.
  - iii. There has been no delay in transferring amounts, required to be transferred, to the Investor Education and Protection Fund by the entities in the Company and its associates.
  - 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 person or entity, including foreign entity ("Intermediaries"), with the understanding, whether recorded in writing or otherwise, that the Intermediary shall:

Whether directly or indirectly lend or invest in other persons or entities identified in any manner whatsoever("Ultimate Beneficiaries") by or on behalf of the Company or

**AUDITORS' REPORT TO SHAREHOLDERS**

Provide any guarantee, security or the like on behalf of the Ultimate Beneficiaries.

- (b) The Management has represented to us that, to the best of their knowledge and belief, no funds have been received by the from any person or entity, including foreign entity ("Funding Parties"), with the understanding, whether recorded in writing or otherwise, that the Company shall:

Whether directly or indirectly, lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the Funding Parties ("Ultimate Beneficiaries") or Provide any guarantee, security or the like from or on behalf of the Ultimate Beneficiaries.

- (c) Based on the audit procedures as 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 (iv)(a) and (iv)(b), contain any material misstatement.

- v) There Company has declared dividend during the year and has complied with Section 123 of the Act.

**C. With respect to the matter to be included in the Audit 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 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.

**SRI VISHNU SHANKAR MILL LIMITED, RAJAPALAIYAM**

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**AUDITORS' REPORT TO SHAREHOLDERS**

- D. Proviso to Rule 3(1) of the Companies (Accounts) Rules, 2014 for maintaining books of account using accounting software which has a feature of recording audit trail (edit log) facility is applicable to the Company with effect from April 1, 2023, and accordingly, reporting under Rule 11(g) of Companies (Audit and Auditors) Rules, 2014 is not applicable for the financial year ended 31 March, 2023.

For M.S. JAGANNATHAN & N. KRISHNASWAMI  
Chartered Accountants  
Firm Registration Number: 001208S

K SRINIVASAN  
Partner  
Membership No. 021510  
UDIN: 23021510BGTPGQ7184

Rajapalaiyam  
25<sup>th</sup> May, 2023

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**SRI VISHNU SHANKAR MILL LIMITED, RAJAPALAIYAM**

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**AUDITORS' REPORT TO SHAREHOLDERS**

**"ANNEXURE A" TO THE INDEPENDENT AUDITOR'S REPORT OF EVEN DATE ON THE  
CONSOLIDATED FINANCIAL STATEMENTS**

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

**Opinion**

We have audited the Internal Financial Controls over financial reporting of Sri Vishnu Shankar Mill Limited and its associates ("the Company") and its associates as of 31<sup>st</sup> March, 2023 in conjunction with our audit of the Consolidated Financial Statements of the Company for the year ended on 31<sup>st</sup> March, 2023.

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 31<sup>st</sup> March, 2023, based on the Internal Control over financial reporting criteria established by the Companies considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting ("Guidance Note") issued by the Institute of Chartered Accountants of India ("ICAI").

**Management's Responsibilities for Internal Financial Controls**

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

**Auditors' Responsibilities**

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 issued by ICAI and the Standards on Auditing, prescribed under Section 143(10) of the Act, to the extent

**AUDITORS' REPORT TO SHAREHOLDERS**

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 Group's internal financial controls system over financial reporting.

**Other Matters**

We have relied on a) our audit of the Company, b) management certification in the case of associates which were audited by other auditors.

**Meaning of Internal Financial Controls over Financial Reporting**

A company's Internal Financial Control over financial reporting is a process designed to provide reasonable assurance regarding the reliability of financial reporting and the preparation of Financial Statements for external purposes in accordance with generally accepted accounting principles. A company's Internal Financial Control over financial reporting includes those policies and procedures that;

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

**SRI VISHNU SHANKAR MILL LIMITED, RAJAPALAIYAM**

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**AUDITORS' REPORT TO SHAREHOLDERS**

**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.

For M.S. JAGANNATHAN & N. KRISHNASWAMI

Chartered Accountants

Firm Registration Number: 001208S

K SRINIVASAN

Partner

Membership No. 021510

UDIN: 23021510BGTPGQ7184

Rajapalaiyam  
25<sup>th</sup> May, 2023

**SRI VISHNU SHANKAR MILL LIMITED, RAJAPALAIYAM**  
**CONSOLIDATED BALANCE SHEET AS AT 31<sup>ST</sup> MARCH 2023**

(₹ in Lakhs)

|                                                                                             | Note No. | As at 31-03-2023 | As at 31-03-2022 |
|---------------------------------------------------------------------------------------------|----------|------------------|------------------|
| <b>I ASSETS</b>                                                                             |          |                  |                  |
| <b>(1) Non-Current Assets</b>                                                               |          |                  |                  |
| (a) Property, Plant and Equipment                                                           | 8        | 15,526.32        | 14,599.14        |
| (b) Capital Work-in-progress                                                                | 9        | 384.54           | 453.75           |
| (c) Investment Property                                                                     | 10       | 182.86           | 185.67           |
| (d) Intangible Assets                                                                       | 11       | –                | 3.12             |
| (e) Assets held for Sales                                                                   | 12       | 164.88           | 164.88           |
| (f) Investment in Associates                                                                | 13       | 15,615.80        | 16,060.65        |
| (g) Financial Assets                                                                        |          |                  |                  |
| Other Investments                                                                           | 14       | 8.26             | 11.95            |
| Other Financial Assets                                                                      | 15       | 538.07           | 323.26           |
| (h) Other Non-Current Assets                                                                | 16       | 31.55            | 39.18            |
|                                                                                             |          | 32,452.28        | 31,841.60        |
| <b>(2) Current Assets</b>                                                                   |          |                  |                  |
| (a) Inventories                                                                             | 17       | 12,546.91        | 9,922.74         |
| (b) Financial Assets                                                                        |          |                  |                  |
| Trade Receivables                                                                           | 18       | 2,644.75         | 5,430.75         |
| Cash and Cash Equivalents                                                                   | 19       | 2.58             | 1.39             |
| Bank Balance other than Cash and Cash Equivalents                                           | 20       | 19.13            | 8.29             |
| (c) Current Tax Assets (Net)                                                                | 21       | 34.51            | 37.44            |
| (d) Other Current Assets                                                                    | 22       | 2,655.16         | 4,820.23         |
|                                                                                             |          | 17,903.04        | 20,220.84        |
| <b>TOTAL ASSETS</b>                                                                         |          | <b>50,355.32</b> | <b>52,062.44</b> |
| <b>II EQUITY &amp; LIABILITIES</b>                                                          |          |                  |                  |
| <b>(1) Equity</b>                                                                           |          |                  |                  |
| (a) Equity Share Capital                                                                    | 23       | 149.98           | 149.98           |
| (b) Other Equity                                                                            | 24       | 21,170.66        | 21,517.60        |
| <b>Total Equity</b>                                                                         |          | <b>21,320.64</b> | <b>21,667.58</b> |
| <b>(2) Liabilities</b>                                                                      |          |                  |                  |
| A) Non Current Liabilities                                                                  |          |                  |                  |
| (a) Financial Liabilities                                                                   |          |                  |                  |
| (i) Borrowings                                                                              | 25       | 10,057.66        | 12,013.90        |
| (b) Deferred Tax Liability (net)                                                            | 26       | 6.84             | 292.67           |
| (c) Deferred Income                                                                         | 27       | 35.33            | 38.01            |
|                                                                                             |          | 10,099.83        | 12,344.58        |
| B) Current Liabilities                                                                      |          |                  |                  |
| (a) Financial Liabilities                                                                   |          |                  |                  |
| (i) Borrowings                                                                              | 28       | 17,220.77        | 16,639.02        |
| (ii) Trade Payables                                                                         |          |                  |                  |
| (i) Total outstanding dues of micro enterprises and small enterprises                       | 29       | 1.08             | 11.84            |
| (ii) Total outstanding dues of creditors other than micro enterprises and small enterprises | 29       | 519.58           | 176.06           |
| (iii) Other Financial Liabilities                                                           | 30       | 522.51           | 690.13           |
| (b) Provisions                                                                              | 31       | 662.71           | 525.03           |
| (c) Provision for Taxation                                                                  | 32       | 8.20             | 8.20             |
|                                                                                             |          | 18,934.85        | 18,050.28        |
| <b>TOTAL EQUITY AND LIABILITIES</b>                                                         |          | <b>50,355.32</b> | <b>52,062.44</b> |
| Significant Accounting Policies, Judgements and Estimates                                   | 1-7      |                  |                  |
| See accompanying notes to the financial statements.                                         | 8-56     |                  |                  |

As per our report annexed

For **M.S. JAGANNATHAN & N. KRISHNASWAMI**  
Chartered Accountants  
Firm Registration No. 001208S

**K. SRINIVASAN**  
Partner,  
Membership No. 021510  
Rajapalayam  
25<sup>th</sup> May, 2023.

For and on behalf of the Board

**Shri P.R. VENKETRAMA RAJA**  
Chairman  
(DIN: 00331406)

**Smt. SHARADHA DEEPA**  
Managing Director  
(DIN: 00383799)

**SRI VISHNU SHANKAR MILL LIMITED, RAJAPALAIYAM**

**CONSOLIDATED STATEMENT OF PROFIT AND LOSS FOR THE YEAR ENDED 31<sup>st</sup> MARCH 2023**

**(₹ in Lakhs)**

|                                                                                                  | Note No. | For the year ended<br>31-03-2023 | For the year ended<br>31-03-2022 |
|--------------------------------------------------------------------------------------------------|----------|----------------------------------|----------------------------------|
| <b>INCOME</b>                                                                                    |          |                                  |                                  |
| I Revenue from Operations                                                                        | 33       | 30,468.70                        | 29,196.27                        |
| II Finance Income                                                                                | 34       | 153.55                           | 153.55                           |
| III Other Income                                                                                 | 35       | 362.92                           | 210.85                           |
| <b>IV Total Income (I+II+III)</b>                                                                |          | <b>30,985.17</b>                 | <b>29,560.67</b>                 |
| <b>V EXPENSES</b>                                                                                |          |                                  |                                  |
| Cost of Materials Consumed                                                                       | 36       | 18,762.43                        | 15,878.42                        |
| Purchases of Stock-in-Trade                                                                      | 37       | 1,110.22                         | 3,089.09                         |
| Changes in Inventories of Finished Goods, Stock-in-Trade and Work-in-progress                    | 38       | 118.61                           | (2,172.79)                       |
| Employee Benefit Expenses                                                                        | 39       | 3,014.93                         | 2,529.91                         |
| Finance Costs                                                                                    | 40       | 1,997.73                         | 1,413.65                         |
| Depreciation and Amortization Expenses                                                           | 41       | 1,625.64                         | 1,250.59                         |
| Other Expenses                                                                                   | 42       | 5,520.92                         | 4,664.82                         |
| <b>Total Expenses</b>                                                                            |          | <b>32,150.48</b>                 | <b>26,653.69</b>                 |
| <b>VI Profit / (Loss) Before Exceptional items and Tax (IV-V)</b>                                |          | <b>(1,165.31)</b>                | <b>2,906.98</b>                  |
| <b>VII Exceptional Items</b> [Refer Note No. 54]                                                 |          |                                  |                                  |
| Profit / (Loss) on Sale of Property, Plant and Equipment and Investment Property                 | 141.86   | 141.86                           | (107.05)                         |
| <b>VII Profit / (Loss) Before Tax (VI-VII)</b>                                                   |          | <b>(1,023.45)</b>                | <b>2,799.93</b>                  |
| <b>VIII Tax Expenses / (Savings)</b>                                                             |          |                                  |                                  |
| Current Tax                                                                                      | -        | -                                | -                                |
| Income Tax related to earlier years                                                              | -        | -                                | 8.20                             |
| Deferred Tax Expenses / (Savings)                                                                | (280.83) | 647.97                           | 656.17                           |
| <b>Total Tax Expenses / (Savings)</b>                                                            |          | <b>(280.83)</b>                  | <b>656.17</b>                    |
| <b>IX Profit / (Loss) for the year before Share of Profit of Associates (VII-VIII)</b>           |          | <b>(742.62)</b>                  | <b>2,143.76</b>                  |
| <b>X Share of Net Profit After Tax (PAT) of Associates accounted for using the equity method</b> |          | <b>432.74</b>                    | <b>1,192.72</b>                  |
| <b>XI Profit / (Loss) for the period (IX+X)</b>                                                  |          | <b>(309.88)</b>                  | <b>3,336.48</b>                  |
| <b>XII Other Comprehensive Income</b>                                                            |          |                                  |                                  |
| <b>Item that will not be reclassified to Profit or Loss:</b>                                     |          |                                  |                                  |
| Remeasurement Losses on defined benefit obligations (net)                                        |          | (19.86)                          | (32.31)                          |
| Fair Value Gain / (Loss) on Equity Instruments through OCI (net)                                 |          | (3.69)                           | (1.84)                           |
| Current Tax                                                                                      |          | -                                | -                                |
| Deferred Tax Expenses / (Savings)                                                                |          | 5.00                             | 8.13                             |
| Other Comprehensive Income / (Loss) for the year, net of tax                                     |          | (18.55)                          | (26.02)                          |
| Share of OCI of Associates accounted for using the equity method                                 |          | (3.50)                           | (3.01)                           |
| <b>Total Other Comprehensive Income / (Loss) for the year, net of tax</b>                        |          | <b>(22.05)</b>                   | <b>(29.03)</b>                   |
| <b>XIII Total Comprehensive Income / (Loss) for the year, net of tax (XI+XII)</b>                |          | <b>(331.93)</b>                  | <b>3,307.45</b>                  |
| <b>XIV Earnings per Equity Share of face value ₹ 10/- each</b>                                   |          |                                  |                                  |
| Basic & Diluted (in Rupees) [Refer to Note No.47]                                                |          | (21.00)                          | 222.00                           |
| Significant Accounting Policies, Judgements and Estimates                                        | 1-7      |                                  |                                  |
| See accompanying notes to the financial statements.                                              | 8-56     |                                  |                                  |

As per our report annexed

For **M.S. JAGANNATHAN & N. KRISHNASWAMI**  
Chartered Accountants  
Firm Registration No. 001208S

**K. SRINIVASAN**  
Partner,  
Membership No. 021510  
Rajapalayam  
25<sup>th</sup> May, 2023.

For and on behalf of the Board

**Shri P.R. VENKETRAMA RAJA**  
Chairman  
(DIN: 00331406)

**Smt. SHARADHA DEEPA**  
Managing Director  
(DIN: 00383799)

**SRI VISHNU SHANKAR MILL LIMITED, RAJAPALAIYAM**  
**CONSOLIDATED STATEMENT OF CHANGES IN EQUITY FOR THE YEAR ENDED 31<sup>ST</sup> MARCH 2023**

| <b>A. Equity Share Capital [Refer to Note No. 23]</b> |  | (₹ in Lakhs) |
|-------------------------------------------------------|--|--------------|
| <b>(1) For the year ended 31-03-2023</b>              |  |              |
| Balance as at 01-04-2022                              |  | 149.98       |
| Less: Treasury Shares adjustment                      |  | –            |
| Balance as at 31-03-2023                              |  | 149.98       |
| <b>(2) For the year ended 31-03-2022</b>              |  |              |
| Balance as at 01-04-2021                              |  | 150.00       |
| Less: Treasury Shares adjustment                      |  | (0.02)       |
| Balance as at 31-03-2022                              |  | 149.98       |

Note: Treasury Shares adjustment computed based on holding through fellow associates.

**B. Other Equity [Refer to Note No. 24]**

**1. For the year ended 31-03-2023**

| Particulars                                      | Other Equity    |                                |                          |                 |                   | Items of OCI   |                                                |                            | Total Other Equity |
|--------------------------------------------------|-----------------|--------------------------------|--------------------------|-----------------|-------------------|----------------|------------------------------------------------|----------------------------|--------------------|
|                                                  | Capital Reserve | Capital Reserves Consolidation | Security Premium Reserve | General Reserve | Retained Earnings | FVOTCI Reserve | Re-measurements of Defined Benefit Obligations | Share of OCI of Associates |                    |
| Other Equity as at 01-04-2022                    | 23.77           | 9,202.56                       | 25.00                    | 3,781.91        | 8,481.18          | 3.17           | –                                              | –                          | 21,517.59          |
| Financial year 2022-23                           |                 |                                |                          |                 |                   |                |                                                |                            |                    |
| Add: Profit / (Loss) for the year                | –               | –                              | –                        | –               | (304.88)          | –              | –                                              | –                          | (304.88)           |
| Add: Other Comprehensive Income                  | –               | –                              | –                        | –               | –                 | (3.69)         | (19.86)                                        | (3.50)                     | (27.05)            |
| <b>Total Comprehensive Income</b>                | –               | –                              | –                        | –               | (304.88)          | (0.52)         | (19.86)                                        | (3.50)                     | (331.93)           |
| Less: Transfer to Retained Earnings              | –               | –                              | –                        | –               | –                 | –              | 19.86                                          | 3.50                       | 23.36              |
| Add: Transfer from OCI                           | –               | –                              | –                        | –               | (23.36)           | –              | –                                              | –                          | (23.36)            |
| Less: Dividend distribution to Shareholder       | –               | –                              | –                        | –               | (15.00)           | –              | –                                              | –                          | (15.00)            |
| <b>Balance as at 31<sup>st</sup> March, 2023</b> | <b>23.77</b>    | <b>9,202.56</b>                | <b>25.00</b>             | <b>3,781.91</b> | <b>8,137.94</b>   | <b>(0.52)</b>  | <b>–</b>                                       | <b>–</b>                   | <b>21,170.66</b>   |

**2. For the year ended 31-03-2022**

| Particulars                                      | Other Equity    |                                |                          |                 |                   | Items of OCI   |                                                |                            | Total Other Equity |
|--------------------------------------------------|-----------------|--------------------------------|--------------------------|-----------------|-------------------|----------------|------------------------------------------------|----------------------------|--------------------|
|                                                  | Capital Reserve | Capital Reserves Consolidation | Security Premium Reserve | General Reserve | Retained Earnings | FVOTCI Reserve | Re-measurements of Defined Benefit Obligations | Share of OCI of Associates |                    |
| Other Equity as at 01-04-2021                    | 23.77           | 9,202.56                       | 25.00                    | 1,259.63        | 7,694.18          | 5.01           | –                                              | –                          | 18,210.15          |
| Financial Year 2021-22                           |                 |                                |                          |                 |                   |                |                                                |                            |                    |
| Add: Profit for the year                         | –               | –                              | –                        | –               | 3,344.61          | –              | –                                              | –                          | 3,344.61           |
| Add: Other Comprehensive Income                  | –               | –                              | –                        | –               | –                 | (1.84)         | (32.31)                                        | (3.01)                     | (37.16)            |
| <b>Total Comprehensive Income</b>                | –               | –                              | –                        | –               | 3,344.61          | (1.84)         | (32.31)                                        | (3.01)                     | 3,307.45           |
| Less: Transfer to Retained Earnings              | –               | –                              | –                        | –               | (2,522.28)        | –              | 32.31                                          | 3.01                       | 35.32              |
| Add: Transfer from Retained Earnings             | –               | –                              | –                        | 2,522.28        | –                 | –              | –                                              | –                          | 2,522.28           |
| Add: Transfer from OCI                           | –               | –                              | –                        | –               | (35.32)           | –              | –                                              | –                          | (35.32)            |
| <b>Balance as at 31<sup>st</sup> March, 2022</b> | <b>23.77</b>    | <b>9,202.56</b>                | <b>25.00</b>             | <b>3,781.91</b> | <b>8,481.19</b>   | <b>3.17</b>    | <b>–</b>                                       | <b>–</b>                   | <b>21,517.60</b>   |

As per our report annexed

For **M.S. JAGANNATHAN & N. KRISHNASWAMI**  
Chartered Accountants  
Firm Registration No. 001208S

**K. SRINIVASAN**  
Partner,  
Membership No. 021510  
Rajapalayam  
25<sup>th</sup> May, 2023.

For and on behalf of the Board

**Shri P.R. VENKETRAMA RAJA**  
Chairman  
(DIN: 00331406)

**Smt. SHARADHA DEEPA**  
Managing Director  
(DIN: 00383799)

**SRI VISHNU SHANKAR MILL LIMITED, RAJAPALAIYAM**

**STATEMENT OF CONSOLIDATED CASH FLOWS FOR THE YEAR ENDED 31<sup>ST</sup> MARCH 2023**

(₹ in Lakhs)

|                                                                                    | 31-03-2023          | 31-03-2022 |
|------------------------------------------------------------------------------------|---------------------|------------|
| <b>A. Cash Flow from Operating Activities:</b>                                     |                     |            |
| Profit / (Loss) before Exceptional items and Tax                                   | <b>(1,165.31)</b>   | 2,906.98   |
| Adjustments to reconcile profit before tax to net cash flows:                      |                     |            |
| Depreciation & Amortisation                                                        | <b>1,625.64</b>     | 1,250.59   |
| Finance Costs                                                                      | <b>1,997.73</b>     | 1,413.65   |
| Interest Income                                                                    | <b>(153.55)</b>     | (153.55)   |
| Rent Receipts from Investment Properties                                           | <b>(20.59)</b>      | (12.81)    |
| Operating Profit before Working Capital Changes                                    | <b>2,283.92</b>     | 5,190.76   |
| Movements in Working Capital                                                       |                     |            |
| Trade Receivables                                                                  | <b>2,786.00</b>     | (1,630.69) |
| Loans and Advances                                                                 | <b>2,029.01</b>     | (1,659.67) |
| Inventories                                                                        | <b>(2,624.17)</b>   | (5,939.04) |
| Gratuity                                                                           | <b>(19.86)</b>      | (32.31)    |
| Government Grants                                                                  | <b>(2.68)</b>       | (2.68)     |
| Trade Payables & Current liabilities                                               | <b>302.82</b>       | 1,189.73   |
| Cash generated from Operations                                                     | <b>4,755.04</b>     | (2,883.90) |
| Direct Taxes Paid (Net)                                                            | <b>10.56</b>        | (76.62)    |
| <b>Net Cash generated from Operating Activities</b>                                | <b>A 4,765.60</b>   | (2,960.52) |
| <b>B. Cash Flow from Investing Activities :</b>                                    |                     |            |
| Purchase of Fixed Assets (Including Capital work-in-progress and Capital Advances) | <b>(2,613.16)</b>   | (6,472.84) |
| Purchase of Equity Shares of Associates                                            | <b>(92.85)</b>      | (28.20)    |
| Proceeds from Sale of Investment in Equity Shares - Others                         | <b>795.00</b>       | —          |
| Proceeds from Sale of Assets / Investment Properties                               | <b>277.33</b>       | 183.62     |
| Interest Received                                                                  | <b>153.55</b>       | 153.55     |
| Dividend Received                                                                  | <b>93.19</b>        | 0.18       |
| Rent Receipts from Investment Properties                                           | <b>20.59</b>        | 12.81      |
| <b>Net Cash from used in Investing Activities</b>                                  | <b>B (1,366.35)</b> | (6,150.88) |

**SRI VISHNU SHANKAR MILL LIMITED, RAJAPALAIYAM**

**STATEMENT OF CONSOLIDATED CASH FLOWS FOR THE YEAR ENDED 31<sup>ST</sup> MARCH 2023**

(₹ in Lakhs)

|                                                                        |              | 31-03-2023        | 31-03-2022 |
|------------------------------------------------------------------------|--------------|-------------------|------------|
| <b>C. Cash Flow from Financing Activities :</b>                        |              |                   |            |
| Proceeds from Long Term Borrowings                                     |              | <b>832.51</b>     | 5,429.02   |
| Repayment of Long Term Borrowings                                      |              | <b>(2,756.52)</b> | (2,599.16) |
| Proceeds from (Repayment) of Loan Related Parties                      |              | <b>125.13</b>     | 7.15       |
| Availment / of Short Term Borrowings                                   |              | <b>424.39</b>     | 7,407.81   |
| Payment of Dividend including TDS on Dividend                          |              | <b>(15.00)</b>    | –          |
| Interest Paid                                                          |              | <b>(1,997.73)</b> | (1,413.65) |
| <b>Net cash Generated from Financing Activities</b>                    | <b>C</b>     | <b>(3,387.22)</b> | 8,831.17   |
| <b>Net Increase / (Decrease) in Cash and Cash EquivalentsD=(A+B+C)</b> |              | <b>12.03</b>      | (173.19)   |
| <b>Opening balance of Cash and Cash Equivalents</b>                    | <b>E</b>     | <b>9.68</b>       | 182.87     |
| <b>Closing balance of Cash and Cash Equivalents</b>                    | <b>D + E</b> | <b>21.71</b>      | 9.68       |

Notes:

- (i) The above Statement of Cash Flow has been prepared under 'Indirect Method' as set out in the Ind AS 7 on Statement of Cash Flow.
- (ii) Bank Borrowings including Cash Credits are considered as Financing Activities.
- (iii) For the purpose of Statement of Cash Flow, Cash and Cash Equivalents comprise the following:

| Particulars                                                      | 31-03-2023   | 31-03-2022 |
|------------------------------------------------------------------|--------------|------------|
| Cash and Cash Equivalents (Note No.19)                           | <b>2.58</b>  | 1.39       |
| Bank Balances other than Cash and Cash Equivalents (Note No. 20) | <b>19.13</b> | 8.29       |
|                                                                  | <b>21.71</b> | 9.68       |

- (iv) Reconciliation of changes in liabilities arising from Financing Activities pertaining to Borrowings:

| Particulars                                           | 31-03-2023       | 31-03-2022 |
|-------------------------------------------------------|------------------|------------|
| Balance at the beginning of the year                  |                  |            |
| Long Term Borrowings                                  | <b>12,013.90</b> | 8,440.90   |
| Short Term Borrowings                                 | <b>16,639.02</b> | 9,231.21   |
| Long Term Lease Liabilities                           | –                | –          |
| Short Term Lease Liabilities                          | –                | –          |
| Interest accrued                                      | –                | –          |
| <b>Sub-Total Balance at the beginning of the year</b> | <b>28,652.92</b> | 17,672.11  |

**SRI VISHNU SHANKAR MILL LIMITED, RAJAPALAIYAM**

**STATEMENT OF CONSOLIDATED CASH FLOWS FOR THE YEAR ENDED 31<sup>ST</sup> MARCH 2023**

| Particulars                                                     | 31-03-2023        | 31-03-2022       |
|-----------------------------------------------------------------|-------------------|------------------|
| Cash flows during the year                                      |                   |                  |
| Proceeds from Long Term Borrowings                              | 832.5             | 5,429.02         |
| Repayment of Long Term Borrowings                               | (2,756.52)        | (2,599.16)       |
| Proceeds from / (Repayment) of Loan from Related Parties, Net   | 125.13            | 7.15             |
| Proceeds from / (Repayment) of Short Term Borrowings, Net       | 424.39            | 7,407.81         |
| Payment of Principal portion of Lease Liabilities               | —                 | —                |
| Interest Paid including interest on lease liabilities           | (1,997.73)        | (1,413.65)       |
| <b>Sub-Total Cash flows during the year</b>                     | <b>(3,372.23)</b> | <b>8,831.17</b>  |
| Non-cash changes                                                |                   |                  |
| Interest accrual for the year                                   | —                 | —                |
| Fair Value Movement                                             | —                 | —                |
| Initial Recognition of Lease Liabilities for Right-of-use asset | —                 | —                |
| <b>Sub-Total Non-cash changes during the year</b>               | <b>—</b>          | <b>—</b>         |
| Balance at the end of the year                                  |                   |                  |
| Long Term Borrowings                                            | 10,057.66         | 12,013.90        |
| Short Term Borrowings                                           | 17,220.77         | 16,639.02        |
| Long Term Lease Liabilities                                     | —                 | —                |
| Short Term Lease Liabilities                                    | —                 | —                |
| Interest accrued                                                | —                 | —                |
| <b>Balance at the end of the year</b>                           | <b>27,278.43</b>  | <b>28,652.92</b> |

See accompanying notes to the financial statements.

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As per our report annexed

For **M.S. JAGANNATHAN & N. KRISHNASWAMI**  
Chartered Accountants  
Firm Registration No. 001208S

**K. SRINIVASAN**  
Partner,  
Membership No. 021510  
Rajapalayam  
25<sup>th</sup> May, 2023.

For and on behalf of the Board

**Shri P.R. VENKETRAMA RAJA**  
Chairman  
(DIN: 00331406)

**Smt. SHARADHA DEEPA**  
Managing Director  
(DIN: 00383799)

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**SRI VISHNU SHANKAR MILL LIMITED, RAJAPALAIYAM**

**NOTES TO CONSOLIDATED FINANCIAL STATEMENTS**

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**1. CORPORATE INFORMATION**

Sri Vishnu Shankar Mill Limited ("the Company") is a Public Limited company domiciled and headquartered in India and incorporated under the provisions of the Companies Act, 1956. The Registered office of the Company is located at Sri Vishnu Shankar Mill Premises, P.A.C. Ramasamy Raja Salai, Rajapalayam - 626 117, Tamil Nadu.

The Company is principally engaged in manufacture of Cotton Yarn. The Company is also engaged in generation of electricity from its windmills its captive requirements.

The Consolidated Financial Statements ("CFS") of the Company for the year ended 31-03-2023 were approved and adopted by Board of Directors of the Company in their meeting dated 25-05-2023.

**2. STATEMENT OF IND AS COMPLIANCE**

The CFS are prepared in accordance with Indian Accounting Standards (Ind AS) notified under Section 133 of the Companies Act, 2013 read with Companies (Indian Accounting Standards) Rules 2015, as amended from time to time and presentation requirements of Division II of Ind AS compliant Schedule III to the Companies Act, 2013.

**3. BASIS OF PREPARATION OF CONSOLIDATED FINANCIAL STATEMENTS**

- (i) The significant accounting policies used in preparing the financial statements are set out in Note No.6.
- (ii) The Company has considered its operating cycle to be 12 months for the purpose of Current and Non-current classification of assets and liabilities.
- (iii) An asset is classified as current when it is expected to be realised or intended to be sold or consumed in the normal operating cycle or held primarily for the purpose of trading or expected to be realised within 12 months after the reporting period or cash or cash equivalents unless restricted from being exchanged or used to settle a liability 12 months after the reporting period. All other assets are classified as non-current.
- (iv) A liability is classified as current when it is expected to be settled in normal operating cycle or held primarily for the purpose of trading or due for settlement within 12 months after the reporting period or there is no unconditional right to defer the settlement of the liability for at least 12 months after the reporting period. All other liabilities are classified as non-current. Deferred tax Assets and liabilities are classified as Non-Current Assets and Liabilities.

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**SRI VISHNU SHANKAR MILL LIMITED, RAJAPALAIYAM****NOTES TO CONSOLIDATED FINANCIAL STATEMENTS**

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- (v) The CFS are presented in Indian Rupees rounded to the nearest Lakhs with two decimals. The amount below the round off norm adopted by the Company is denoted as ₹ 0.00 Lakhs.
- (vi) Pursuant to General Circular No.39/2014 dated 14-10-2014 issued by the Ministry of Corporate Affairs that the disclosures made already under the financial statements are not merely repeated and thus the disclosures that are relevant arising out of consolidation have only been presented.
- (vii) The CFS comprises the financial statements of Sri Vishnu Shankar Mill Limited and its Associate Companies. The following Companies are considered as Associates based on existence of significant influence over such Companies:

| Name of the Company                        | % of Holding & Voting Rights |            |
|--------------------------------------------|------------------------------|------------|
|                                            | 31-03-2023                   | 31-03-2022 |
| The Ramco Cements Limited                  | 1.31%                        | 1.31%      |
| Rajapalayam Mills Limited                  | 0.40%                        | 0.40%      |
| The Ramaraju Surgical Cotton Mills Limited | 0.06%                        | 0.06%      |

- (viii) The above Companies are incorporated in India and financial statements of the respective Companies are drawn upto the same reporting date as that of the Company (i.e) 31-03-2023.
- (ix) Previous year figures have been regrouped / restated, wherever necessary and appropriate.

**4. PRINCIPLES OF CONSOLIDATION**

- a) The CFS includes the share of profit / loss of the associate companies that are accounted for using equity method in accordance with Ind AS 28. Accordingly, the share of profit / loss of the associates (the loss being restricted to the cost of investment) has been added / deducted from the cost of investment. The most recent available financial statements of the associates are used in applying the equity method.
- b) The Consolidated Statement of Profit and Loss reflects the share of results of its associates. Any change in OCI of those investees is presented as part of the Consolidated OCI.
- c) Under equity method of accounting, the investments are initially recognized at the fair value of net asset of Associate Companies from the date on which it becomes as associate and any difference between the cost of the investment and the Parent's share of the net fair value of the investee's identifiable assets and liabilities is accounted for as follows.
- (i) Any excess of the entity's share of the net fair value of the investee's identifiable assets and liabilities over the cost of the investment is recognised directly in equity as capital reserve in the period in which the investment is acquired.

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**SRI VISHNU SHANKAR MILL LIMITED, RAJAPALAIYAM**

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**NOTES TO CONSOLIDATED FINANCIAL STATEMENTS**

- (ii) Subsequently, the carrying amount of investment is adjusted to recognize the share of post-acquisition profits or losses of its Associates in the Parent's Statement of Profit & Loss.
- (iii) The equity method shall be discontinued from the date when the investment ceases to be an Associate and it shall measure the retained interest shall be measured at fair value. The fair value of the retained interest shall be regarded as its fair value on initial recognition as financial asset. The difference between the fair value of retained interest & any proceeds from disposing of a part interest in the Associate and the carrying amount of investment at the date the equity method was discontinued will be recognised in profit or loss.
- d) Dividend received or receivable from Associates are recognized as a reduction in the carrying amount of the Investment.
- e) Unrealised gains on transactions between the Company and its associates are eliminated to the extent of the Company's interest in these entities. Unrealised losses are also eliminated to the extent of the Company's interest in these entities unless the transaction provides evidence of an impairment of the asset transferred.
- f) At each reporting date, the Company determines whether there is any objective evidence that the investment in the associate is impaired. If there is such evidence, the Company provides for impairment as the difference between the recoverable amount of the associate and its carrying value, and then recognizes the loss as 'Share of profit of an associates' in the Statement of Profit and Loss.
- g) The CFS has been prepared using uniform accounting policies for like transactions and other events in similar circumstances and is presented, to the extent possible, in the same manner as the Company's separate financial statements.

## **5 BASIS OF MEASUREMENT**

The consolidated financial statements have been prepared on accrual basis under historical cost convention except for certain financial instruments (Refer Note No. 6(S) - Accounting Policy for Financial Instruments) and defined benefit plan assets which are measured at fair value.

**6. SIGNIFICANT ACCOUNTING POLICIES**

**A. Inventories**

- (i) Raw-materials, Stores & Spares, Fuel, Packing Materials etc., are valued at cost, computed on a moving weighted average basis including the cost incurred in bringing the inventories to their present location and condition after providing for obsolescence and other losses or net realisable value whichever is lower. Inventories are usually written down to net realisable value, if the finished products, in which they will be used, are expected to be sold below cost. However, the inventories are considered to be realizable at cost, if the finished products, in which they will be used, are expected to be sold at or above cost.
- (ii) Process stock is valued at weighted average cost including the cost of conversion with systematic allocation of production overheads based on normal capacity of production facilities but excluding borrowing cost or net realisable value whichever is lower. Factory administration overheads to the extent attributable to bring the inventories to their present location and condition are also included in the valuation of Process stock.
- (iii) Finished goods are valued at cost or net realisable value whichever is lower. Cost includes cost of conversion with systematic allocation of production overheads based on normal capacity of production facilities and other costs but excluding borrowing cost incurred in bringing the inventory to their present location and condition. Finished goods include stock-in-trade also which comprises cost of purchase and other cost incurred in bringing the inventories to the present location and condition. Cost is determined on a moving weighted average basis.

Net realisable value is the estimated selling price in the ordinary course of business less estimated costs of completion and estimated costs necessary to make the sale.

**B. Statement of Cash Flow**

- (i) Cash flows are presented using indirect method, whereby profit / (loss) before exceptional item and tax is adjusted for the effects of transactions of non-cash nature and any deferrals or accruals of past or future cash receipts or payments.
- (ii) Cash comprises cash on hand and demand deposits with banks. Cash equivalents are short-term balances with original maturity of less than 3 months, highly liquid investments that are readily convertible into cash which are subject to insignificant risk of changes in value.
- (iii) Bank borrowings, including Bank overdrafts and Cash Credit are generally considered to be financing activities.

**C. Dividend distribution to Equity Shareholders**

Dividend Distribution to Shareholders is recognised in the period in which the dividends are approved by the Shareholders. Any interim dividend paid is recognised on approval by Board of Directors. Dividend together with applicable tax i.e. TDS are recognised directly in Equity.

**D. Income Taxes**

- (i) The Company has an irrevocable option of shifting to a lower tax rate (new tax regime) and simultaneously forgo certain tax incentives, deductions and accumulated MAT credit as per Section 115BAA in the Income Tax Act, 1961. In view of the overall tax benefits available under Section 115BAA, the Parent Company, has opted for shifting to lower tax regime from FY 2021-22 onwards.
- (ii) Current tax is the amount of tax payable on the taxable income for the year as determined in accordance with the applicable tax rates, the provisions of the Income Tax Act, 1961 and other applicable tax laws including the relevant transfer pricing regulations prescribed thereunder, read with applicable judicial precedents or interpretations, wherever relevant.
- (iii) Current tax assets and liabilities are offset, when the Company has legally enforceable right to set off the recognised amounts and intends to settle the asset and the liability on a net basis.
- (iv) Deferred tax is recognised using the balance sheet approach on temporary differences between the tax bases of assets and liabilities and their carrying amounts for financial reporting at the reporting date. The Company has restated the net deferred tax liability as at 01-04-2021 in accordance with the reduced tax rates, in view of adoption of new tax regime.
- (v) Deferred tax assets and liabilities are measured at the tax rates that are expected to apply in the year where the asset is realised or the liability is settled, based on tax rates (and tax laws) that have been enacted or substantively enacted at the reporting date.
- (vi) Deferred tax assets and liabilities are offset if such items relate to taxes on income levied by same governing tax laws and the Company has legally enforceable right to such set off current tax assets against current tax liabilities.
- (vii) Both current tax and deferred tax relating to items recognised outside the Profit or Loss is recognised either in "Other Comprehensive Income" or directly in "Equity" as the case may be.

**E. Property, Plant and Equipments (PPE)**

- (i) PPEs are stated at cost of acquisition or construction less accumulated depreciation / amortisation and impairment losses if any, except freehold land which is carried at cost. The cost comprises of purchase price, import duties, non-refundable purchase taxes (net of tax credits wherever applicable), borrowing cost if capitalisation criteria are met and directly attributable cost of bringing the asset to its working condition for the intended use. The directly attributable costs include cost of testing whether the asset is functioning properly, after deducting the net proceeds from selling any items produced while bringing the asset to that location are condition.
- (ii) Government grants related to assets have been deducted in arriving at the carrying amount of the respective assets.
- (iii) Subsequent expenditures are recognised 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.
- (vi) Spares which meet the definition of PPE are capitalised from the date when it is available for use. Other expenses on fixed assets, including day-to-day repair and maintenance expenditure and cost of replacing parts that does not meet the capitalisation criteria are charged to the Statement of Profit and Loss for the period during which such expenses are incurred.
- (v) The Company identifies the significant parts of plant and equipment separately which are required to be replaced at intervals. Such parts are depreciated separately based on their specific useful lives. The cost of replacement of significant parts are capitalised and the carrying amount of replaced parts are de-recognised. The cost of major inspection / overhauling is recognised in the carrying amount of the item of PPE as a replacement if the recognition criteria are satisfied. Any remaining carrying amount of the cost of the previous inspection / overhauling (as distinct from physical parts) is de-recognised.
- (vi) The present value of the expected cost for the decommissioning of PPE after its use, if materially significant, is included in the cost of the respective asset when the recognition criteria are met.
- (vii) Capital Expenditure on tangible assets for research and development is classified as PPE and is depreciated based on the estimated useful life. Other expenditure incurred for research and development are expensed under the heads of accounts in the year in which it is incurred.

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**SRI VISHNU SHANKAR MILL LIMITED, RAJAPALAIYAM****NOTES TO CONSOLIDATED FINANCIAL STATEMENTS**

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- (viii) The Company follows the useful lives of the significant parts of certain class of PPE on best estimate basis upon technical advice, as detailed below, that are different from the useful lives prescribed under Part C of Schedule II of the Companies Act, 2013:

| Asset Type                      | Useful life ranging from |
|---------------------------------|--------------------------|
| Textile Machineries / Equipment | 2 to 20 Years            |
| Wind Mills                      | 22 to 30 Years           |
| HFO & DG Sets                   | 12 to 25 Years           |
| Electrical Machineries          | 3 to 25 years            |

- (ix) PPE acquired in full or part exchange for another asset are recorded at the fair market value or the net book value of the asset given up, adjusted for any balancing cash transaction. Fair market value is determined either for the assets acquired or asset given up, whichever is more clearly evident.
- (x) PPEs are eliminated from the financial statements on disposal or when no further benefit is expected from its use and disposal. Gains or losses arising from disposal, measured as the difference between the net disposal proceeds and the carrying amount of such assets, are recognised in the Statement of Profit and Loss. Amount received towards PPE that are impaired and derecognized in the financial statements, are recognized in Statement of Profit and Loss, when the recognition criteria are met.
- (xi) Depreciation is the systematic allocation of the depreciable amount of an asset over its useful life on a straight line method. The depreciable amount for assets is the cost of an asset, or other amount substituted for cost, less 5% being its residual value, except for process control system whose residual value is considered as Nil.
- (xii) Depreciation for PPE on additions is calculated on pro-rata basis from the date of such additions. For deletion / disposals, the depreciation is calculated on pro-rata basis up to the date on which such assets have been discarded / sold.
- (xiii) The residual values, useful lives and methods of depreciation of property, plant and equipment are reviewed periodically including at each reporting date and adjusted prospectively, if appropriate.

**F. Capital Work-in-Progress / Capital Advances**

- (i) Capital work in progress includes cost of property, plant and equipment under installation / under development including related expenses and attributable interest as at the reporting date.
- (ii) Advance given towards acquisition / construction of PPF outstanding at the reporting date are disclosed as 'Capital Advances' under 'Other Non-Current Assets'.

**G. Leases**

The determination of whether an arrangement is, or contains, a lease is based on the substance of the arrangement at the inception date whether fulfilment of arrangement is dependent on the use of an identified asset for a period of time in exchange for consideration.

**Company as a lessee**

- (i) The Company recognises a right-to-use (RoU) asset and a lease liability at the lease commencement date for all leases where non-cancellable leases is more than 12 months. The right-of-use asset is initially measured at cost, which comprises the initial amount of the lease liability adjusted for any lease payments made at or before the commencement date, plus any initial direct costs incurred and an estimate of costs to dismantle and remove the underlying asset or to restore the underlying asset or the site on which it is located, less any lease incentives received.
- (ii) The right-of-use asset is subsequently depreciated using the straight-line method from the commencement date to the earlier of the end of the useful life of right-of-use asset or the end of the lease term, as follows:

| Nature of RoU | Useful life |
|---------------|-------------|
| Land          | 99 Years    |
| Building      | 20 Years    |

- (iii) The estimated useful lives of right-of-use assets are determined on the same basis as those of property, plant and equipment. In addition, the right-of-use asset is periodically reduced by impairment losses, if any and adjusted for certain re-measurements of these liability.
- (iv) The lease liability is initially measured at the present value of the lease payments that are not paid at the commencement date, discounted using the interest rate implicit in the lease or, if that rate cannot readily determined, company's incremental borrowing rate.
- (v) Lease payments included in the measurement of the lease liability comprise the following:
  - a) Fixed payments:
  - b) Variable lease payments that depend on an index or a rate, initially measured using the index or rate as at the commencement date;
  - c) Amount expected to be payable under a residual value guarantee; and
  - d) The excise price under a purchase option that the Company is reasonably certain to exercise, lease payments in an optional renewal period if the Company is reasonably certain to exercise an extension option, and penalties for early termination of a lease unless the Company is reasonably certain not to terminate early.

- (vi) The lease liability is measured at amortised cost using the effective interest method. It is remeasured when there is a change in future lease payments arising from a change in an index or rate, if there is a change in the company's estimate of the amount expected to be payable under a residual value guarantee, or if company changes its assessment of whether it will exercise a purchase, extension or termination option.
- (vii) When the lease liability is remeasured in this way, a corresponding adjustment is made to the carrying amount of the right-of-use asset, or is recorded in the Statement of Profit or Loss if the carrying amount of the right-of-use asset has been reduced to zero.
- (viii) The Company present right-of-use assets that do not meet the definition of investment property in 'Property, Plant and Equipment' and Lease liabilities as a separate line item on face of the Balance Sheet.
- (ix) The Company has opted not to recognise right-of-use assets and lease liabilities for short-term leases that have a lease term of 12 months or less. The Company recognises the lease payments associated with these leases as an expense on a straight-line basis over the lease term.
- (x) Lease Improvements
  - (a) Lease improvements on a right-of-use asset (RoU) made by the Company, which enhance the value, functionality, or extend the useful life of the leased asset, shall be recognized as assets and capitalized in the same category of RoU asset under 'Property, Plant and Equipment', if capitalization criteria are met.
  - (b) Lease improvements recognized as assets shall be initially measured at cost, which includes all directly attributable costs incurred to bring the improvements to their present condition and location.
  - (c) The lease improvements on RoU assets are depreciated using the straight line method from the commencement date to the earlier of the end of the useful life of lease improvement or the end of the lease term

#### **Company as a Lessor**

The lease arrangements where the risks and rewards incidental to ownership of an asset substantially vests with the Lessor are recognised as operating lease. Operating lease receipts are recognised in the Statement of Profit and Loss on straight line basis over the lease terms except where the payments are structured to increase in line with the general inflation to compensate for the expected inflationary cost increases. The Company do not have any finance leases arrangements.

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**H. Revenue Recognition**

(i) Revenue from Operations

a) Sale of Products

Revenue from product sales is recognized when the company transfers control of the product to customers at a point in time. The transaction price is the amount of consideration to which the company expects to be entitled in exchange for transferring goods to the customer. The Company provides discounts to customers on the achievement of the performance criteria based on agreed terms and conditions. The financing component with regard to sale of products are excluded from Revenue from operations and recognised as interest Receipts over the credit periods as per Ind AS 115. The Company does not have any non-cash consideration.

b) Power Generated from Windmills

Power generated from windmills that are covered under wheeling & banking arrangement with TANGEDCO is consumed at factories. The monetary values of such power generated that are captively consumed are not recognised as revenue, but have been set after against the cost of power & fuel.

The value of unadjusted units available if any, at the end of the financial year and sold to the Electricity Board at an agreed rate / tariff rate are recognized and shown as income from Wind Mills.

c) Scrap Sale

Scrap sales is recognized when the Company transfers control of the product to customers.

(ii) Other Income

a) Interest income is recognised using the Effective Interest Rate (EIR) method. EIR is the rate that exactly discounts the estimated future cash payments or receipts over the expected life of the financial instrument or a shorter period where appropriate, the gross carrying amount of the financial asset or to the amortised cost of a financial liability.

b) Dividend income is recognised when the Company's right to receive dividend is established.

c) Rental income from operating lease on investment properties is recognised on a straight line basis over the term of the relevant lease.

**I. Employee Benefits**

- (i) Short-term employee benefits viz., Salaries and Wages are recognized as an expense at the undiscounted amount in the Statement of Profit and Loss for the year in which the related service is rendered.
- (ii) Defined Contribution Plan viz., Contributions to Provident Fund and Superannuation Fund are recognized as an expense in the Statement of Profit and Loss for the year in which the employees have rendered services.
- (iii) The Company contributes monthly to Employees' Provident Fund & Employees' Pension Fund administered by the Employees' Provident Fund Organisation, Government of India, at 12% of employee's basic salary and dearness allowance. The Company has no further obligations.
- (iv) The Company also contributes for Superannuation Fund on an annual basis, a sum equivalent to 15% of the officer's eligible annual basic salary. Out of the said 15% contribution, a sum upto ₹ 1.50 Lacs per annum is remitted to the Sri Vishnu Mills Limited Officers Superannuation Fund Trust administered by the Trustees and managed by LIC of India. The balance amount, if any, is paid as salary. There are no further obligations in respect of the above contribution plan.
- (v) The Company contributes to Defined Benefit Plan viz., an approved Gratuity Fund. It is in the form of lump sum payments to vested employees on resignation, retirement, death while in employment or on termination of employment, for an amount equivalent to 15 days' basic salary and dearness allowance for each completed year of service. Vesting occurs upon completion of five years of continuous service. The Company makes annual contributions to "Sri Vishnu Shankar Mill Limited Employees' Gratuity Fund" administered by trustees and managed by LIC of India, based on the Actuarial Valuation by an independent external actuary as at the reporting date using Projected Unit Credit method.
- (vi) The Company provides for expenses towards compensated absences provided to its employees. The expense is recognized at the present value of the amount payable determined based on an independent external actuarial valuation as at the Balance Sheet date, using Projected Unit Credit method. The Company presents the entire compensated absences as 'Short-term provisions' since employee has an unconditional right to avail the leave at any time during the year.
- (vii) Re-measurement of net defined benefit asset / liability comprising of actuarial gains or losses arising from experience adjustments and changes in actuarial assumptions are charged / credited to other comprehensive income in the period in which they arise and immediately transferred to retained earnings. Other costs are accounted in the Statement of Profit and Loss.

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**J. Government Grants**

- (i) Government grants are recognised at fair value where there is a reasonable assurance that the grant will be received and all the attached conditions are complied with.
- (ii) In case of revenue related grant, the income is recognised on a systematic basis over the period for which it is intended to compensate an expense and is disclosed under "Other Income" or netted off against corresponding expenses wherever appropriate. Receivables of such grants are shown under "Other Financial Assets".
- (iii) Government grants related to assets have been deducted in arriving at the carrying amount of the respective assets.
- (iv) Export benefits are accounted for the year of exports based on eligibility and when there is no uncertainty in receiving the same. Receivables of such benefits are shown under "Other Financial Assets".

**K. Foreign Currency Transactions**

- (i) The financial statements are presented in Indian Rupees, which is also the Company's functional currency.
- (ii) All transactions in foreign currency are recorded on initial recognition at their functional currency spot exchange rates prevailing on that date of transaction.
- (iii) Monetary assets and liabilities in foreign currencies outstanding at the reporting date are translated to the functional currency spot rates prevailing on the reporting date and the resultant gains or losses are recognised during the year in the Statement of Profit and Loss.
- (iv) Non-monetary items which are carried at historical cost denominated in foreign currency are reported using the exchange rates at the date of transaction. The date of transaction is the date on which the company initially recognises the non-monetary asset or non-monetary liability arising from advance consideration. If there are multiple receipts of payments in advance, the Company determines the transaction date for each payment or receipt of advance consideration.

**L. Borrowing Costs**

- (i) Borrowing cost include interest computed using Effective Interest Rate method, interest on lease liabilities, amortisation of ancillary costs incurred and exchange differences arising from foreign currency borrowings to the extent they are regarded as an adjustment to the interest cost.
- (ii) Borrowing costs that are directly attributable to the acquisition, construction, production of a qualifying asset are capitalised as part of the cost of that asset which takes substantial period of time to get ready for its intended use. The Company determines

**NOTES TO CONSOLIDATED FINANCIAL STATEMENTS**

the amount of borrowing cost eligible for capitalisation by applying capitalisation rate to the expenditure incurred on such cost. The capitalisation rate is determined based on the weighted average rate of borrowing cost applicable to the borrowings of the Company which are outstanding during the period, other than borrowings made specifically towards purchase of the qualifying asset. The amount of borrowing cost that the Company capitalises during the period does not exceed the amount of borrowing cost incurred during that period. All other borrowings costs are expensed in the period in which they occur.

**M. Earnings per Share**

- (i) Basic Earnings per share is calculated by dividing the profit / (loss) attributable to equity shareholders by the weighted average number of equity shares.
- (ii) Where an item of income or expense which is otherwise required to be recognised in the Statement of Profit and Loss is debited or credited to Equity, the amount in respect thereof is suitably adjusted in Net profit for the purpose of computing Earnings per share.
- (iii) The Company does not have any potential equity shares.

**N. Impairment of Non-Financial Assets**

- (i) The carrying values of assets include property, plant and equipment, investment properties, cash generating units and intangible assets, are reviewed for impairment at each reporting date, if there is any indication of impairment based on internal and external factors.
- (ii) Non-financial assets are treated as impaired when the carrying amount of such asset exceeds its recoverable value. After recognition of impairment loss, the depreciation for the said assets is provided for remaining useful life based on the revised carrying amount, less its residual value if any, on straight line basis.
- (iii) An impairment loss is charged to the Statement of Profit and Loss in the year in which an asset is identified as impaired.
- (iv) An impairment loss is reversed when there is an indication that the impairment loss may no longer exist or may have decreased.

**O. Provisions, Contingent Liabilities and Contingent Assets**

- (i) Provisions involving substantial degree of estimation in measurement are recognised when there is a present obligation as a result of past events and it is probable that there will be an outflow of resources embodying economic benefits in respect of which a reliable estimate can be made.

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- (ii) Provisions are discounted if the effect of the time value of money is material, using pre-tax rates that reflects the risks specific to the liability. When discounting is used, an increase in the provisions due to the passage of time is recognised as finance cost. These provisions are reviewed at each Balance Sheet date and adjusted to reflect the current best estimates.
- (iii) Insurance claims are accounted on the basis of claims admitted or expected to be admitted and to the extent that the amount recoverable can be measured reliably and it is reasonable to expect ultimate collection. Any subsequent change in the recoverability is provided for. Contingent Assets are not recognised.
- (iv) Contingent liability is a possible obligation that may arise from past events and its existence will be confirmed only by occurrence or non-occurrence of one or more uncertain future events not wholly within the control of the Company or it is not probable that an outflow of resources embodying economic benefits will be required to settle the obligation and the same are not recognised but disclosed in the financial statements.

**P. Intangible Assets**

- (i) The costs of computer software acquired and its subsequent improvements are capitalised. Internally generated software is not capitalized and the expenditure is recognized in the Statement of Profit and Loss in the year in which the expenditure is incurred.
- (ii) The cost incurred for right to un-restricted usage of power transmission system for drawal of power from State grid to its Mills were capitalized as it is expected to yield future economic benefits.
- (iii) Intangible Assets are carried at cost less accumulated depreciation and impairment losses, if any and are amortised over their estimated useful life based on straight line method. The estimated useful lives of intangible assets are assessed by the internal technical team as details below, that are different from the useful lives prescribed under Part C of Schedule II of the Companies Act, 2013:

| Nature of Intangible assets | Estimated useful life |
|-----------------------------|-----------------------|
| Computer software           | 6 years               |
| Power Transmission System   | 5 years               |

- (iv) The intangible assets that are under development phase are carried at cost including related expenses and attributable interest, and are recognised as Intangible assets under development.
- (v) The residual values, useful lives and methods of amortisation of intangible asset are reviewed at each reporting date and adjusted prospectively, if appropriate.

**Q. Investment Properties**

- (i) An investment in land or buildings both furnished and unfurnished, which are held for earning rentals or capital appreciation or both rather than for use in the production or supply of goods or services or for administrative purposes or sale in the ordinary course of business, are classified as investment properties.
- (ii) Investment properties are stated at cost, net of accumulated depreciation and impairment loss, if any except freehold land which is carried at cost.
- (iii) The Company identifies the significant parts of investment properties separately which are required to be replaced at intervals. Such parts are depreciated separately based on their specific useful lives determined on best estimate basis upon technical advice. The cost of replacement of significant parts are capitalised and the carrying amount of replaced parts are de-recognised. Other expenses including day-to-day repair and maintenance expenditure and cost of replacing parts that does not meet the capitalisation criteria, are charged to the Statement of Profit and Loss for the period during which such expenses are incurred.
- (iv) Depreciation on investment properties are calculated on straight-line method based on useful life of the significant parts as detailed below, that are different from the useful lives as prescribed under Part C of Schedule II of the Companies Act, 2013:

| <b>Asset type</b>                     | <b>Useful life</b> |
|---------------------------------------|--------------------|
| Buildings under Investment properties | 60 years           |

- (v) Investment properties are eliminated from the financial statements on disposal or when no further benefit is expected from its use and disposal. Gains or losses arising from disposal, measured as the difference between the net disposal proceeds and the carrying amount of such investment properties, are recognised in the Statement of Profit and Loss. Amount received towards investment properties that are impaired and derecognized in the financial statements, are recognized in Statement of Profit and Loss, when the recognition criteria are met.
- (vi) The residual values, useful lives and methods of depreciation of investment properties are reviewed periodically including at each reporting date and adjusted prospectively, if appropriate.

**R. Operating Segments**

Operating segments are identified on the basis of nature and usage of products and reported in a manner consistent with the internal reporting provided to Chief Operating Decision Maker. The Company's business operation comprises of two operating segment viz., Textile and Windmills.

**NOTES TO CONSOLIDATED FINANCIAL STATEMENTS**

**S. Financial Instruments**

- (i) A financial instrument is any contract that gives rise to a financial asset of one entity and a financial liability or equity instrument of another entity.
- (ii) Financial assets and liabilities are offset and the net amount is presented in the Balance sheet when and only when the Company has a legal right to offset the recognised amounts and intends either to settle on a net basis or to realise the assets and settle the liabilities simultaneously.
- (iii) The Company initially determines the classification of financial assets and liabilities. After initial recognition, no re-classification is made for financial assets which are categorised as equity instruments at FVTOCI and financial assets / liabilities that are specifically designated as FVTPL. However, other financial assets are re-classifiable when there is a change in the business model of the Company. When the Company reclassifies the financial assets, such reclassifications are done prospectively from the first day of the immediately next reporting period. The Company does not restate any previously recognised gains, losses including impairment gains or losses or interest.

**(iv) Fair Value Hedges**

Changes in the fair value of forwards contracts that are designated and qualify as fair value hedges are recognised in the income statement, together with the changes in the fair value of the hedged item that are attributable to the hedged risk. If the hedge no longer meets the criteria for hedge accounting, changes in the fair value of the hedged item attributable to the hedged risk are no longer recognized in the income statement.

When a hedged item in a fair value hedge is a firm commitment (or a component thereof) to acquire an asset or assume a liability, the initial carrying amount of the asset or the liability the results from the entity meeting the firm commitment is adjusted to include the cumulative change in the fair value of the hedged item that was recognised in the balance sheet, with a corresponding gain or loss recognised in Profit or loss.

**T. Financial Assets**

- (i) Financial assets comprise of investments in equity, trade receivables, cash and cash equivalents and other financial assets.
- (ii) Depending on the business model (i.e) nature of transactions for managing those financial assets and its contractual cash flow characteristics, the financial assets are initially measured at fair value and subsequently measured and classified at:

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- a) Amortised cost; or
- b) Fair value through other comprehensive income (FVTOCI); or
- c) Fair value through profit or loss (FVTPL)

Amortised cost represents carrying amount on initial recognition at fair value plus or minus transaction cost.

- (iii) Financial assets are measured at FVTPL except for those financial assets whose contractual terms give rise to cash flows on specified dates that represents solely payments of principal and interest thereon, are measured as detailed below depending on the business model:

| Classification | Business Model                                                                                                                                                                                                                    |
|----------------|-----------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| Amortised Cost | The objective of the Company is to hold and collect the contractual cash flows till maturity. In other words, the Company do not intend to sell the instrument before its contractual maturity to realise its fair value changes. |
| FVTOCI         | The objective of the Company is to collect its contractual cash flows and selling financial assets.                                                                                                                               |

- (iv) The Company has accounted for its investments in associates at cost. The Company has exercised an irrevocable option at time of initial recognition to measure the changes in fair value of other equity investments at FVTOCI. Accordingly, the Company classifies its financial assets for measurement as below:

| Classification | Name of Financial Assets                                                                                                                                                                |
|----------------|-----------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| Amortised Cost | Trade receivables, Loans and advances to employees and related parties, deposits, IPA receivable, interest receivable, unbilled revenue and other advances recoverable in cash or kind. |
| FVTOCI         | Equity investments in companies other than Associate as an option exercised at the time of initial recognition.                                                                         |
| FVTPL          | Forward exchange contracts.                                                                                                                                                             |

- (v) Financial assets are derecognised (i.e) removed from the financial statements, when its contractual rights to the cash flows expire or upon transfer of the said assets. The Company also derecognises when it has an obligation to adjust the cash flows arising from the financial asset with third party and either upon transfer of:

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- a. significant risk and rewards of the financial asset, or
- b. control of the financial asset

However, the Company continue to recognise the transferred financial asset and its associated liability to the extent of its continuing involvement, which are measured on the basis of retainment of its rights and obligations of financial asset.

- (vi) Upon derecognition of its financial asset or part thereof, the difference between the carrying amount measured at the date of recognition and the consideration received including any new asset obtained less any new liability assumed shall be recognised in the Statement of Profit and Loss.
- (vii) For impairment purposes, significant financial assets are tested on individual basis at each reporting date. Other financial assets are assessed collectively in groups that share similar credit risk characteristics. Accordingly, the impairment testing is done retrospectively on the following basis:

| <b>Name of Financial asset</b> | <b>Impairment testing methodology</b>                                                                                                                                                                                                                                                                                                                                                                                                                                                                                            |
|--------------------------------|----------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| Trade receivables              | Expected Credit Loss model (ECL) is applied. The ECL over lifetime of the assets are estimated by using a provision matrix which is based on historical loss rates reflecting current conditions and forecasts of future economic conditions which are grouped on the basis of similar credit characteristics such as nature of industry, customer segment, past due status and other factors that are relevant to estimate the expected cash loss from these assets.                                                            |
| Other Financial assets         | When the credit risk has not increased significantly, 12 month ECL is used to provide for impairment loss. When there is significant change in credit risk since initial recognition, the impairment is measured based on probability of default over the life time. If, in a subsequent period, credit quality of the instrument improves such that there is no longer a significant increase in credit risk since initial recognition, then the entity reverts to recognising impairment loss allowance based on 12 month ECL. |

**U. Financial Liabilities**

- (i) Financial liabilities comprise of Borrowings from Banks, Trade payables, Lease Liabilities, Derivative financial instruments, Financial Guarantee obligation and other financial liabilities.
- (ii) The Company measures its financial liabilities as below:

| Measurement basis | Name of Financial liabilities                                                                                                                                        |
|-------------------|----------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| Amortised Cost    | Borrowings, Trade payables, Lease Liabilities, Interest accrued, Unclaimed / Disputed Dividends, Security deposits, and other financial liabilities not for trading, |
| FVTPL             | Foreign exchange Forward contracts being derivative contracts do not qualify for hedge accounting under Ind AS 109 and other financial liabilities held for trading. |

- (iii) Financial guarantee contracts issued by the Company are those contracts that require a payment to be made to reimburse the holder for a loss it incurs because the specified debtor fails to make a payment when due in accordance with the terms of a debt instrument. Transaction cost of financial guarantee contracts that are directly attributable to the issuance of the guarantee are recognised initially as a liability at fair value. Subsequently, the liability is measured at the higher of the amount of loss allowance determined as per impairment requirements of Ind AS 109 and the amount recognised less cumulative amortization.
- (iv) Financial liabilities are derecognised when and only when it is extinguished (i.e) when the obligation specified in the contract is discharged or cancelled or expired.
- (v) Upon derecognition of its financial liabilities or part thereof, the difference between the carrying amount of a financial liability that has been extinguished or transferred to another party and the consideration paid including any non-cash assets transferred or liabilities assumed is recognised in the Statement of Profit and Loss.

**V. Fair Value Measurement**

- (i) Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date.
- (ii) The fair value of an asset or a liability is measured using the assumptions that the market participants would use when pricing the asset or liability, assuming that the market participants act in the economic best interest.

**NOTES TO CONSOLIDATED FINANCIAL STATEMENTS**

- (iii) All assets and liabilities for which fair value is measured and disclosed in the financial statements are categorised within fair value hierarchy based on the lowest level input that is significant to the fair value measurement as a whole. The fair value hierarchy is described as below:

Level 1: Unadjusted quoted prices in active markets for identical assets or liabilities

Level 2: Valuation techniques for which the lowest level inputs that are significant to the fair value measurement is directly or indirectly observable.

Level 3: Valuation techniques for which the lowest level inputs that are significant to the fair value measurement is unobservable.

- (iv) For assets and liabilities that are recognised in the Balance sheet on a recurring basis, the company determines whether transfers have occurred between levels in the hierarchy by reassessing categorisation at the end of each reporting period (i.e) based on the lowest level input that is significant to the fair value measurement as a whole.
- (v) For the purpose of fair value disclosures, the company has determined the classes of assets and liabilities based on the nature, characteristics and risks of the assets or liabilities and the level of the fair value hierarchy as explained above.
- (vi) The basis for fair value determination for measurement and / or disclosure purposes is detailed below:

**a) Investments in Equity**

The fair value is determined by reference to their quoted prices at the reporting date. In the absence of the quoted price, the fair value of the equity is measured using valuation techniques.

**b) Trade and Other receivables**

The fair value is estimated as the present value of the future cash flows, discounted at the market rate of interest at the reporting date. However, the fair value generally approximates the carrying amount due to the short term nature of such assets.

**c) Forward exchange contracts**

The fair value of forward exchange contracts is based on the quoted price if available; otherwise it is estimated by discounting the difference between contractual forward price and current forward price for the residual maturity of the contract using government bond rates.

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**d) Non-Derivative financial liabilities**

The fair value of non-derivative financial liabilities viz., borrowings are determined for disclosure purposes calculated based on the present value of future principal and interest cash flows, discounted at the market rate of interest at the reporting date.

**e) Financial guarantee obligation**

The fair value of financial guarantee obligation with reference to loan availed by associates is determined on the basis of estimated cost involved in securing equivalent size of the guarantees from bank.

**f) Investment Properties**

The fair value is determined for disclosure purposes based on an annual evaluation performed by an internal technical team measured using the technique of quoted prices for similar assets in the active markets and further moderated by market corroborated inputs.

**7. Amendments to the existing accounting standards effective from 01-04-2022 onwards**

The details of amendments to the existing standards that are relevant to the Company with effect from 01-04-2022 are given below:

The amendment to Ind AS 16 on Property, Plant & Equipment has clarified that excess of net sale proceeds of items produced over the cost of testing (while bringing the asset to that location and condition) shall not be recognized in the profit or loss but deducted from the directly attributable costs considered as part of cost of an item of Property, Plant and Equipment.

**8. Significant Estimates and Judgements**

The preparation of the financial statements requires management to make judgements, estimates and assumptions that affect the reported amounts of revenues, expenses, assets and liabilities and the accompanying disclosures, and the disclosure of contingent liabilities. Actual results could vary from these estimates. The estimates and underlying assumptions are reviewed on an on-going basis. Revisions to accounting estimates are recognised in the period in which the estimate is revised if the revision effects only that period or in the period of the revision or future periods, if the revision affects both current and future years.

Accordingly, the management has applied the following estimates / assumptions / judgements in preparation and presentation of financial statements:

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**(i) Revenue Recognition**

Significant management judgement is exercised in determining the transaction price and discounts to customer which is based on market factors namely demand and supply. The Company offers credit period to customers and management judgement is exercised in assessing whether a contract contains a significant financing component.

**(ii) Property, Plant and Equipment, Intangible Assets and Investment Properties**

The residual values and estimated useful life of PPEs, Intangible Assets and Investment Properties are assessed by the technical team periodically including at each reporting date by taking into account the nature of asset, the estimated usage of the asset, the operating condition of the asset, past history of replacement and maintenance support. Upon review, the management accepts the assigned useful life and residual value for computation of depreciation / amortisation. Also, management judgement is exercised for classifying the asset as investment properties or vice versa.

**(iii) Current Taxes**

Calculations of income taxes for the current period are done based on applicable tax laws and management's judgement by evaluating positions taken in tax returns and interpretations of relevant provisions of law and applicable judicial precedents.

**(iv) Deferred Tax Asset**

Significant management judgement is exercised by reviewing the deferred tax assets at each reporting date to determine the amount of deferred tax assets that can be retained / recognised, based upon the likely timing and the level of future taxable profits together with future tax planning strategies.

**(v) Provisions**

The timing of recognition requires application of judgement to existing facts and circumstances that may be subject to change. The litigations and claims to which the company is exposed are assessed by the management and in certain cases with the support of external experts. The amounts are determined by discounting the expected future cash flows at a pre-tax rate that reflects the current market assessments of the time value of money and the risks specific to the liability.

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**(vi) Segment Reporting**

In the management opinion, the Company is engaged in the activity of manufacturing of textile products and generation of electricity through wind mills. Management's judgment is exercised to aggregate two or more business segments as single operating segment, based on economic characteristics, products, production process and types of customer, which are similar in nature.

**(vii) Contingent Liabilities**

Management judgement is exercised for estimating the possible outflow of resources, if any, in respect of contingencies / claims / litigations against the Company as it is not possible to predict the outcome of pending matters with accuracy.

**(viii) Classification of Investment**

Management judgement is exercised in determining the following criteria while making classification of investments:

- the intention of the Company to sell the investment immediately;
- the sale is highly probable;
- it is unlikely that significant change to the sale plan will be made and;
- that plan will not be withdrawn.

Based on this judgement, the investments are classified as "Investment held for sale", if all the above criteria are met and continue to classify the investment as "Non-current investment", if the above criteria are not met.

**(ix) Impairment of Trade receivables**

The impairment for trade receivables are done based on assumptions about risk of default and expected loss rates. The assumptions, selection of inputs for calculation of impairment are based on management judgement considering the past history, market conditions and forward looking estimates at the end of each reporting date.

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**(x) Impairment of Non-financial assets (PPE / Intangible Assets / Investment Properties)**

The impairment of non-financial assets is determined based on estimation of recoverable amount of such assets. The assumptions used in computing the recoverable amount are based on management judgement considering the timing of future cash flows, discount rates and the risks specific to the asset.

**(xi) Impairment of Investments in Associates**

Significant management judgement is exercised in determining whether the investment in associates are impaired or not is on the basis of its nature of long term strategic investments and business projections

**(xii) Defined Benefit Plans and Other Long Term Benefits**

The cost of the defined benefit plan and other long term benefits, and the present value of such obligation are determined by the independent actuarial valuer. An actuarial valuation involves making various assumptions that may differ from actual developments in future. Management believes that the assumptions used by the actuary in determination of the discount rate, future salary increases, mortality rates and attrition rates are reasonable. Due to the complexities involved in the valuation and its long term nature, this obligation is highly sensitive to changes in these assumptions. All assumptions are reviewed at each reporting date.

**(xiii) Determination of lease term of contracts as non-cancellable term**

Significant management judgement is exercised in determining the lease term as non-cancellable term of the lease, together with any periods covered by an option to extend the lease if it is reasonably certain to be exercised, or any periods covered by an option to terminate the lease, if it is reasonably certain not to be exercised, by considering all relevant factors that create an economic incentive for it to exercise either the renewal or termination.

**(xiv) Fair value measurement of financial instruments / Firm Commitments**

When the fair values of financial assets and financial liabilities could not be measured based on quoted prices in active markets, management uses valuation techniques

including the Discounted Cash Flow (DCF) model / Net Asset Value Method, to determine its fair value. The inputs to these models are taken from observable markets where possible, but where this is not feasible, a degree of judgement is exercised in establishing fair values. Judgements include considerations of inputs such as liquidity risk, credit risk and volatility.

In case of unrecognised firm commitments denominated in foreign currency, which also qualify as a hedged item, the fair value of such firm commitments outstanding at the reporting date are measured at functional currency based on the quoted price in the active market prevailing on the reporting date.

**(xv) Interests in Other Entities**

Significant management judgement is exercised in determining the interests in other entities. The management believes that wherever there is a significant influence over certain companies belonging to its group, such companies are treated as Associate companies even though it holds less than 20% of the voting rights.

**SRI VISHNU SHANKAR MILL LIMITED, RAJAPALAIYAM**

**NOTES TO CONSOLIDATED FINANCIAL STATEMENTS**

**NOTE NO. 8**

**PROPERTY, PLANT AND EQUIPMENT**

| Particulars                   |  | Year    | Gross Block                     |           |                          |          | Depreciation              |                                 |                                     | Net Block                 |          | (₹ in Lakhs) |                       |
|-------------------------------|--|---------|---------------------------------|-----------|--------------------------|----------|---------------------------|---------------------------------|-------------------------------------|---------------------------|----------|--------------|-----------------------|
|                               |  |         | As at the beginning of the year | Additions | Deductions / Adjustments | Transfer | As at the end of the year | As at the beginning of the year | For the year (Refer to Note No. 41) | Withdrawn during the year | Transfer |              | As at end of the year |
| Land - Free hold              |  | 2022-23 | 313.63                          | 9.03      | 1.26                     | -        | 321.40                    | -                               | -                                   | -                         | -        | 321.40       | 313.63                |
|                               |  | 2021-22 | 313.63                          | -         | -                        | -        | 313.63                    | -                               | -                                   | -                         | -        | 313.63       | 313.63                |
| Own Buildings                 |  | 2022-23 | 2,743.09                        | 1,037.20  | -                        | -        | 3,780.29                  | 1,281.52                        | 64.21                               | -                         | -        | 2,434.56     | 1,461.57              |
|                               |  | 2021-22 | 2,730.59                        | 12.51     | -                        | -        | 2,743.10                  | 1,230.61                        | 50.92                               | -                         | -        | 1,461.57     | 1,499.98              |
| Plant and Machinery           |  | 2022-23 | 28,146.49                       | 1,452.90  | 269.66                   | -        | 29,329.73                 | 15,938.36                       | 1,465.99                            | 136.13                    | -        | 12,061.49    | 12,208.13             |
|                               |  | 2021-22 | 22,947.24                       | 5,921.66  | 722.41                   | -        | 28,146.49                 | 15,328.21                       | 1,151.47                            | 541.32                    | -        | 12,208.13    | 7,619.03              |
| Electrical Machinery          |  | 2022-23 | 1,330.79                        | 127.33    | 7.87                     | -        | 1,450.25                  | 837.16                          | 58.33                               | 7.49                      | -        | 562.23       | 493.63                |
|                               |  | 2021-22 | 970.98                          | 359.81    | -                        | -        | 1,330.79                  | 811.59                          | 25.57                               | -                         | -        | 493.63       | 159.39                |
| Furniture & Office Equipments |  | 2022-23 | 217.62                          | 49.78     | -                        | -        | 267.40                    | 156.63                          | 19.65                               | -                         | 0.11     | 91.01        | 60.99                 |
|                               |  | 2021-22 | 182.33                          | 35.29     | -                        | -        | 217.62                    | 147.55                          | 9.08                                | -                         | -        | 60.99        | 34.78                 |
| Vehicles                      |  | 2022-23 | 135.31                          | 6.14      | 1.54                     | -        | 139.91                    | 74.11                           | 11.43                               | 1.26                      | -        | 55.63        | 61.20                 |
|                               |  | 2021-22 | 170.20                          | 14.10     | 48.99                    | -        | 135.31                    | 109.85                          | 10.75                               | 46.48                     | -        | 61.19        | 60.35                 |
| Total                         |  | 2022-23 | 32,886.93                       | 2,682.38  | 280.33                   | -        | 35,288.98                 | 18,287.78                       | 1,619.61                            | 144.84                    | 0.11     | 15,526.32    | 14,599.14             |
|                               |  | 2021-22 | 27,314.97                       | 6,343.37  | 771.40                   | -        | 32,886.94                 | 17,627.81                       | 1,247.79                            | 587.80                    | -        | 14,599.14    | 9,687.16              |

Notes: (i) Borrowings cost of ₹ 0.00 Lakhs have been capitalised for current year (PY: ₹ 104.11 Lakhs)

(ii) All the moveable fixed assets have been pledged as security for borrowings.

(iii) The Company has opted to present the government grants related to assets as deduction from the carrying value of eligible assets in accordance with Ind AS20. No grants related to assets had been received during financial year 2022-23 (PY: NIL).

(iv) The Company has not revalued its Property, Plant and Equipment (including Right-of-Use Asset) since the Company has adopted cost model as its accounting policy to an entire class of Property, Plant and Equipment in accordance with Ind AS 16.

(v) All the title deeds of immovable properties are held in the name of the Company.

**SRI VISHNU SHANKAR MILL LIMITED, RAJAPALAIYAM**

**NOTES TO CONSOLIDATED FINANCIAL STATEMENTS**

(vi) Deductions / Adjustments in Gross Block comprises of:

| Particulars                   | 2022-23        |                 |                   |               | 2021-22        |                 |                   |               |
|-------------------------------|----------------|-----------------|-------------------|---------------|----------------|-----------------|-------------------|---------------|
|                               | Sale of Assets | Scrap of Assets | Government Grants | Total         | Sale of Assets | Scrap of Assets | Government Grants | Total         |
| Land - Free hold              | 1.26           | -               | -                 | 1.26          | -              | -               | -                 | -             |
| Own Buildings                 | -              | -               | -                 | -             | -              | -               | -                 | -             |
| Plant and Machinery           | 269.66         | -               | -                 | 269.66        | 722.41         | -               | -                 | 722.41        |
| Electrical Machinery          | 7.87           | -               | -                 | 7.87          | -              | -               | -                 | -             |
| Furniture & Office Equipments | -              | -               | -                 | -             | -              | -               | -                 | -             |
| Vehicles                      | 1.54           | -               | -                 | 1.54          | 48.99          | -               | -                 | 48.99         |
| <b>Total</b>                  | <b>280.33</b>  | <b>-</b>        | <b>-</b>          | <b>280.33</b> | <b>771.40</b>  | <b>-</b>        | <b>-</b>          | <b>771.40</b> |

(vii) Scrap of assets represent components of assets that were derecognised due to wear and tear and damages, since no future benefits is expected from those components and thus replaced by new components.

# SRI VISHNU SHANKAR MILL LIMITED, RAJAPALAIYAM

## NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

### NOTE NO. 9

#### CAPITAL WORK IN PROGRESS

(₹ in Lakhs)

| Particulars              | Year    | As at the beginning of the year | Additions | Capitalised | As at the end of the year |
|--------------------------|---------|---------------------------------|-----------|-------------|---------------------------|
| Capital Work in Progress | 2022-23 | 453.75                          | 2,468.21  | 2,537.42    | 384.54                    |
|                          | 2021-22 | 380.00                          | 122.74    | 48.99       | 453.75                    |

Notes: (i) Refer Note No. 53(b) for information relating to Ageing Schedule.

### NOTE NO. 10

#### INVESTMENT PROPERTY

(₹ in Lakhs)

| Particulars | Year    | Gross Block                     |           |      | Amortisation |                           |                                 | Net Block                 |                                 |
|-------------|---------|---------------------------------|-----------|------|--------------|---------------------------|---------------------------------|---------------------------|---------------------------------|
|             |         | As at the beginning of the year | Additions | Sold | Transfer IN  | As at the end of the year | As at the beginning of the year | As at the end of the year | As at the beginning of the year |
| Land        | 2022-23 | 122.24                          | -         | -    | -            | 122.24                    | -                               | -                         | 122.24                          |
|             | 2021-22 | 122.24                          | -         | -    | -            | 122.24                    | -                               | -                         | 122.24                          |
| Building    | 2022-23 | 95.33                           | -         | -    | -            | 95.33                     | 31.91                           | 2.80                      | 60.62                           |
|             | 2021-22 | 95.33                           | -         | -    | -            | 95.33                     | 29.10                           | 2.80                      | 63.42                           |
| Total       | 2022-23 | 217.57                          | -         | -    | -            | 217.57                    | 31.91                           | 2.80                      | 182.86                          |
|             | 2021-22 | 217.57                          | -         | -    | -            | 217.57                    | 29.10                           | 2.80                      | 185.67                          |

Notes: (i) The Company measured all of its Investment Properties at Cost in accordance with Ind AS 40.

(ii) The fair valuation of these investment property are determined by an internal technical team, who are specialists in valuing these types of investment properties by using the technique of quoted prices for similar assets in active markets or recent price of similar properties in less active markets and adjusted to reflect those differences. Since the valuation is done by internal technical team, the fair value of investment property as disclosed above is not based on valuation by a register valuer as defined under rule 2 of Companies (Registered Valuers and Valuation) Rules, 2017. All resulting fair value estimates for investment properties as given below:

| Particulars                         | 31-03-2023 | 31-03-2022 |
|-------------------------------------|------------|------------|
| Fair value of Investment Properties | 680.40     | 680.40     |

(iii) The Company has no restrictions on the realisability of its investment properties and no contractual obligations to purchase, construct or develop investment properties or for repairs, maintenance and enhancements.

(iv) Fair value hierarchy disclosures for investment properties have been provided in Note No. 50.

(v) Information regarding income and expenditure of Investment property.

| Particulars                                                                         | 31-03-2023 | 31-03-2022 |
|-------------------------------------------------------------------------------------|------------|------------|
| Rental Income from Investment Properties                                            | 1.80       | 1.80       |
| Direct Operating Expenses                                                           | 1.04       | 0.73       |
| Profit arising from Investment Properties before Depreciation and indirect expenses | 0.76       | 1.07       |
| Less: Depreciation                                                                  | 2.80       | 2.80       |
| Profit / (Loss) arising from Investment Properties before indirect expenses         | (2.04)     | (1.73)     |

**SRI VISHNU SHANKAR MILL LIMITED, RAJAPALAIYAM**

**NOTES TO CONSOLIDATED FINANCIAL STATEMENTS**

**NOTE NO. 11**

**INTANGIBLE ASSETS**

(₹ in Lakhs)

| Particulars               | Year    | Gross Block                     |           |                                         | Amortisation              |                                 |                                     | Net Block                                |                           |
|---------------------------|---------|---------------------------------|-----------|-----------------------------------------|---------------------------|---------------------------------|-------------------------------------|------------------------------------------|---------------------------|
|                           |         | As at the beginning of the year | Additions | Deductions/ Adjustments during the year | As at the end of the year | As at the beginning of the year | For the year (Refer to Note No. 41) | Deductions / Adjustments during the year | As at the end of the year |
| Computer Software         | 2022-23 | 39.47                           | -         | -                                       | 39.47                     | -                               | 1.97                                | 0.11                                     | 39.47                     |
|                           | 2021-22 | 39.47                           | -         | -                                       | 39.47                     | -                               | -                                   | -                                        | 37.61                     |
| Power Transmission System | 2022-23 | 25.17                           | -         | -                                       | 25.17                     | -                               | 1.26                                | -                                        | 25.17                     |
|                           | 2021-22 | 25.17                           | -         | -                                       | 25.17                     | -                               | -                                   | -                                        | 23.92                     |
| Total - Intangible Assets | 2022-23 | 64.64                           | -         | -                                       | 64.64                     | -                               | 3.23                                | 0.11                                     | 64.64                     |
|                           | 2021-22 | 64.64                           | -         | -                                       | 64.64                     | -                               | -                                   | -                                        | 61.53                     |

Note: i) Deductions / Adjustments represents Intangible Assets derecognised from the financial statements since no future economic benefits is expected.

ii) The Company has not revalued its Intangible Asset since the Company has adopted cost model as its accounting policy to an entire class of Intangible Asset in accordance with Ind AS 38.

**SRI VISHNU SHANKAR MILL LIMITED, RAJAPALAIYAM**

**NOTES TO CONSOLIDATED FINANCIAL STATEMENTS**

(₹ in Lakhs)

|                                        | As at<br>31-03-2023 | As at<br>31-03-2022 |
|----------------------------------------|---------------------|---------------------|
| <b>NOTE NO. 12</b>                     |                     |                     |
| <b>ASSETS HELD FOR SALES</b>           |                     |                     |
| Assets held for Sales - Andhra Pradesh | <b>164.88</b>       | 164.88              |

**NOTE NO. 13**

**INVESTMENT ACCOUNTED FOR USING THE EQUITY METHOD**

| Particulars                                                         | 31-03-2023                |                  |                    | 31-03-2022       |           |
|---------------------------------------------------------------------|---------------------------|------------------|--------------------|------------------|-----------|
|                                                                     | Face Value<br>₹ per share | Numbers          | Amount             | Numbers          | Amount    |
| <b>I. Investment in Equity Instruments</b>                          |                           |                  |                    |                  |           |
| <b>1) Quoted</b>                                                    |                           |                  |                    |                  |           |
| The Ramco Cements Limited                                           | 1                         | <b>30,94,200</b> | <b>15,345.92</b>   | 30,94,200        | 15,023.84 |
| Rajapalayam Mills Limited                                           | 10                        | <b>37,174</b>    | <b>264.35</b>      | 34,696           | 235.09    |
| The Ramaraju Surgical Cotton Mills Limited                          | 10                        | <b>2,200</b>     | <b>5.53</b>        | 2,200            | 6.72      |
| <b>Sub-Total (A)</b>                                                |                           |                  | <b>15,615.80</b>   |                  | 15,265.65 |
| <b>2) Unquoted</b>                                                  |                           |                  |                    |                  |           |
| JKR Enterprise Limited                                              | 1                         | <b>100</b>       | 100                | -                | -         |
| <b>Sub-Total (B)</b>                                                | -                         | -                | -                  | -                | -         |
| <b>Grand-Total C = (A + B)</b>                                      |                           |                  | <b>15,615.80</b>   |                  | 15,265.65 |
| <b>II. Investment in Preference Shares</b>                          |                           |                  |                    |                  |           |
| <b>1) Unquoted</b>                                                  |                           |                  |                    |                  |           |
| JKR Enterprise Limited - 9% Cumulative Redeemable Preference Shares | 1                         | -                | <b>7,95,00,000</b> | -                | 795.00    |
| <b>Sub-Total (D)</b>                                                | -                         | -                | -                  | -                | 795.00    |
| Quoted Investments - Carrying Value (A)                             | -                         | -                | -                  | <b>15,615.80</b> | 15,265.65 |
| Market Value                                                        | -                         | -                | -                  | <b>23,621.14</b> | 24,077.94 |
| Unquoted Investments - Cost (E) = (B) + (D)                         | -                         | -                | -                  | -                | 795.00    |
| <b>Grand Total (C) + (D)</b>                                        | -                         | -                | -                  | <b>15,615.80</b> | 16,060.65 |

Notes: (i) The Company has accounted for Investment in Associates at cost. Refer Note No. 48(A) for information on principal place of business / country of incorporation and the Company's interest / percentage of shareholding in the above associates.

(ii) The carrying amount of investment in Associates is tested for impairment in accordance with Ind AS 36. The investment in Associates are long term strategic in nature, no impairment is considered as at the reporting date, considering its long term future prospects.

**SRI VISHNU SHANKAR MILL LIMITED, RAJAPALAIYAM**

**NOTES TO CONSOLIDATED FINANCIAL STATEMENTS**

**NOTE NO. 14**

OTHER INVESTMENT (DESIGNATED AT FVTOCI)

(₹ in Lakhs)

| Particulars                                                  | 31-03-2023                |          |             | 31-03-2022 |        |
|--------------------------------------------------------------|---------------------------|----------|-------------|------------|--------|
|                                                              | Face Value<br>₹ per share | Numbers  | Amount      | Numbers    | Amount |
| <b>I. Investment in Equity Instruments - Unquoted</b>        |                           |          |             |            |        |
| Ramco Windfarms Limited                                      | 1                         | 6,15,000 | 6.15        | 6,15,000   | 6.15   |
| Ramco Industrial and Technology Services Limited             | 10                        | 26,350   | 2.11        | 26,350     | 5.80   |
| <b>Total Investment in Equity Investments - Unquoted (A)</b> |                           |          | <b>8.26</b> |            | 11.95  |
| <b>Total Other Investments (A)</b>                           |                           |          | <b>8.26</b> |            | 11.95  |
| Aggregate Market Value of Unquoted Investments               |                           |          | 8.26        |            | 11.95  |

Notes: 1) Refer to Note No. 50 for information about fair value hierarchy under Disclosure of Fair Value Measurement.

2) Market Value of quoted investments for some equity instruments were not available due to no trading activities in stock market.

(₹ in Lakhs)

|  | As at<br>31-03-2023 | As at<br>31-03-2022 |
|--|---------------------|---------------------|
|--|---------------------|---------------------|

**NOTE NO. 15**

OTHER FINANCIAL ASSETS - NON CURRENT

**Unsecured, considered good**

|                                                   |               |        |
|---------------------------------------------------|---------------|--------|
| Security Deposits with Electricity Board / Others | 459.32        | 323.26 |
| Application Money for Securities Subscription     | 78.75         | —      |
|                                                   | <b>538.07</b> | 323.26 |

Notes: i) The Company has made application for appreciation of 7,87,500 Nos. of equity share of M/s. Green Infra Clean Wind Generation Limited for purchase of solar power under Group Captive mode and the equity shares has been allotted to the Company during May 2023.

(₹ in Lakhs)

|  | As at<br>31-03-2023 | As at<br>31-03-2022 |
|--|---------------------|---------------------|
|--|---------------------|---------------------|

**NOTE NO. 16**

OTHER NON-CURRENT ASSETS

**Unsecured, considered good**

|                              |              |       |
|------------------------------|--------------|-------|
| Income Tax Refund Receivable | 31.55        | 39.18 |
|                              | <b>31.55</b> | 39.18 |

**SRI VISHNU SHANKAR MILL LIMITED, RAJAPALAIYAM**

**NOTES TO CONSOLIDATED FINANCIAL STATEMENTS**

(₹ in Lakhs)

|                                                               | As at<br>31-03-2023 | As at<br>31-03-2022 |
|---------------------------------------------------------------|---------------------|---------------------|
| <b>NOTE NO. 17</b>                                            |                     |                     |
| INVENTORIES (VALUED AT LOWER OF COST OR NET REALISABLE VALUE) |                     |                     |
| Finished Goods - Yarn                                         | 1,245.61            | 973.40              |
| Rawmaterials - Cotton & Cotton Waste                          | 9,588.99            | 6,843.55            |
| Stores and Spares                                             | 88.85               | 91.51               |
| Works-in-progress (Cotton Yarn)                               | 1,623.46            | 2,014.28            |
|                                                               | <b>12,546.91</b>    | 9,922.74            |

Notes: i) The total carrying amount of inventories as at reporting date has been pledged as Security for Borrowings.  
ii) Raw Materials Stock value is after making provision for mark to market on Cotton stock of ₹ 5.71 Lakhs as at 31-03-2023 (PY : NIL).  
iii) The mode of valuation of Inventories has been stated in Note No. 6 (A).

(₹ in Lakhs)

|                                                              | As at<br>31-03-2023 | As at<br>31-03-2022 |
|--------------------------------------------------------------|---------------------|---------------------|
| <b>NOTE NO. 18</b>                                           |                     |                     |
| TRADE RECEIVABLES                                            |                     |                     |
| Secured, Considered good                                     | 395.96              | 2,109.44            |
| Unsecured, Considered good                                   | 2,240.24            | 3,312.76            |
| Unsecured and which have significant increase in credit risk | 17.77               | 17.77               |
| Less: Allowance for expected credit loss                     | (9.22)              | (9.22)              |
|                                                              | <b>2,644.75</b>     | 5,430.75            |

Notes: (i) Trade receivables are generally non-interest bearing.  
(ii) No trade receivable are due from Directors or other officers of the company either severally or jointly with any other person. Nor any trade or other receivable are due from firms or private companies respectively in which any director is a partner, a director or a member.  
(iii) The total carrying amount of trade receivables has been pledged as security for Borrowings.  
(iv) Trade Receivables aging schedule have been provided in Note No. 53(c).

**SRI VISHNU SHANKAR MILL LIMITED, RAJAPALAIYAM**

**NOTES TO CONSOLIDATED FINANCIAL STATEMENTS**

(₹ in Lakhs)

|  | As at<br>31-03-2023 | As at<br>31-03-2022 |
|--|---------------------|---------------------|
|--|---------------------|---------------------|

**NOTE NO. 19**

**CASH AND CASH EQUIVALENTS**

|                    |      |      |
|--------------------|------|------|
| Cash on Hand       | 1.84 | 1.01 |
| Balance with Bank  |      |      |
| In Current Account | 0.74 | 0.38 |
|                    | 2.58 | 1.39 |

(₹ in Lakhs)

|  | As at<br>31-03-2023 | As at<br>31-03-2022 |
|--|---------------------|---------------------|
|--|---------------------|---------------------|

**NOTE NO. 20**

**BANK BALANCE OTHER THAN CASH AND CASH EQUIVALENTS**

|                                                         |       |      |
|---------------------------------------------------------|-------|------|
| Balances with Banks held as security against Borrowings | 17.71 | 8.29 |
| Earmarked balances with Banks for Unclaimed Dividend    | 1.42  | –    |
|                                                         | 19.13 | 8.29 |

(₹ in Lakhs)

|  | As at<br>31-03-2023 | As at<br>31-03-2022 |
|--|---------------------|---------------------|
|--|---------------------|---------------------|

**NOTE NO. 21**

**CURRENT TAX ASSETS**

|                                   |       |       |
|-----------------------------------|-------|-------|
| Tax Assets - Other Current Assets | 34.51 | 37.44 |
|-----------------------------------|-------|-------|

Note: Advance Income Tax, Self Assessment Tax and Tax deducted at source is net of Provision for tax of ₹ 34.51 Lakhs  
(PY : ₹ 37.44 Lakhs)

(₹ in Lakhs)

|  | As at<br>31-03-2023 | As at<br>31-03-2022 |
|--|---------------------|---------------------|
|--|---------------------|---------------------|

**NOTE NO. 22**

**OTHER CURRENT ASSETS**

**Unsecured, considered good**

|                                            |          |          |
|--------------------------------------------|----------|----------|
| Advance to Suppliers / Others              | 866.69   | 2,900.36 |
| Tax Credit and Refund due - Indirect Taxes | 1,250.21 | 1,291.94 |
| Accrued Income                             | 386.80   | 442.15   |
| Prepaid Expenses                           | 145.71   | 182.23   |
| Other Current Assets                       | 5.75     | 3.55     |
|                                            | 2,655.16 | 4,820.23 |

**SRI VISHNU SHANKAR MILL LIMITED, RAJAPALAIYAM**

**NOTES TO CONSOLIDATED FINANCIAL STATEMENTS**

(₹ in Lakhs)

|                                                                                        | <b>As at<br/>31-03-2023</b> | As at<br>31-03-2022 |
|----------------------------------------------------------------------------------------|-----------------------------|---------------------|
| <b>NOTE NO. 23</b>                                                                     |                             |                     |
| <b>EQUITY SHARE CAPITAL</b>                                                            |                             |                     |
| Authorised                                                                             |                             |                     |
| 30,00,000 Equity Shares of ₹ 10/- each<br>(PY: 30,00,000 Equity Shares of ₹ 10/- each) | <b>300.00</b>               | 300.00              |
| Issued, Subscribed and Fully paid-up                                                   |                             |                     |
| 15,00,000 Equity Shares of ₹ 10/- each<br>(PY: 15,00,000 Equity Shares of ₹ 10/- each) | <b>149.98</b>               | 149.98              |
|                                                                                        | <b>149.98</b>               | 149.98              |

a) (5,00,000 Equity Shares of ₹ 10/- each were allotted as fully paid Bonus Shares by Capitalisation of Reserves).

b) **Reconciliation of the number of shares outstanding:** (₹ in Lakhs)

| Particulars                       | As at 31-03-2023 |        | As at 31-03-2022 |        |
|-----------------------------------|------------------|--------|------------------|--------|
|                                   | No. of Shares    | Amount | No. of Shares    | Amount |
| Number of Shares at the beginning | 15,00,000        | 150.00 | 15,00,000        | 150.00 |
| Number of Shares at the end       | 15,00,000        | 150.00 | 15,00,000        | 150.00 |

c) **Rights / Restrictions attached to Equity Shares**

The Company has one class of equity shares having a face value of ₹ 10/- each. Each Shareholder is eligible for one vote per share held. The Company declares and pays dividend in Indian Rupees. In the event of liquidation of the Company, the equity shareholders will be entitled to receive remaining assets of the Company, after distribution of all preferential amounts. The distribution will be in proportion to the number of equity shares held by the shareholders.

d) **List of Shareholders holding more than 5 percent in the Company.**

| Particulars    | As at 31-03-2023 |              | As at 31-03-2022 |              |
|----------------|------------------|--------------|------------------|--------------|
|                | No. of Shares    | % of holding | No. of Shares    | % of holding |
| R. Sudarsanam  | 81,000           | 5.40%        | 81,000           | 5.40%        |
| Sharadha Deepa | 6,83,550         | 45.57%       | 6,83,550         | 45.57%       |

**SRI VISHNU SHANKAR MILL LIMITED, RAJAPALAIYAM**

**NOTES TO CONSOLIDATED FINANCIAL STATEMENTS**

**e) Shareholders holding of Promoters as at 31-03-2023**

| S.No.        | Name of the Promoters                      | No. of Shares   | % of total shares | % Change during the year |
|--------------|--------------------------------------------|-----------------|-------------------|--------------------------|
| 1            | P R Venketrama Raja                        | 48,000          | 3.20%             | –                        |
| 2            | R.Sudarsanam                               | 81,000          | 5.40%             | –                        |
| 3            | S.S.Ramachandra Raja                       | 13,470          | 0.90%             | –                        |
| 4            | R.Chittammal                               | 7,320           | 0.49%             | –                        |
| 5            | Nalina Ramalakshmi                         | 29,000          | 1.93%             | –                        |
| 6            | Sharadha Deepa                             | 683,550         | 45.57%            | –                        |
| 7            | B.Srisandhya Raju                          | 16,000          | 1.07%             | –                        |
| 8            | Srirama Raja                               | 2,660           | 0.18%             | –                        |
| 9            | The Ramco Cements Limited                  | 2,100           | 0.14%             | –                        |
| 10           | The Ramaraju Surgical Cotton Mills Limited | 11,200          | 0.75%             | –                        |
| 11           | Rajapalayam Mills Limited                  | 38,400          | 2.56%             | –                        |
| <b>Total</b> |                                            | <b>9,32,700</b> | <b>62.18%</b>     | <b>–</b>                 |

**f) Shareholders holding of Promoters as at 31-03-2022**

| S.No.        | Name of the Promoters                      | No. of Shares   | % of total shares | % Change during the year |
|--------------|--------------------------------------------|-----------------|-------------------|--------------------------|
| 1            | P R Venketrama Raja                        | 48,000          | 3.20%             | –                        |
| 2            | R Sudarsanam                               | 81,000          | 5.40%             | –                        |
| 3            | S S Ramachandra Raja                       | 13,470          | 0.90%             | –                        |
| 4            | R Chittammal                               | 7,320           | 0.49%             | –                        |
| 5            | Nalina Ramalakshmi                         | 29,000          | 1.93%             | –                        |
| 6            | Sharadha Deepa                             | 683,550         | 45.57%            | –                        |
| 7            | B Srisandhya Raju                          | 16,000          | 1.07%             | –                        |
| 8            | Srirama Raja                               | 2,660           | 0.18%             | –                        |
| 9            | The Ramco Cements Limited                  | 2,100           | 0.14%             | –                        |
| 10           | The Ramaraju Surgical Cotton Mills Limited | 11,200          | 0.75%             | –                        |
| 11           | Rajapalayam Mills Limited                  | 38,400          | 2.56%             | –                        |
| <b>Total</b> |                                            | <b>9,32,700</b> | <b>62.18</b>      | <b>–</b>                 |

**SRI VISHNU SHANKAR MILL LIMITED, RAJAPALAIYAM**

**NOTES TO CONSOLIDATED FINANCIAL STATEMENTS**

**NOTE NO. 24**

**OTHER EQUITY**

(₹ in Lakhs)

**Capital Reserve**

| <b>Particulars</b>                      | <b>31-03-2023</b> | <b>31-03-2022</b> |
|-----------------------------------------|-------------------|-------------------|
| Balance as per Last Financial Statement | <b>23.77</b>      | 23.77             |
| <b>Total</b>                            | <b>23.77</b>      | 23.77             |

**Nature of Reserve**

Capital Reserve represents the difference between the shares allotted to the Share Holders of Transferor Company and Net Worth acquired from Transferor Company as per scheme of Amalgamation.

(₹ in Lakhs)

**Securities Premium**

| <b>Particulars</b>                      | <b>31-03-2023</b> | <b>31-03-2022</b> |
|-----------------------------------------|-------------------|-------------------|
| Balance as per Last Financial Statement | <b>25.00</b>      | 25.00             |
| <b>Total</b>                            | <b>25.00</b>      | 25.00             |

**Nature of Reserve**

Securities Premium was credited when shares are issued at a Premium. The Company can use this reserve to issue bonus shares, to provide for preliminary expenses, the commission paid or discount allowed and expenses related to any issue of shares of the Company.

**General Reserve**

(₹ in Lakhs)

| <b>Particulars</b>                             | <b>31-03-2023</b> | <b>31-03-2022</b> |
|------------------------------------------------|-------------------|-------------------|
| Balance as per Last Financial Statement        | <b>3,787.91</b>   | 1,259.63          |
| Add: Amount transferred from Retained Earnings | –                 | 2,522.28          |
| <b>Total</b>                                   | <b>3,787.91</b>   | 3,781.91          |

**Nature of Reserve**

General Reserve represents the statutory reserve in accordance with Companies Act, 2013 wherein a portion of profit is apportioned to general reserve. Under Companies Act, 1956 it was mandatory to transfer amount before a Company can declare dividend, however under Companies Act, 2013 transfer of any amount to General reserve is at the discretion of the Company.

**FVTOCI Reserve**

(₹ in Lakhs)

| <b>Particulars</b>                           | <b>31-03-2023</b> | <b>31-03-2022</b> |
|----------------------------------------------|-------------------|-------------------|
| Balance as per Last Financial Statement      | <b>3.17</b>       | 5.01              |
| Add: Other Comprehensive Income for the year | <b>(3.69)</b>     | (1.84)            |
| <b>Total</b>                                 | <b>(0.52)</b>     | 3.17              |

**Nature of Reserve**

Fair Value through Other Comprehensive Income Reserve represents the balance in equity for items to be accounted in Other Comprehensive Income (OCI). The Company has opted to recognise the changes in the fair value of certain investments in equity instruments and remeasurement of defined benefit obligations in OCI. The Company transfers

**SRI VISHNU SHANKAR MILL LIMITED, RAJAPALAIYAM**

**NOTES TO CONSOLIDATED FINANCIAL STATEMENTS**

amounts from this reserve to Retained Earnings in case of actuarial loss / gain and in case of fair value recognition of equity instrument, the same will be transferred when the respective equity instruments are derecognised.

| <b>Retained Earnings</b>                              |                   | <b>(₹ in Lakhs)</b> |
|-------------------------------------------------------|-------------------|---------------------|
| <b>Particulars</b>                                    | <b>31-03-2023</b> | <b>31-03-2022</b>   |
| Balance as per Last Financial Statement               | <b>8,481.18</b>   | 7,694.18            |
| Profit / (Loss) for the year                          | <b>(304.88)</b>   | 3,344.61            |
| Transfer from FVTOCI Reserve                          | <b>(23.36)</b>    | (35.32)             |
| <b>Sub-Total</b>                                      | <b>8,152.94</b>   | 11,003.47           |
| Less: Appropriations                                  |                   |                     |
| Dividend Distribution to Shareholders for FY: 2021-22 | <b>(15.00)</b>    | –                   |
| Transfer to General Reserve                           | –                 | (2,522.28)          |
| <b>Total</b>                                          | <b>8,137.94</b>   | 8,481.91            |

**Nature of Reserve**

Represents that portion of the net income of the Company that has been retained by the Company.

|                           |                     |                   |
|---------------------------|---------------------|-------------------|
| <b>Total Other Equity</b> | <b>21,170.66</b>    | 21,517.60         |
|                           | <b>(₹ in Lakhs)</b> |                   |
|                           | <b>As at</b>        | <b>As at</b>      |
|                           | <b>31-03-2023</b>   | <b>31-03-2022</b> |

**NOTE NO. 25**

**NON CURRENT BORROWINGS**

**Secured**

|                      |                 |           |
|----------------------|-----------------|-----------|
| Term Loan from Banks | <b>9,957.66</b> | 11,713.90 |
|----------------------|-----------------|-----------|

**Unsecured**

|                 |                  |           |
|-----------------|------------------|-----------|
| Term Loan Banks | <b>100.00</b>    | 300.00    |
|                 | <b>10,057.66</b> | 12,013.90 |

Notes: i) Term Loan from Banks of ₹ 9,957.66 Lakhs (PY: ₹ 11,713.90 Lakhs) are secured by *pari-passu* first charge on all the Fixed Assets of the Company and *pari-passu* second charge on the Current Assets of the Company.

ii) The Company has used the borrowings from banks and financial institutions for the specific purpose for which it was taken as at the reporting date.

iii) Registration, Modification and Satisfaction of charges relating to the year under review, had been filed with the ROC, within the prescribed time or within the extended time requiring the payment of additional fees.

iv) Refer to Note No.51 for information about risk profile of borrowings under Financial Risk Management.

**SRI VISHNU SHANKAR MILL LIMITED, RAJAPALAIYAM**

**NOTES TO CONSOLIDATED FINANCIAL STATEMENTS**

**NOTE NO. 26**

**DEFERRED TAX LIABILITIES (NET)**

(₹ in Lakhs)

| Particulars                                                                                                                | As at<br>01-04-2021 | MAT Credit<br>withdrawn and<br>recognised in<br>Profit and Loss | Recognised<br>in Profit<br>and Loss | As at<br>31-03-2022 | Recognised<br>in Profit<br>and Loss | As at<br>31-03-2023 |
|----------------------------------------------------------------------------------------------------------------------------|---------------------|-----------------------------------------------------------------|-------------------------------------|---------------------|-------------------------------------|---------------------|
| Tax Impact on difference in written down value of Property, Plant & Equipment as per books and as per Income Tax Act, 1961 | 2,376.59            | –                                                               | 1,313.49                            | 3,690.08            | (173.47)                            | 3,516.61            |
| Tax impact on provision for compensated absences & Bonus                                                                   | (1,398.47)          | –                                                               | (1,285.77)                          | (2,684.24)          | 1,758.29                            | –925.95             |
| Tax impact on allowance for expected credit losses                                                                         | –                   | –                                                               | –                                   | –                   | –                                   | –                   |
| Tax impact on lease accounting as per Ind AS 116                                                                           | –                   | –                                                               | –                                   | –                   | –                                   | –                   |
| Tax Impact on Fair value of forward contracts                                                                              | –                   | –                                                               | –                                   | –                   | –                                   | –                   |
| Unused tax credits (i.e.) MAT Credit Entitlement                                                                           | –                   | –                                                               | –                                   | –                   | –                                   | –                   |
| Tax Impact on unabsorbed Depreciation / unadjusted losses                                                                  | (1,325.28)          | –                                                               | 612.11                              | (713.17)            | (1,870.65)                          | (2,583.82)          |
| Others                                                                                                                     | –                   | –                                                               | –                                   | –                   | –                                   | –                   |
| <b>Total</b>                                                                                                               | <b>(347.17)</b>     | <b>–</b>                                                        | <b>639.84</b>                       | <b>292.67</b>       | <b>(285.83)</b>                     | <b>6.84</b>         |

**Reconciliation of Deferred tax Liabilities (Net)**

(₹ in Lakhs)

| Particulars                                                                   | 31-03-2023      | 31-03-2022      |
|-------------------------------------------------------------------------------|-----------------|-----------------|
| <b>Balance at the beginning of the year</b>                                   | <b>292.67</b>   | <b>(347.17)</b> |
| Deferred Tax recognised in Statement of Profit and Loss - Expense / (Savings) | <b>(285.83)</b> | 639.84          |
| MAT Credit withdrawn and recognised in Profit and Loss                        | –               | –               |
| <b>Balance at the end of the year</b>                                         | <b>6.84</b>     | <b>292.67</b>   |

**Components of Tax Expenses**

(₹ in Lakhs)

| Particulars                                                                           | 31-03-2023      | 31-03-2022    |
|---------------------------------------------------------------------------------------|-----------------|---------------|
| <b>(i) Profit or Loss Section</b>                                                     |                 |               |
| <b>Current Tax</b>                                                                    |                 |               |
| Current Income Tax charge                                                             | –               | 8.20          |
| Current Tax adjustments of earlier years                                              | –               | –             |
| <b>Deferred Tax</b>                                                                   |                 |               |
| Relating to the origination and reversal of temporary differences                     | <b>(285.83)</b> | 639.84        |
| MAT Credit withdrawn and recognised in Profit and Loss                                | –               | –             |
| Deferred Tax adjustments of earlier years                                             | –               | –             |
| <b>Total Tax Expenses recognised in Profit or Loss section</b>                        | <b>(285.83)</b> | <b>656.17</b> |
| <b>(ii) Other Comprehensive Income Section</b>                                        |                 |               |
| Current Tax credit on remeasurement losses on defined benefit obligations, net        | –               | –             |
| Total Tax Credit to OCI                                                               | –               | –             |
| <b>(iii) Total Tax Expenses recognised in Statement of Profit and Loss (i) + (ii)</b> | <b>(285.83)</b> | <b>656.17</b> |

**SRI VISHNU SHANKAR MILL LIMITED, RAJAPALAIYAM**

**NOTES TO CONSOLIDATED FINANCIAL STATEMENTS**

Reconciliation of the Income tax provision to the amount computed by applying the statutory Income tax rate to the Income before taxes is summarised below:

(₹ in Lakhs)

| Particulars                                                        | 31-03-2023      | 31-03-2022    |
|--------------------------------------------------------------------|-----------------|---------------|
| Accounting Profit before Tax (including OCI)                       | (953.81)        | –             |
| Corporate Tax Rate %                                               | 25.168%         | 25.168%       |
| <b>Computed Tax Expense</b>                                        | <b>(240.05)</b> | <b>–</b>      |
| Increase/(reduction) in taxes on account of:                       |                 |               |
| Non-deductible expenses                                            | –               | –             |
| Change in Tax Rate                                                 | –               | –             |
| Changes in WDV as per Books and IT                                 | 984.57          | –             |
| Change in carried forward unabsorbed Depreciation                  | (1,049.76)      | –             |
| Income chargeable to tax under different tax rates (Capital Gains) | –               | –             |
| Tax Expenses related to Capital Gains                              | –               | –             |
| Others                                                             | 19.41           | –             |
| <b>Tax Expenses recognised in the Statement of Profit and Loss</b> | <b>(285.83)</b> | <b>656.17</b> |

*Note: As per Section 115BAA of the Income Tax Act, 1961, the Company has an irrecoverable option of shifting to a lower tax rate (new tax regime) and simultaneously to forgo certain tax incentives, deductions and accumulated MAT Credit. In view of the overall tax benefits available under Section 115BAA, the Company had opted for shifting of new tax regime with effect from the AY 2021-22 (FY 2020-21). Consequently, the Company has charged off the accumulated MAT Credit entitlement of ₹ 3,273.11 Lakhs to Statement of Profit and Loss during the financial year 2021-22. The net deferred tax liability as at 01-04-2021 has been recomputed in accordance with reduced rate and thus reversed ₹ 1,133.82 Lakhs from deferred tax liability during the financial year 2021-22. The deferred tax provision of ₹ 549.33 Lakhs for the year ended 31-03-2022 is after netting-off the this.*

(₹ in Lakhs)

| Particulars                       | 31-03-2023 | 31-03-2022 |
|-----------------------------------|------------|------------|
| <b>NOTE NO. 27</b>                |            |            |
| <b>DEFERRED INCOME</b>            |            |            |
| Deferred Income Government Grants | 35.33      | 38.01      |

**SRI VISHNU SHANKAR MILL LIMITED, RAJAPALAIYAM**

**NOTES TO CONSOLIDATED FINANCIAL STATEMENTS**

(₹ in Lakhs)

| Particulars                                                          | 31-03-2023       | 31-03-2022       |
|----------------------------------------------------------------------|------------------|------------------|
| <b>NOTE NO. 28</b>                                                   |                  |                  |
| <b>CURRENT BORROWINGS</b>                                            |                  |                  |
| <b>Secured</b>                                                       |                  |                  |
| Loan from Banks *                                                    | 13,104.32        | 10,291.23        |
| Current Maturities of Long Term Loans                                | 2,656.52         | 2,399.16         |
| <b>Unsecured</b>                                                     |                  |                  |
| Loan from Banks                                                      | 1,000.00         | 3,466.33         |
| Loans and Advances from Related Parties [Refer to Note No. 48(b)(i)] | 352.98           | 227.85           |
| Loan from Other Parties                                              | 6.95             | 54.45            |
| Current Maturities of Long Term Loans                                | 100.00           | 200.00           |
|                                                                      | <b>17,220.77</b> | <b>16,639.02</b> |

Notes: (i)\* Borrowings are secured by *pari-passu* first charge on the current assets of the Company and *pari-passu* second charge on the fixed assets of the Company.

(ii) The Company has used the Borrowings from banks for the specific purpose for which it was taken as at the reporting date.

(iii) Refer to Note No. 51 for information about risk profile of borrowings under Financial Risk Management.

(₹ in Lakhs)

| Particulars                                                               | 31-03-2023    | 31-03-2022    |
|---------------------------------------------------------------------------|---------------|---------------|
| <b>NOTE NO. 29</b>                                                        |               |               |
| <b>TRADE PAYABLES</b>                                                     |               |               |
| (i) Dues of Micro Enterprises and Small Enterprises                       | 1.08          | 11.84         |
| (ii) Dues of creditors other than Micro Enterprises and Small Enterprises | 519.58        | 176.06        |
|                                                                           | <b>520.66</b> | <b>187.90</b> |

Notes: (i) The disclosures as per the requirement of the Micro, Small and Medium Enterprises Development Act, 2006 are furnished in Note No. 53.

(ii) Refer to Note No. 51 for information about risk profile of Trade payables under Financial Risk Management.

(iii) Trade Payables aging schedule given in Note No. 53(a).

**SRI VISHNU SHANKAR MILL LIMITED, RAJAPALAIYAM**

**NOTES TO CONSOLIDATED FINANCIAL STATEMENTS**

(₹ in Lakhs)

|                                                                     | As at<br>31-03-2023 | As at<br>31-03-2022 |
|---------------------------------------------------------------------|---------------------|---------------------|
| <b>NOTE NO. 30</b>                                                  |                     |                     |
| <b>OTHER CURRENT FINANCIAL LIABILITIES</b>                          |                     |                     |
| Interest Accrued                                                    | 9.93                | 4.79                |
| Unclaimed Dividends                                                 | 1.42                | –                   |
| Advance / Trade deposit received from customers                     | –                   | 201.91              |
| Statutory Liabilities Payable                                       | 401.58              | 2.48                |
| Derivative Designated as Hedges - Foreign Exchange Forward Contract | –                   | 27.92               |
| Other payables                                                      | 109.58              | 88.93               |
|                                                                     | <b>522.51</b>       | 690.13              |

Notes: (i) Unclaimed dividends represents amount not due for transfer to Investor Education and Protection Fund.

(ii) The Company has recognised financial guarantee obligation at fair value towards the corporate guarantees issued to the bankers on behalf of Related parties, and the same is recognised as other Income over the tenure of the corporate guarantee.

(₹ in Lakhs)

|                                                           | As at<br>31-03-2023 | As at<br>31-03-2022 |
|-----------------------------------------------------------|---------------------|---------------------|
| <b>NOTE NO. 31</b>                                        |                     |                     |
| <b>PROVISIONS, CURRENT</b>                                |                     |                     |
| Provision for Employee Benefits                           | 280.80              | 110.12              |
| Provision for Compensated absences [Referred Note No. 45] | 82.11               | 144.01              |
| Provision for Electricity Payable                         | 266.09              | 206.41              |
| Other Expenses                                            | 33.71               | 64.49               |
|                                                           | <b>662.71</b>       | 525.03              |

Notes: (i) The Company provides for expenses towards compensated absence provided to its employees. The expense is recognized at the present value of the amount payable determined based on an independent external actuarial valuation as at the Balance Sheet date, using Projected unit credit method.

(ii) Movement in Provisions for compensated absences.

Carrying amount as the beginning of the year

|                                        |                |         |
|----------------------------------------|----------------|---------|
| Add: Current Service Cost              | 144.01         | 154.63  |
| Add: Interest Cost                     | 16.02          | 13.68   |
| Add: Actuarial Loss                    | 10.20          | 9.62    |
| Loss: Benefits paid                    | (77.38)        | (0.69)  |
| Carrying amount as the end of the year | <b>(11.32)</b> | (33.23) |
|                                        | <b>82.11</b>   | 144.01  |

**SRI VISHNU SHANKAR MILL LIMITED, RAJAPALAIYAM**

**NOTES TO CONSOLIDATED FINANCIAL STATEMENTS**

(₹ in Lakhs)

|  | 2022-23 | 2021-22 |
|--|---------|---------|
|--|---------|---------|

**NOTE NO. 32**

PROVISION FOR TAXES

|                                        |             |      |
|----------------------------------------|-------------|------|
| Income Tax Provision for earlier years | <b>8.20</b> | 8.20 |
|----------------------------------------|-------------|------|

(₹ in Lakhs)

|  | 2022-23 | 2021-22 |
|--|---------|---------|
|--|---------|---------|

**NOTE NO. 33**

REVENUE FROM OPERATION

**Sale of Products**

|              |                  |           |
|--------------|------------------|-----------|
| Yarn         | <b>30,007.66</b> | 28,204.40 |
| Waste Cotton | <b>435.07</b>    | 582.88    |
|              | <b>30,442.73</b> | 28,787.28 |

**Other operating revenues**

|                           |                  |           |
|---------------------------|------------------|-----------|
| Export Incentive          | <b>2.47</b>      | 67.53     |
| Scrap Sales               | <b>7.46</b>      | 41.93     |
| Job Work Charges Received | <b>16.04</b>     | 299.53    |
|                           | <b>30,468.70</b> | 29,196.27 |

Note : The disaggregation of revenue as required under Ind AS 115 is given below: (₹ in Lakhs)

|                                             | 2022-23          | 2021-22   |
|---------------------------------------------|------------------|-----------|
| <b>G-ross Revenue from Operations</b>       |                  |           |
| Domestic Sales                              | <b>19,245.64</b> | 14,727.14 |
| Export Sales                                | <b>7,564.26</b>  | 8,793.32  |
| Merchant Export Sales                       | <b>3,197.76</b>  | 4,683.94  |
| Waste Cotton Sales                          | <b>435.07</b>    | 582.88    |
| Rebates & Discounts                         | <b>32.95</b>     | 19.64     |
| GST Collected                               | <b>1,032.98</b>  | 784.58    |
| Other Operating Revenue                     | <b>25.97</b>     | 408.99    |
| <b>Gross Revenue from Operations</b>        | <b>35,534.63</b> | 30,000.49 |
| Less: Rebates & Discounts                   | <b>32.95</b>     | 19.64     |
| Less: GST                                   | <b>1,032.98</b>  | 784.58    |
| <b>Net of GST - Revenue from Operations</b> | <b>30,468.70</b> | 29,196.27 |

(₹ in Lakhs)

|  | 2022-23 | 2021-22 |
|--|---------|---------|
|--|---------|---------|

**NOTE NO. 34**

FINANCE INCOME

|                   |               |        |
|-------------------|---------------|--------|
| Interest Receipts | <b>153.55</b> | 153.55 |
|-------------------|---------------|--------|

**SRI VISHNU SHANKAR MILL LIMITED, RAJAPALAIYAM**

**NOTES TO CONSOLIDATED FINANCIAL STATEMENTS**

(₹ in Lakhs)

|                                                      | 2022-23       | 2021-22       |
|------------------------------------------------------|---------------|---------------|
| <b>NOTE NO. 35</b>                                   |               |               |
| <b>OTHER INCOME</b>                                  |               |               |
| Rent Receipts                                        | 20.59         | 12.81         |
| Exchange Gain on Foreign Currency Transactions (Net) | 50.60         | –             |
| Carbon Credit Sale                                   | –             | 12.05         |
| Government Grants                                    | 2.68          | 2.68          |
| Profit on Sale of Cotton                             | 169.75        | 179.30        |
| Canteen Income                                       | 56.10         | –             |
| Miscellaneous Income                                 | 63.20         | 4.01          |
|                                                      | <b>362.92</b> | <b>210.85</b> |

(₹ in Lakhs)

|                                   | 2022-23        | 2021-22      |
|-----------------------------------|----------------|--------------|
| <b>NOTE NO. 36</b>                |                |              |
| <b>COST OF MATERIALS CONSUMED</b> |                |              |
| <b>Rawmaterials Consumed</b>      |                |              |
| Cotton & Cotton Waste             | 18,762.43      | 15,878.42    |
|                                   |                | (₹ in Lakhs) |
|                                   | <b>2022-23</b> | 2021-22      |

**NOTE NO. 37**

**PURCHASE OF STOCK IN TRADE**

|                             |                |              |
|-----------------------------|----------------|--------------|
| Purchases of Stock-in-Trade | 1,110.22       | 3,089.09     |
|                             |                | (₹ in Lakhs) |
|                             | <b>2022-23</b> | 2021-22      |

**NOTE NO. 38**

**CHANGES IN INVENTORIES OF FINISHED GOODS AND WORK-IN-PROGRESS**

|                                           |                 |                   |
|-------------------------------------------|-----------------|-------------------|
| <b>Opening Stock</b>                      |                 |                   |
| Finished Goods                            | 973.40          | 124.54            |
| Work-in-Progress                          | 2,014.28        | 690.35            |
|                                           | <b>2,987.68</b> | <b>814.89</b>     |
| <b>Closing Stock</b>                      |                 |                   |
| Finished Goods                            | 1,245.61        | 973.40            |
| Work-in-Progress                          | 1,623.46        | 2,014.28          |
|                                           | <b>2,869.07</b> | <b>2,987.68</b>   |
| <b>Net (Increase) / Decrease in Stock</b> | <b>118.61</b>   | <b>(2,172.79)</b> |

**SRI VISHNU SHANKAR MILL LIMITED, RAJAPALAIYAM**

**NOTES TO CONSOLIDATED FINANCIAL STATEMENTS**

(₹ in Lakhs)

|  | 2022-23 | 2021-22 |
|--|---------|---------|
|--|---------|---------|

**NOTE NO. 39**

**EMPLOYEE BENEFITS**

**For Employees other than Managing Director**

|                                              |                 |          |
|----------------------------------------------|-----------------|----------|
| Salaries, Wages and Bonus                    | 2,254.45        | 1,948.34 |
| Contribution to Provident and Other Funds    | 265.24          | 225.01   |
| Staff and Labour Welfare & Training Expenses | 306.99          | 168.46   |
|                                              | <b>2,826.68</b> | 2,341.81 |

**For Managing Director**

|                                           |                 |          |
|-------------------------------------------|-----------------|----------|
| Managing Director Remuneration            | 180.00          | 180.00   |
| Contribution to Provident and Other Funds | 7.50            | 7.50     |
| Sitting Fees                              | 0.75            | 0.60     |
|                                           | <b>188.25</b>   | 188.10   |
|                                           | <b>3,014.93</b> | 2,529.91 |

Note: Refer Note No. 45 for disclosures pertaining to defined contribution plan and defined benefit obligations under Ind AS 19.

(₹ in Lakhs)

|  | 2022-23 | 2021-22 |
|--|---------|---------|
|--|---------|---------|

**NOTE NO. 40**

**FINANCE COSTS**

|                                  |          |          |
|----------------------------------|----------|----------|
| Interest on Debts and Borrowings | 1,997.73 | 1,413.65 |
|----------------------------------|----------|----------|

Notes: (i) Interest on Term Loans represent interest calculated using the effective interest rate method.

(ii) Refer to Note No. 51 for information about interest rate risk exposure under Financial Risk Management.

(₹ in Lakhs)

|  | 2022-23 | 2021-22 |
|--|---------|---------|
|--|---------|---------|

**NOTE NO. 41**

**DEPRECIATION AND AMORTISATION EXPENSE**

|                                                                 |                 |          |
|-----------------------------------------------------------------|-----------------|----------|
| Depreciation of Plant, Property and Equipment [Refer Note No.8] | 1,619.62        | 1,247.79 |
| Depreciation on Investment Properties [Refer Note No.10]        | 2.80            | 2.80     |
| Amortisation of Intangible Assets [Refer Note No.11]            | 3.22            | –        |
|                                                                 | <b>1,625.64</b> | 1,250.59 |

**SRI VISHNU SHANKAR MILL LIMITED, RAJAPALAIYAM**

**NOTES TO CONSOLIDATED FINANCIAL STATEMENTS**

(₹ in Lakhs)

|                                                | 2022-23         | 2021-22  |
|------------------------------------------------|-----------------|----------|
| <b>NOTE NO. 42</b>                             |                 |          |
| <b>OTHER EXPENSES</b>                          |                 |          |
| <b>Manufacturing Expenses</b>                  |                 |          |
| Power and Fuel                                 | 2,125.71        | 1,539.39 |
| Packing Materials Consumption                  | 448.43          | 349.04   |
| Repairs to Buildings                           | 123.49          | 107.94   |
| Repairs to Plant and Machinery                 | 779.86          | 602.06   |
| Repairs - Windmills & Others                   | 609.19          | 495.32   |
| Jobwork Charges Paid                           | 303.41          | 334.33   |
|                                                | <b>4,390.09</b> | 3,428.08 |
| <b>Establishment Expenses</b>                  |                 |          |
| Rates and Taxes                                | 81.25           | 59.55    |
| Insurance                                      | 113.49          | 112.05   |
| Postage and Telephone                          | 13.22           | 11.23    |
| Printing and Stationery                        | 11.07           | 10.47    |
| Travelling Expenses                            | 28.12           | 19.03    |
| Vehicle Maintenance                            | 36.31           | 30.08    |
| Exchange Loss on Foreign Currency Transactions | –               | 43.77    |
| Loss on Sale of Cotton                         | –               | 7.60     |
| Directors Sitting Fees                         | 8.70            | 7.50     |
| Rent Paid                                      | 6.36            | 11.71    |
| Audit and Legal Expenses                       | 35.23           | 24.41    |
| Corporate Social Responsibility Expenses       | 6.42            | 13.40    |
| Mark to Market Loss on Cotton                  | 5.71            | –        |
| Miscellaneous Expenses                         | 72.50           | 26.60    |
|                                                | <b>418.38</b>   | 377.40   |
| <b>Selling Expenses</b>                        |                 |          |
| Sales Commission                               | 295.81          | 282.04   |
| Export Expenses                                | 274.18          | 480.17   |
| Other Selling Expenses                         | 142.46          | 87.91    |
| Impairment allowance for trade receivables     | –               | 9.22     |
|                                                | <b>712.45</b>   | 859.34   |
|                                                | <b>5,520.92</b> | 4,664.82 |

Note : The details of CSR Expenses are disclosed in Note No.53 (g)

**SRI VISHNU SHANKAR MILL LIMITED, RAJAPALAIYAM**

**NOTES TO CONSOLIDATED FINANCIAL STATEMENTS**

(₹ in Lakhs)

|                                                     | 2022-23      | 2021-22      |
|-----------------------------------------------------|--------------|--------------|
| <b>NOTE NO. 43</b>                                  |              |              |
| <b>AUDIT FEES AND EXPENSES (NET OF TAX CREDITS)</b> |              |              |
| <b>Statutory Auditors</b>                           |              |              |
| Statutory Audit fee                                 | 8.57         | 8.09         |
| Other Certification Work                            | 8.93         | 1.98         |
| Reimbursement of Expenses                           | 1.93         | 0.37         |
| <b>Tax Auditors</b>                                 |              |              |
| Tax Audit fee                                       | 1.40         | 2.11         |
| <b>Cost Auditors</b>                                |              |              |
| Cost Audit fee                                      | 0.90         | 0.90         |
| <b>Secretarial Auditors</b>                         |              |              |
| Secretarial Audit fee                               | 0.40         | 0.30         |
| Other Certification Work                            | –            | 0.03         |
|                                                     | <b>22.13</b> | <b>13.78</b> |

(₹ in Lakhs)

|                                                      | 2022-23  | 2021-22  |
|------------------------------------------------------|----------|----------|
| <b>NOTE NO. 44</b>                                   |          |          |
| <b>CONTINGENT LIABILITIES</b>                        |          |          |
| Guarantees given by the bankers on behalf of company | 127.64   | 36.96    |
| Disputed GST Liability                               | 3.64     | 33.30    |
| Other Demands                                        | 1,827.00 | 1,742.00 |

- i. Income Tax Assessment have been completed upto the Accounting Year ended 31<sup>st</sup> March, 2022 i.e. AY 2022-23
- ii. Sales Tax / VAT Assessment has been completed upto the Accounting year 2017-18. The Assessment under CST Act was completed upto the Accounting year 2017-18.
- iii. In respect of Electricity matters, Appeals / Writ petition are pending with TNERC / APTEL / High Court for various matters for which no provision has been made in the books of accounts to the extent of ₹ 1,827 Lakhs (PY: ₹ 1,742 Lakhs). In view of the various case laws decided in favour of the Company and in the opinion of the management, there may not be any tax liability on this matter.
- iv. In respect of Income Tax matter, assessment is pending with Assistant Commissioner of Income Tax, Madurai for the demand of the tax for the amount of ₹ 59.20 Lakhs for the AY 2019-20 (PY: Nil) towards the error in calculation of Book Profit u/s. 115JB of the Income Tax Act, 1961. The demand will be set aside on our rectification petition.
- v. Due to GST Surprise Inspection, there is disputed demand of ₹ 655.92 Lakhs alongwith interest and penalties for the assessment years from 2017-18 to 2021-22. Due to disputed nature of demand and the demand will not be sustained further proceeds no provision was made.

**SRI VISHNU SHANKAR MILL LIMITED, RAJAPALAIYAM**

**NOTES TO CONSOLIDATED FINANCIAL STATEMENTS**

(₹ in lakhs)

|  | <b>2022-23</b> | 2021-22 |
|--|----------------|---------|
|--|----------------|---------|

**NOTE NO. 45**

As per Ind AS 19, the disclosures pertaining to "Employee Benefits" are given below:

**Defined Contribution Plan:**

|                                                |               |        |
|------------------------------------------------|---------------|--------|
| Employer's Contribution to Provident Fund      | <b>174.84</b> | 154.86 |
| Employer's Contribution to Superannuation Fund | <b>12.47</b>  | 9.68   |

**Defined Benefit Plan - Gratuity**

The Gratuity payable to employees is based on the employee's service and last drawn salary at the time of leaving the services of the Company and is in accordance with the rules of the Company read with Payment of Gratuity Act, 1972. This is a defined plan in nature. The Company makes annual contributions to "Sri Vishnu Shankar Mill Limited Employees' Gratuity Fund" administered by the Trustees and managed by LIC of India, based on the Actuarial Valuation by an Independent external actuary as at the Balance Sheet date using Projected Unit Credit method. The Company has the exposure of actuarial risk such as adverse salary growth, change in demography experience, inadequate return on underlying plan assets. This may result in an increase in cost of providing these benefits to employees in future. Since the benefits are lump sum in nature, the plan is not subject to any longevity risks.

**Details of the post retirement gratuity plan (Funded) are as follows:**

**Reconciliation of Opening and Closing balances of present value of Obligation:**

|                                 |                  |           |
|---------------------------------|------------------|-----------|
| As at the beginning of the year | <b>530.08</b>    | 475.68    |
| Current Service Cost            | <b>38.20</b>     | 32.04     |
| Interest Cost                   | <b>37.39</b>     | 31.63     |
| Actuarial (Gain) / Loss         | <b>19.44</b>     | 34.34     |
| Benefits paid                   | <b>(-) 45.62</b> | (-) 43.62 |
| As at the end of the year       | <b>579.49</b>    | 530.08    |

**Reconciliation of Opening and Closing Balances of Fair Value of Plan Assets:**

|                                 |                  |           |
|---------------------------------|------------------|-----------|
| As at the beginning of the year | <b>543.94</b>    | 544.95    |
| Expected return on plan assets  | <b>38.43</b>     | 36.60     |
| Actuarial Gain / (Loss)         | <b>(-) 0.42</b>  | 2.03      |
| Employer Contribution           | <b>0.61</b>      | 3.98      |
| Benefits paid                   | <b>(-) 45.62</b> | (-) 43.62 |
| As at the end of the year       | <b>536.95</b>    | 543.94    |

**Actual Return on Plan Assets:**

|                                        |                 |          |
|----------------------------------------|-----------------|----------|
| Expected Return on Plan Assets         | <b>38.43</b>    | 36.60    |
| Actuarial Gain / (Loss) on Plan Assets | <b>(-) 0.42</b> | (-) 2.03 |
| Actual Return on Plan Assets           | <b>38.01</b>    | 38.63    |

**SRI VISHNU SHANKAR MILL LIMITED, RAJAPALAIYAM**

**NOTES TO CONSOLIDATED FINANCIAL STATEMENTS**

**Reconciliation of Fair Value of Assets and Obligations:** (₹ in lakhs)

|                                            | 2022-23 | 2021-22   |
|--------------------------------------------|---------|-----------|
| Present value of obligation                | 579.49  | 579.49    |
| Fair value of plan assets                  | 536.95  | 530.08    |
| Present value of Funded defined obligation | 42.55   | (-) 13.86 |

**Expenses recognized during the year:**

|                                                     |          |          |
|-----------------------------------------------------|----------|----------|
| Current Service Cost                                | 38.20    | 32.04    |
| Net Interest on obligations                         | (-) 1.04 | (-) 4.97 |
| Expenses recognized in Statement of Profit and Loss | 37.16    | 27.07    |

**Amount recognized in the Other Comprehensive Income:**

|                                                 |       |          |
|-------------------------------------------------|-------|----------|
| Actuarial changes arising from:                 |       |          |
| Experience adjustments on Plan Assets           | 0.42  | (-) 2.03 |
| Actuarial (Gain) / Loss                         | 19.44 | 34.34    |
| Gain / (Loss) recognized in OCI during the year | 19.86 | 32.31    |

**Major Categories of Plan Assets:**

|                |               |               |
|----------------|---------------|---------------|
| GOI Securities | -             | -             |
| Funds with LIC | 536.95        | 543.94        |
| Others         | -             | -             |
| <b>Total</b>   | <b>536.95</b> | <b>543.94</b> |

**Actuarial assumptions:**

|                                                      |       |       |
|------------------------------------------------------|-------|-------|
| LIC 2012-14 table applied for Service Mortality Rate | Yes   | Yes   |
| Discount rate p.a.                                   | 7.24% | 7.37% |
| Expected Rate of Return on Plan Assets p.a.          | 7.24% | 7.37% |
| Rate of escalation in salary p.a.                    | 3.85% | 3.85% |
| Rate of Employee Turnover                            | 0.01% | 0.01% |

**Estimate of Expected Benefit payments**

|              |        |        |
|--------------|--------|--------|
| Year 1       | 32.99  | 16.80  |
| Year 2       | 104.04 | 49.70  |
| Year 3       | 29.31  | 88.54  |
| Year 4       | 33.98  | 25.14  |
| Year 5       | 41.48  | 42.48  |
| Next 5 Years | 246.49 | 245.91 |

**SRI VISHNU SHANKAR MILL LIMITED, RAJAPALAIYAM**  
**NOTES TO CONSOLIDATED FINANCIAL STATEMENTS**

**Quantitative Sensitivity Analysis for Significant Assumptions** (₹ in lakhs)

|                                      | 31-03-2023 | 31-03-2022 |
|--------------------------------------|------------|------------|
| 0.50% Increase in Discount Rate      | 38.08      | 35.80      |
| 0.50% Decrease in Discount Rate      | 43.27      | 40.85      |
| 0.50% Increase in Salary Growth Rate | 43.36      | 40.94      |
| 0.50% Decrease in Salary Growth Rate | 37.99      | 35.71      |

The above sensitivity analysis is based on a change in an assumption while holding all other assumptions constant. When calculating the sensitivity of the defined benefit obligation to significant actuarial assumptions the same method (projected unit cred method) has been applied as when calculating the defined benefit obligation recognized within the Balance Sheet.

**Defined benefit plan (Leave encashment plan):**

|                                                                                       |           |          |
|---------------------------------------------------------------------------------------|-----------|----------|
| <b>Reconciliation of Opening and Closing balances of present Value of Obligation:</b> |           |          |
| As at the beginning of the year                                                       | 144.01    | 154.63   |
| Current Service Cost                                                                  | 16.62     | 13.68    |
| Interest Cost                                                                         | 10.20     | 9.62     |
| Actuarial (Gain) / Loss                                                               | (-) 77.38 | (-) 0.69 |
| Benefits paid                                                                         | (-) 11.32 | (-)33.23 |
| As at the end of the year                                                             | 82.11     | 144.01   |

**Reconciliation of Opening and Closing Balances of Fair Value of Plan Assets:**

|                                 |           |          |
|---------------------------------|-----------|----------|
| As at the beginning of the year | Nil       | Nil      |
| Expected return on plan assets  | Nil       | Nil      |
| Actuarial Gain / (Loss)         | Nil       | Nil      |
| Employer Contribution           | 11.32     | 33.23    |
| Benefits paid                   | (-) 11.32 | (-)33.23 |
| As at the end of the year       | Nil       | Nil      |

**Actual Return of plan assets:**

|                                        |     |     |
|----------------------------------------|-----|-----|
| Expected return of plan assets         | Nil | Nil |
| Actuarial Gain / (Loss) on plan assets | Nil | Nil |
| Actual return on plan assets           | Nil | Nil |

**SRI VISHNU SHANKAR MILL LIMITED, RAJAPALAIYAM**  
**NOTES TO CONSOLIDATED FINANCIAL STATEMENTS**

| Reconciliation of Fair Value of Assets and Obligations          |            | (₹ in lakhs) |
|-----------------------------------------------------------------|------------|--------------|
|                                                                 | 31-03-2023 | 31-03-2022   |
| Fair Value of plan assets                                       | Nil        | Nil          |
| Present Value of obligation                                     | 82.11      | 144.01       |
| Difference, Amount recognized in Balance Sheet                  | 82.11      | 144.01       |
| <b>Expenses recognized during the year:</b>                     |            |              |
| Current Service Cost                                            | 16.62      | 13.68        |
| Net Interest on obligations                                     | 10.20      | 9.62         |
| Actuarial (Gain) / Loss recognized during the year              | (-) 77.38  | (-) 0.69     |
| Expense / (Gain) recognized in the Statement of Profit and loss | (-) 50.57  | 22.61        |
| Expense / (Gain) recognized in the Statement of Profit and loss | (-) 50.57  | 22.61        |
| <b>Amount recognized in the Other Comprehensive Income:</b>     |            |              |
| Actuarial charges arising from:                                 | Nil        | Nil          |
| Experience adjustments on Plan Liabilities                      | Nil        | Nil          |
| Experience adjustments on Plan Assets                           | Nil        | Nil          |
| Changes in financial assumptions                                | Nil        | Nil          |
| Changes in demographic assumptions                              | Nil        | Nil          |
| Amount recognized in OCI during the year                        | Nil        | Nil          |
| <b>Investment Details</b>                                       |            |              |
| Funds with LIC                                                  | Nil        | Nil          |
| Bank Balance                                                    | Nil        | Nil          |
| <b>Actuarial Assumptions:</b>                                   |            |              |
| Discount rate p.a.                                              | 7.37%      | 7.37%        |
| Expected rate of return on plan assets p.a.                     | Nil        | Nil          |
| Rate of escalation in salary p.a.                               | 3.85%      | 3.85%        |
| Rate of employee turnover                                       | 0.01%      | 0.01%        |
| <b>Estimate of Expected Benefits payments</b>                   |            |              |
| Year 1                                                          | 1.40       | 1.91         |
| Year 2                                                          | 41.56      | 6.82         |
| Year 3                                                          | 0.64       | 87.50        |
| Year 4                                                          | 2.54       | 1.70         |
| Year 5                                                          | 0.99       | 4.57         |
| Next 5 Years                                                    | 21.96      | 32.73        |

**SRI VISHNU SHANKAR MILL LIMITED, RAJAPALAIYAM**

**NOTES TO CONSOLIDATED FINANCIAL STATEMENTS**

Quantitative Sensitivity Analysis for Significant Assumptions

(₹ in lakhs)

|                                      | <b>31-03-2023</b> | 31-03-2022 |
|--------------------------------------|-------------------|------------|
| 0.50% Increase in Discount Rate      | <b>16.01</b>      | 15.69      |
| 0.50% Decrease in Discount Rate      | <b>18.06</b>      | 17.64      |
| 0.50% Increase in Salary Growth Rate | <b>18.09</b>      | 17.61      |
| 0.50% Decrease in Salary Growth Rate | <b>15.97</b>      | 15.65      |

The above sensitivity analysis is based on a change in an assumption while holding all other assumptions constant. When calculating the sensitivity of the defined benefit obligation to significant actuarial assumptions the same method (projected unit cred method) has been applied as when calculation the defined benefit obligation recognized within the balance sheet.

**NOTE NO. 46**

DISCLOSURE OF INTERESTS IN ASSOCIATES UNDER EQUITY METHOD

| Name of the Company                                     | Principle place of Business / Country on Incorporation | Principal activities of Business               |
|---------------------------------------------------------|--------------------------------------------------------|------------------------------------------------|
| M/s. The Ramco Cements Limited (TRCL)                   | India                                                  | Manufacture of Cement and Cementious Materials |
| M/s. Rajapalayam Mills Limited (RML)                    | India                                                  | Manufacturer of Cotton Yarn                    |
| M/s. The Ramaraju Surgical Cotton Mills Limited (RSCML) | India                                                  | Manufacturer of Cotton Yarn                    |

| Name of the Company                        | % of Shareholding as at |            |
|--------------------------------------------|-------------------------|------------|
|                                            | 31-03-2023              | 31-03-2022 |
| The Ramco Cements Limited                  | 1.31%                   | 1.31%      |
| Rajapalayam Mills Limited                  | 0.40%                   | 0.40%      |
| The Ramaraju Surgical Cotton Mills Limited | 0.06%                   | 0.06%      |
| JKR Enterprise Limited                     | 0.01%                   | 0.01%      |

**SRI VISHNU SHANKAR MILL LIMITED, RAJAPALAIYAM**

**NOTES TO CONSOLIDATED FINANCIAL STATEMENTS**

**Summarised financial information for Associates:**

The summarized consolidated financial statements of the material associates are as below:

₹ in Lakhs

| <b>Balance Sheet</b>                       | <b>Non-current Assets</b> | <b>Investment in Associates</b> | <b>Current Assets</b> | <b>Non-current Liabilities</b> | <b>Current Liabilities</b> | <b>Total Equity</b> |
|--------------------------------------------|---------------------------|---------------------------------|-----------------------|--------------------------------|----------------------------|---------------------|
| <b>As at 31-03-2023</b>                    |                           |                                 |                       |                                |                            |                     |
| The Ramco Cements Limited                  | 12,46,349                 | 24,438                          | 1,88,687              | 4,63,859                       | 3,08,809                   | 6,86,806            |
| Rajapalayam Mills Limited                  | 1,02,918                  | 1,85,747                        | 58,682                | 53,481                         | 69,695                     | 2,24,172            |
| The Ramaraju Surgical Cotton Mills Limited | 30,078                    | 18,756                          | 22,072                | 21,524                         | 23,032                     | 26,350              |
| <b>As at 31-03-2022</b>                    |                           |                                 |                       |                                |                            |                     |
| The Ramco Cements Limited                  | 11,18,187                 | 26,962                          | 1,70,737              | 3,75,048                       | 2,78,269                   | 6,62,569            |
| Rajapalayam Mills Limited                  | 77,511                    | 1,81,709                        | 40,514                | 36,371                         | 50,809                     | 2,12,554            |
| The Ramaraju Surgical Cotton Mills Limited | 25,088                    | 16,849                          | 16,523                | 12,908                         | 18,265                     | 27,287              |

| <b>Profit and Loss</b>       | <b>TRCL</b>       |                   | <b>RML</b>        |                   | <b>RSCML</b>      |                   |
|------------------------------|-------------------|-------------------|-------------------|-------------------|-------------------|-------------------|
|                              | <b>31-03-2023</b> | <b>31-03-2022</b> | <b>31-03-2023</b> | <b>31-03-2022</b> | <b>31-03-2023</b> | <b>31-03-2022</b> |
| Total Revenue                | <b>819,019</b>    | 603,169           | <b>87,169</b>     | 70,425            | <b>37,212</b>     | 30,799            |
| Profit / (Loss) before tax   | <b>47,198</b>     | 80,344            | <b>3,766</b>      | 5,722             | <b>(3,052)</b>    | 781               |
| Tax expense / (savings)      | <b>12,999</b>     | 8,941             | <b>590</b>        | 3,838             | <b>(431)</b>      | 480               |
| Profit after Tax             | <b>34,199</b>     | 89,285            | <b>3,175</b>      | 1,884             | <b>(2,621)</b>    | 301               |
| Share of Profit in Associate | <b>(2,747)</b>    | (1,116)           | <b>4,925</b>      | 14,774            | <b>548</b>        | 1,273             |
| Other Comprehensive Income   | <b>(109)</b>      | (248)             | <b>(23)</b>       | 16                | <b>(28)</b>       | (92)              |
| Total Comprehensive Income   | <b>31,343</b>     | 87,921            | <b>8,253</b>      | 16,629            | <b>(2,101)</b>    | 1,482             |

**Fair Value of Investments**

| <b>Name of the Associates</b>              | <b>31-03-2023</b> | <b>31-03-2022</b> |
|--------------------------------------------|-------------------|-------------------|
| The Ramco Cements Limited                  | <b>15,346</b>     | 15,024            |
| Rajapalayam Mills Limited                  | <b>264</b>        | 235               |
| The Ramaraju Surgical Cotton Mills Limited | <b>7</b>          | 7                 |

**Share of contingent Liabilities in respect of associates**

| <b>Name of the Associates</b>              | <b>31-03-2023</b> | <b>31-03-2022</b> |
|--------------------------------------------|-------------------|-------------------|
| The Ramco Cements Limited                  | <b>89,938</b>     | 85,962            |
| Rajapalayam Mills Limited                  | <b>259</b>        | 259               |
| The Ramaraju Surgical Cotton Mills Limited | <b>–</b>          | 15                |

**SRI VISHNU SHANKAR MILL LIMITED, RAJAPALAIYAM**

**NOTES TO CONSOLIDATED FINANCIAL STATEMENTS**

₹ in Lakhs

**Reconciliation to the carrying amount of investment in associates as on 31-03-2023 and 31-03-2022**

| Profit and Loss                 | TRCL             |            | RML             |            | RSCML          |            |
|---------------------------------|------------------|------------|-----------------|------------|----------------|------------|
|                                 | 31-03-2023       | 31-03-2022 | 31-03-2023      | 31-03-2022 | 31-03-2023     | 31-03-2022 |
| Entity's TCI                    | <b>30,647.00</b> | 86,528.00  | <b>3,808.00</b> | 1,711.52   | <b>(2,073)</b> | 474.07     |
| Entity's Adjusted TCI           | <b>30,393.00</b> | 86,300.00  | <b>3,804.00</b> | 1,734.07   | <b>(2,100)</b> | 510.82     |
| Effective Shareholding %        | <b>1.37%</b>     | 1.31%      | <b>0.40%</b>    | 0.47%      | <b>0.06%</b>   | 0.06%      |
| Associates share of profit /OCI | <b>414.91</b>    | 1,182.35   | <b>15.50</b>    | 7.07       | <b>(1.17)</b>  | 0.28       |
| Amount recognized in P & L      | <b>414.91</b>    | 1,182.35   | <b>15.50</b>    | 7.07       | <b>(1.17)</b>  | 0.28       |

**Reconciliation**

|                                        |                  |           |               |               |               |      |
|----------------------------------------|------------------|-----------|---------------|---------------|---------------|------|
| Opening Carrying amount                | <b>15,023.84</b> | 13,841.50 | <b>2,0609</b> | 199.99        | <b>6.72</b>   | 6.45 |
| Less: Other adjustments                | -                | -         | -             | -             | -             | -    |
| Add: Associate's share of Profit / OCI | <b>414.71</b>    | 1,182.34  | <b>15.50</b>  | 6.90          | <b>(1.17)</b> | 0.27 |
| Less: Dividend Received                | <b>92.83</b>     | -         | <b>0.35</b>   | 0.17          | <b>0.02</b>   | -    |
| Net Carrying amount                    | <b>15,345.93</b> | 15,023.84 | <b>222.04</b> | <b>206.89</b> | <b>5.53</b>   | 6.72 |

Notes:

- 1) Adjusted TCI represents total comprehensive income of the entity after eliminating effects of reciprocal interests and unrealized profits.
- 2) Effective shareholdings represent the aggregate of direct holding and indirect holding through fellow associates.

**NOTE NO. 47**

**EARNINGS PER SHARE**

| Particulars                                             | 31-03-2023      | 31-03-2022 |
|---------------------------------------------------------|-----------------|------------|
| Net Profit / (Loss) after tax (₹ In Lakhs) (A)          | <b>(309.88)</b> | 3,336.48   |
| Weighted average number of Equity shares [In Lakhs] (B) | <b>15.00</b>    | 15.00      |
| Nominal value per equity share (in ₹)                   | <b>10.00</b>    | 10.00      |
| Basic & Diluted Earnings per share (A) / (B) (in ₹)     | <b>(21.00)</b>  | 222.00     |

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**SRI VISHNU SHANKAR MILL LIMITED, RAJAPALAIYAM****NOTES TO CONSOLIDATED FINANCIAL STATEMENTS**

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**NOTE NO. 48****RELATED PARTY TRANSACTIONS**

Information on names of Related parties and nature of Relationship as required by Ind AS 24 on Related party disclosures for the year ended 31<sup>st</sup> March 2023:

**A) Associates Company**

| Name of the Company                        | Country of Incorporation | % of Shareholding as at |            |
|--------------------------------------------|--------------------------|-------------------------|------------|
|                                            |                          | 31-03-2023              | 31-03-2022 |
| The Ramco Cements Limited                  | India                    | 1.31%                   | 1.38%      |
| Rajapalayam Mills Limited                  | India                    | 0.40%                   | 0.40%      |
| The Ramaraju Surgical Cotton Mills Limited | India                    | 0.06%                   | 0.06%      |
| JKR Enterprise Limited                     | India                    | 0.001%                  | 0.001%     |

**B) Key Managerial Personnel (including KMP under Companies Act, 2013)**

| Name of the Key Management Personnel | Designation            |
|--------------------------------------|------------------------|
| Shri P.R. Venketrama Raja            | Chairman               |
| Smt. Sharadha Deepa                  | Managing Director      |
| Shri S.S. Ramachandra Raja           | Non-Executive Director |
| Smt. R. Chittammal                   | Non-Executive Director |
| Shri N.K. Shrikantan Raja            | Independent Director   |
| Shri Srirama Raja                    | Non-Executive Director |
| Shri Arunkumar Goenka                | Non-Executive Director |
| Shri S. Kanthimathinathan            | Non-Executive Director |
| Shri P.A.S. Alaghar Raja             | Independent Director   |

**C) Relatives of Key Managerial Personnel**

| Name of the Relative of KMP | Relationship                        |
|-----------------------------|-------------------------------------|
| Smt. Nalina Ramalakshmi     | Sister of Shri P.R. Venketrama Raja |

**SRI VISHNU SHANKAR MILL LIMITED, RAJAPALAIYAM**

**NOTES TO CONSOLIDATED FINANCIAL STATEMENTS**

**D) Companies over which KMP / Relatives of KMP exercise significant influence**

|                                                  |                           |
|--------------------------------------------------|---------------------------|
| Sandhya Spinning Mill Limited                    | Ramco Industries Limited  |
| Sri Harini Textiles Limited                      | Shri Harini Media Limited |
| Rajapalayam Textile Limited                      | Ramco Windfarms Limited   |
| Ramco Industrial and Technology Services Limited |                           |

**E) Employee Benefit Funds where control exists**

|                                                               |
|---------------------------------------------------------------|
| Sri Vishnu Shankar Mill Limited Officers' Superannuation Fund |
| Sri Vishnu Shankar Mill Limited Employees' Gratuity Fund      |

**F) Other entities over which there is a significant influence**

|                                                                                                                      |
|----------------------------------------------------------------------------------------------------------------------|
| PACR Sethurammam Charity Trust, Ramco Organic Farming Centre, PACR Centenary Trust, Vinvint Chemilab Private Limited |
|----------------------------------------------------------------------------------------------------------------------|

Disclosure in respect of Related Party Transactions (excluding Reimbursements) during the year and outstanding balances including commitments as at the reporting date:

**a. Transactions during the year at Arm's length basis or its equivalent**

|                                                                                  | (₹ in Lakhs) |          |
|----------------------------------------------------------------------------------|--------------|----------|
|                                                                                  | 2022-23      | 2021-22  |
| <b>i. Good Supplied / Services rendered</b>                                      |              |          |
| <b>Associates</b>                                                                |              |          |
| The Ramco Cements Limited                                                        | 40.25        | 18.17    |
| Rajapalayam Mills Limited                                                        | 4,105.54     | 2,248.71 |
| The Ramaraju Surgical Cotton Mills Limited                                       | 891.85       | 197.47   |
| <b>Companies over which KMP / Relative of KMP exercise significant Influence</b> |              |          |
| Ramco Industries Limited                                                         | 1,156.45     | 1,944.53 |
| Sandhya Spinning Mill Limited                                                    | 1,495.62     | 648.95   |
| Rajapalayam Textile Limited                                                      | 455.77       | 1,252.07 |
| <b>ii. Sale of Fixed Assets</b>                                                  |              |          |
| <b>Companies over which KMP / Relative of KMP exercise significant Influence</b> |              |          |
| Ramco Industries Limited                                                         | 0.35         | —        |
| Rajapalayam Mills Limited                                                        | 23.25        | —        |
| Sandhya Spinning Mill Limited                                                    | 16.52        | 19.94    |
| Rajapalayam Textile Limited                                                      | 3.25         | —        |

**SRI VISHNU SHANKAR MILL LIMITED, RAJAPALAIYAM**

**NOTES TO CONSOLIDATED FINANCIAL STATEMENTS**

|                                                              |                                                                                  | (₹ in Lakhs) |          |
|--------------------------------------------------------------|----------------------------------------------------------------------------------|--------------|----------|
|                                                              |                                                                                  | Value        |          |
|                                                              | Name of the Related party                                                        | 2022-23      | 2021-22  |
| <b>iii. Cost of Goods &amp; Services purchased / availed</b> |                                                                                  |              |          |
|                                                              | <b>Associates</b>                                                                |              |          |
|                                                              | The Ramco Cements Limited                                                        | 4.62         | 9.73     |
|                                                              | The Ramaraju Surgical Cotton Mills Limited                                       | 413.88       | 905.99   |
|                                                              | Rajapalayam Mills Limited                                                        | 1,124.82     | 3,912.59 |
|                                                              | <b>Companies over which KMP / Relative of KMP exercise significant influence</b> |              |          |
|                                                              | Ramco Industries Limited                                                         | 639.58       | 825.04   |
|                                                              | Ramco Systems Limited                                                            | 16.21        | 14.25    |
|                                                              | Ramco Wind Farms Limited                                                         | 288.86       | 285.95   |
|                                                              | Sandhya Spinning Mill Limited                                                    | 91.65        | 963.04   |
|                                                              | Rajapalayam Textile Limited                                                      | 685.75       | 627.11   |
|                                                              | Sri Harini Media Limited                                                         | 0.37         | 0.74     |
|                                                              | Vinvint Chemilab Private Limited                                                 | 2.09         | 1.90     |
|                                                              | <b>Other entities over which there is significant influence</b>                  |              |          |
|                                                              | PACR Sethurammam Charity Trust                                                   | 113.75       | 64.55    |
|                                                              | Ramco Organic Farming Centre                                                     | 0.11         | 0.11     |
|                                                              | Vinvint Chemilab Private Limited                                                 | 2.09         | 1.90     |
| <b>iv. Purchase of Fixed Assets</b>                          |                                                                                  |              |          |
|                                                              | <b>Other entities over which there is a significant influence</b>                |              |          |
|                                                              | Ramco Industries Limited                                                         | 1.69         | –        |
|                                                              | Rajapalayam Mills Limited                                                        | 10.74        | –        |
| <b>v. Dividend Received</b>                                  |                                                                                  |              |          |
|                                                              | <b>Associates</b>                                                                |              |          |
|                                                              | The Ramco Cements Limited                                                        | 92.83        | –        |
|                                                              | Rajapalayam Mills Limited                                                        | 0.35         | 0.17     |
|                                                              | The Ramaraju Surgical Cotton Mills Limited                                       | 0.02         | 0.01     |
| <b>vi. Rent Received</b>                                     |                                                                                  |              |          |
|                                                              | JKR Enterprise Limited                                                           | 2.12         | 2.12     |
| <b>vii. Leasing Arrangements - Rent Paid</b>                 |                                                                                  |              |          |
|                                                              | <b>Relative of Key Managerial Personnel</b>                                      |              |          |
|                                                              | Smt. Nalina Ramalakshmi                                                          | 0.76         | 1.51     |

**SRI VISHNU SHANKAR MILL LIMITED, RAJAPALAIYAM**  
**NOTES TO CONSOLIDATED FINANCIAL STATEMENTS**

(₹ in Lakhs)

| Name of the Related party                                                     | Value   |         |
|-------------------------------------------------------------------------------|---------|---------|
|                                                                               | 2022-23 | 2021-22 |
| <b>viii. Reimbursement of Expenses Paid / (Received)</b>                      |         |         |
| <b>Associates</b>                                                             |         |         |
| The Ramco Cements Limited                                                     | 14.84   | 7.92    |
| Rajapalayam Mills Limited                                                     | 4.11    | 34.94   |
| Rajapalayam Textile Limited                                                   | 3.65    | –       |
| <b>ix. Interest Paid</b>                                                      |         |         |
| <b>Key Managerial Personnel</b>                                               |         |         |
| Smt. Sharadha Deepa                                                           | 13.14   | 7.76    |
| Shri S.S. Ramachandra Raja                                                    | 0.16    | 1.93    |
| Smt. R. Chittammal                                                            | 6.63    | 13.50   |
| <b>x. Sitting Fees</b>                                                        |         |         |
| <b>Key Managerial Personnel</b>                                               |         |         |
| Shri P.R. Venketrama Raja                                                     | 0.90    | 0.75    |
| Smt. Sharadha Deepa                                                           | 0.75    | 0.60    |
| Shri S.S. Ramachandra Raja                                                    | 0.90    | 0.75    |
| Smt. R. Chittammal                                                            | 0.75    | 0.60    |
| Shri Srirama Raja                                                             | 0.75    | 0.60    |
| Shri N.K. Shrikantan Raja                                                     | 1.95    | 1.65    |
| Shri S. Kanthimathinathan                                                     | 1.05    | 1.05    |
| Shri Arunkumar Goenka                                                         | 0.60    | 0.60    |
| Shri P.A.S. Alaghar Raja                                                      | 1.80    | 1.50    |
| <b>xi. Remuneration to Key Managerial Personnel (Other than Sitting Fees)</b> |         |         |
| <b>Key Managerial Personnel</b>                                               |         |         |
| Smt. Sharadha Deepa, Managing Director                                        | 203.10  | 203.10  |
| <b>xii. Contribution to Superannuation Fund / Gratuity Fund</b>               |         |         |
| <b>Other entities over which there is a significant influence</b>             |         |         |
| Sri Vishnu Shankar Mill Limited Officers' Superannuation Fund                 | 10.55   | 9.68    |
| Sri Vishnu Shankar Mill Limited Employees' Gratuity Fund                      | 56.41   | 1.14    |

**SRI VISHNU SHANKAR MILL LIMITED, RAJAPALAIYAM**

**NOTES TO CONSOLIDATED FINANCIAL STATEMENTS**

(₹ in Lakhs)

| Name of the Related party | Value   |         |
|---------------------------|---------|---------|
|                           | 2022-23 | 2021-22 |

**xiii. Maximum amount of loans and advance / (borrowings) outstanding during the year**

**Key Managerial Personnel**

|                            |          |            |
|----------------------------|----------|------------|
| Smt. Sharadha Deepa        | (321.96) | (1,850.07) |
| Shri S.S. Ramachandra Raja | (2.25)   | ( 2.12)    |
| Smt. R. Chittammal         | (141.08) | (144.09))  |

**b. Outstanding balance including commitments**

**i. Borrowings**

**Key Managerial Personnel**

|                            |        |        |
|----------------------------|--------|--------|
| Shri S.S. Ramachandra Raja | 2.26   | 2.11   |
| Smt. R. Chittammal         | 103.43 | 125.34 |
| Smt. Sharadha Deepa        | 247.29 | 100.39 |

**c. Disclosure of Key Managerial Personnel compensation in total and for each of the following categories:**

| Particulars                                                    | 31-03-2023 | 31-03-2022 |
|----------------------------------------------------------------|------------|------------|
| Short - Term Benefits <sup>[1]</sup>                           | 180.75     | 180.60     |
| Defined Contribution Plan <sup>[2]</sup>                       | 7.50       | 7.50       |
| Defined Benefit Plan / Other Long-Term Benefits <sup>[3]</sup> | –          | –          |
| Total                                                          | 188.25     | 188.10     |

1. It includes bonus, sitting fees, and value of perquisites.

2. It includes contribution to Provident fund and Superannuation fund.

3. As the liability for gratuity and compensated absences are provided on actuarial basis for the Company as a whole, amounts accrued pertaining to key managerial personnel are not included above. However amount paid towards compensated absence is included whenever Company makes such payment to KMPs.

**SRI VISHNU SHANKAR MILL LIMITED, RAJAPALAIYAM**  
**NOTES TO CONSOLIDATED FINANCIAL STATEMENTS**

**NOTE NO. 49**

SEGMENT INFORMATION FOR THE YEAR ENDED 31-03-2023

(₹ in Lakhs)

| Particulars                               | Textiles         |                  | Power from Windmills |                 | Total            |                  |
|-------------------------------------------|------------------|------------------|----------------------|-----------------|------------------|------------------|
|                                           | 31-Mar-2023      | 31-Mar-2022      | 31-Mar-2023          | 31-Mar-2022     | 31-Mar-2023      | 31-Mar-2022      |
| <b>REVENUE</b>                            |                  |                  |                      |                 |                  |                  |
| External Sales (Net)                      | 30,468.70        | 29,196.27        | -                    | -               | 30,468.70        | 29,196.27        |
| Inter Segment Sale                        |                  |                  | 1,446.21             | 1,356.51        | 1,446.21         | 1,356.51         |
| <b>Total Sales</b>                        | <b>30,468.70</b> | <b>29,196.27</b> | <b>1,446.21</b>      | <b>1,356.51</b> | <b>31,914.91</b> | <b>30,552.78</b> |
| Other Income                              | 609.66           | 364.58           | -                    | -               | 609.66           | 364.58           |
| <b>Total Revenue</b>                      | <b>31,078.36</b> | <b>29,560.85</b> | <b>1,446.21</b>      | <b>1,356.51</b> | <b>32,524.57</b> | <b>30,917.36</b> |
| <b>RESULT</b>                             |                  |                  |                      |                 |                  |                  |
| Segment Profit                            | 316.14           | 3,455.72         | 754.56               | 758.04          | 1,070.70         | 4,213.76         |
| Unallocated Income                        | -                | -                | -                    | -               | (153.55)         | (153.55)         |
| Unallocated Expenses                      | -                | -                | -                    | -               | -                | -                |
| Operating Profit                          | -                | -                | -                    | -               | 917.15           | 4,060.21         |
| Interest Expenses                         | -                | -                | -                    | -               | 1,997.73         | 1,413.66         |
| Interest Income                           | -                | -                | -                    | -               | 153.55           | 153.55           |
| Provision for Taxation                    |                  |                  |                      |                 |                  |                  |
| Current Tax                               | -                | -                | -                    | -               | -                | -                |
| Income Tax related to earlier years       | -                | -                | -                    | -               | (285.83)         | 8.20             |
| Deferred Tax                              | -                | -                | -                    | -               | (52.19)          | 639.84           |
| MAT Credit entitlement                    | -                | -                | -                    | -               | -                | -                |
| MAT Credit entitlement – PY               | -                | -                | -                    | -               | -                | -                |
| Profit from ordinary activities           | -                | -                | -                    | -               | (874.84)         | 2,152.06         |
| Other Comprehensive Income                | -                | -                | -                    | -               | (23.55)          | (34.15)          |
| Exceptional Items                         | -                | -                | -                    | -               | -                | -                |
| Share of TCI from Associates              | -                | -                | -                    | -               | 429.24           | 1189.72          |
| <b>Net Profit</b>                         | <b>-</b>         | <b>-</b>         | <b>-</b>             | <b>-</b>        | <b>(331.93)</b>  | <b>3,307.45</b>  |
| <b>OTHER INFORMATION</b>                  |                  |                  |                      |                 |                  |                  |
| Segment Assets                            | 33,212.29        | 35,053.08        | 1,601.05             | 1,800.21        | 34,813.34        | 36,853.29        |
| Unallocated Assets                        | -                | -                | -                    | -               | -                | -                |
| <b>Total Assets</b>                       |                  |                  |                      |                 | <b>34,813.34</b> | <b>36,853.29</b> |
| Segment Liabilities                       | 18,934.85        | 18,050.29        | -                    | -               | 18,934.85        | 18,050.29        |
| Unallocated Liabilities                   | -                | -                | -                    | -               | -                | -                |
| <b>Total Liabilities</b>                  |                  |                  |                      |                 | <b>18,934.84</b> | <b>18,050.29</b> |
| Capital Expenditure                       | 2,613.15         | 6,472.85         | -                    | -               | 2,613.15         | 6,472.85         |
| Unallocated Capital Expenditure           | -                | -                | -                    | -               | -                | -                |
| Depreciation                              | 1,423.25         | 1,051.43         | 199.16               | 199.16          | 1,622.41         | 1,250.59         |
| Unallocated Depreciation Expenditure      | -                | -                | -                    | -               | -                | -                |
| Non-Cash expenses other than Depreciation | -                | -                | -                    | -               | -                | -                |

**NOTE NO. 50**

**DISCLOSURE OF FAIR VALUE MEASUREMENTS**

The fair values of financial assets and liabilities are determined at the amount at which the instrument could be exchanged in a current transaction between willing parties, other than in a forced or liquidation sale. Fair value of cash and short-term deposits, trade and other short term receivables, trade payables, other current liabilities, short term loans from banks and other financial instruments approximate their carrying amounts largely due to their short term maturities of these instruments.

**SRI VISHNU SHANKAR MILL LIMITED, RAJAPALAIYAM**

**NOTES TO CONSOLIDATED FINANCIAL STATEMENTS**

Financial Instruments by category

(**₹ in Lakhs**)

| <b>Particulars</b>               | <b>Amortised Cost</b> | <b>FVTPL</b> | <b>FVTOCI</b> | <b>Carrying Amount</b> | <b>Fair Value</b> |
|----------------------------------|-----------------------|--------------|---------------|------------------------|-------------------|
| <b>As at 31-03-2023</b>          |                       |              |               |                        |                   |
| <b>Financial Assets</b>          |                       |              |               |                        |                   |
| Investments In Preference Shares | 795.00                | –            | (795.00)      | –                      | –                 |
| Other Investments                | 11.95                 | –            | (3.69)        | 8.26                   | 8.26              |
| Loans                            | 0.00                  | –            | –             | 0.00                   | 0.00              |
| Trade Receivables                | 2644.75               | –            | –             | 2644.75                | 2644.75           |
| Cash and Bank Balance            | 21.71                 | –            | –             | 21.71                  | 21.71             |
| Other Financial Assets           | 459.32                | –            | –             | 459.32                 | 459.32            |
| <b>Financial Liabilities</b>     |                       |              |               |                        |                   |
| Borrowings                       | 10,057.66             | –            | –             | 10,057.66              | 10,057.66         |
| Trade Payables                   | 520.65                | –            | –             | 520.65                 | 520.65            |
| Other Financial Liabilities      | 522.51                | –            | –             | 522.51                 | 522.51            |
| <b>As at 31-03-2022</b>          |                       |              |               |                        |                   |
| <b>Financial Assets</b>          |                       |              |               |                        |                   |
| Investments In Preference Shares | 795.00                |              |               | 795.00                 | 795.00            |
| Other Investments                | 0.00                  | –            | 11.95         | 11.95                  | 11.95             |
| Loans                            | 0.00                  | –            | –             | 0.00                   | 0.00              |
| Trade Receivables                | 5,430.75              | –            | –             | 5,430.75               | 5,430.75          |
| Cash and Bank Balance            | 9.68                  |              |               | 9.68                   | 9.68              |
| Other Financial Assets           | –                     | –            | –             | –                      | –                 |
| <b>Financial Liabilities</b>     |                       |              |               |                        |                   |
| Borrowings                       | 12,013.90             | –            | –             | 12,013.90              | 12,013.90         |
| Trade Payables                   | 187.92                | –            | –             | 187.92                 | 187.92            |
| Other Financial Liabilities      | 690.13                | –            | –             | 690.13                 | 690.13            |

**Fair value hierarchy**

The Company uses the following hierarchy for determining and disclosing the fair value of financial instruments by valuation technique:

Level 1 : Quoted (Unadjusted) prices in active markets for identical assets or liabilities

Level 2 : Other techniques for which all inputs which have a significant effect on the recorded fair value are observable, either directly or indirectly.

Level 3 : Techniques which use inputs that have a significant effect on the recorded fair value that are not based on observable market data.

**SRI VISHNU SHANKAR MILL LIMITED, RAJAPALAIYAM**

**NOTES TO CONSOLIDATED FINANCIAL STATEMENTS**

The details of financial instruments that are measured at fair value on recurring basis are given below:

(₹ in Lakhs)

| Particulars                              | Level 1 | Level 2 | Level 3 | Total  |
|------------------------------------------|---------|---------|---------|--------|
| <b>Financial Instruments at FVTOCI</b>   |         |         |         |        |
| <b>Investment in unlisted securities</b> |         |         |         |        |
| As at 31-03-2023                         | –       | –       | 87.01   | 87.01  |
| As at 31-03-2022                         | –       | –       | 806.95  | 806.95 |

**Valuation techniques used to determine the fair value**

The significant inputs used in the fair value measurement categorized within the fair value hierarchy are given below:

| Nature of Financial Instrument                            | Valuation Technique | Remarks                                                      |
|-----------------------------------------------------------|---------------------|--------------------------------------------------------------|
| Investment in Listed securities                           | Market Value        | Closing Price as at 31 <sup>st</sup> March in Stock Exchange |
| Investment in Unlisted securities                         | At Book Value       | Insignificant Value                                          |
| Foreign exchange forward contracts provided by the Banker | Mark to Market      | Based on MTM valuations                                      |

**NOTE NO. 51**

**FINANCIAL RISK MANAGEMENT**

The Board of Directors (BOD) has overall responsibility for the establishment and oversight of the Company's risk management framework and thus established a risk management policy to identify and analyze the risk faced by the Company. Risk Management systems are reviewed by the BOD periodically to reflect changes in market conditions and the Company's activities. The Company through its training and management standards and procedures develop a disciplined and constructive control environment in which all employees understand their roles and obligations. The Audit Committee oversees how management monitors compliance with the Company's risk management policies and procedures, and reviews the risk management framework. The Audit committee is assisted in the oversight role by Internal Audit. Internal Audit undertakes reviews of the risk management controls and procedures, the results of which are reported to the Audit Committee.

**The Company has the following financial risks:**

| Categories of Risk | Nature of Risk                              |
|--------------------|---------------------------------------------|
| Credit Risk        | Receivables                                 |
|                    | Financial Instruments and Cash deposits     |
| Liquidity Risk     | Fund Management                             |
| Market Risk        | Foreign Currency Risk                       |
|                    | Cash flow and fair value interest rate risk |

The Board of Directors regularly reviews these risks and approves the risk management policies, which covers the management of these risks:

**Credit Risk**

Credit Risk is the risk of financial loss to the Company if the customer or counterparty to the financial instruments fails to meet its contractual obligations and arises principally from the Company's receivables, treasury operations and other operations that are in the nature of lease.

## SRI VISHNU SHANKAR MILL LIMITED, RAJAPALAIYAM

### NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

#### Receivables

The Company's exposure to credit risk is influenced mainly by the individual characteristic of each customer. The Company extends credit to its customers in the normal course of business by considering the factors such as financial reliability of customers. The Company evaluates the concentration of the risk with respect to trade receivables as low, as its customers are located in several jurisdictions and operate in largely independent markets. In case of Corporate / Export Customer, credit risks are mitigated by way of enforceable securities. However, unsecured credits are extended based on creditworthiness of the customers on case-to-case basis.

Trade receivables are written off when there is no reasonable expectation of recovery, such as a debtor declaring bankruptcy or failing to engage in a repayment plan with the company and where there is a probability of default, the company creates a provision based on Expected Credit Loss for trade receivables under simplified approach as below:

(₹ in Lakhs)

| As at 31-03-2023                                          | Due less than<br>45 days | 46 to<br>90 days | 91 to<br>180 days | More than<br>180 days | Total    |
|-----------------------------------------------------------|--------------------------|------------------|-------------------|-----------------------|----------|
| Gross carrying amount                                     | 2,272.30                 | 182.36           | 68.72             | 121.37                | 2,644.75 |
| Expected Loss Rate                                        | 0%                       | 0%               | 0%                | 0%                    | 0%       |
| Expected Credit Losses                                    | –                        | –                | –                 | –                     | –        |
| Carrying amount of trade<br>receivables net of impairment | 2,272.30                 | 182.36           | 68.72             | 121.37                | 2,644.75 |

| As at 31-03-2022                                          | Due less than<br>45 days | 46 to<br>90 days | 91 to<br>180 days | More than<br>180 days | Total    |
|-----------------------------------------------------------|--------------------------|------------------|-------------------|-----------------------|----------|
| Gross carrying amount                                     | 3,618.79                 | 1,735.71         | 76.25             | –                     | 5,430.75 |
| Expected Loss Rate                                        | 0%                       | 0%               | 0%                | 0%                    | 0%       |
| Expected Credit Losses                                    | –                        | –                | –                 | –                     | –        |
| Carrying amount of trade<br>receivables net of impairment | 3,618.79                 | 1,735.71         | 76.25             | –                     | 5,430.75 |

#### Financial Instruments and Cash deposits

Investments of surplus funds are made only with the approved counterparties. The Company is presently exposed to counter party risk relating to short term and medium term deposits placed with Banks. The Company places its cash equivalents based on the creditworthiness of the financial institutions.

#### Liquidity Risk

Liquidity Risks are those risk that the Company will not be able to settle or meet its obligations on time or at reasonable price. In the management of liquidity risk, the Company monitors and maintains a level of cash and cash equivalents deemed adequate by the management to finance the company's operations and to mitigate the effects of fluctuations in cash flows.

Due to the dynamic nature of the underlying business, the Company aims at maintaining flexibility in funding by keeping both committed and uncommitted credit lines available. The Company has laid well defined policies and procedures facilitated by robust information system for timely and qualitative decision making by the management including its day to day operations.

**SRI VISHNU SHANKAR MILL LIMITED, RAJAPALAIYAM**

**NOTES TO CONSOLIDATED FINANCIAL STATEMENTS**

**Financial arrangements**

The Company has access to the following undrawn borrowing facilities: (₹ in Lakhs)

| Particulars                         | 31-03-2023 | 31-03-2022 |
|-------------------------------------|------------|------------|
| <b>Expiring within one year</b>     |            |            |
| Bank Overdraft and other facilities | 17,220.77  | 16,639.02  |
| Term Loans                          | 2,756.52   | 2,599.16   |
| <b>Expiring beyond year</b>         |            |            |
| Term Loans                          | –          | –          |

**Maturities of Financial Liabilities**

(₹ in Lakhs)

| Nature of Financial Liability                | < 1 Year  | 1 - 5 Years | >5 years | Total     |
|----------------------------------------------|-----------|-------------|----------|-----------|
| <b>As at 31-3-2023</b>                       |           |             |          |           |
| Borrowings from Banks / Related Parties      | 17,220.77 | 6,226.00    | 3,831.66 | 27,278.43 |
| Trade payables                               | 520.65    | –           | –        | 520.65    |
| Other Financial Liabilities (Incl. Interest) | 522.51    | –           | –        | 522.51    |
| <b>As at 31-3-2022</b>                       |           |             |          |           |
| Borrowings from Banks                        | 16,639.02 | 11,513.27   | 500.63   | 28,652.92 |
| Trade payables                               | 187.92    | –           | –        | 187.92    |
| Other Financial Liabilities (Incl. Interest) | 690.13    | –           | –        | 690.13    |

**Foreign Currency Risk**

The Company's exposure in USD and other foreign currency denominated transactions in connection with import of cotton, capital goods & spares, besides exports of finished goods and borrowings in foreign currency, gives rise to exchange rate fluctuation risk. The Company has following policies to mitigate this risk:

Decisions regarding borrowing in Foreign Currency and hedging thereof, (both interest and exchange rate risk) and the quantum of coverage is driven by the necessity to keep the cost comparable. Foreign Currency loans, imports and exports transactions are hedged by way of forward contract packing credit in foreign currency which act as natural hedge against receivable. The Company enters the above transactions, after taking into consideration the anticipated Foreign exchange inflows / outflows, timing of cash flows, tenure of the forward contract and prevailing Foreign exchange market conditions.

The Company uses derivative financial instruments viz. Foreign Exchange Forward Contracts exclusively for hedging currency risks that arise from imports / exports transactions. The Company measures the risk by forecasting foreign currency cash flows and manages its currency risks by appropriately hedging the transactions. When a forward contract is entered into for the purpose of being a hedge, the Company finalizes the terms of those forward contracts to match the terms of the hedged exposure i.e. receivables / payables / Firm Commitments. All identified exposures are managed as per the policy duly approved by the Board of Directors.

**SRI VISHNU SHANKAR MILL LIMITED, RAJAPALAIYAM**

**NOTES TO CONSOLIDATED FINANCIAL STATEMENTS**

The carrying amounts of the Company's foreign currency denominated monetary assets and monetary liabilities / Firm Commitments as at the end of reporting periods are given below:

**As at 31-03-2023**

**In Millions**

| Type                                           | Particulars                                                                      | USD  | EURO |
|------------------------------------------------|----------------------------------------------------------------------------------|------|------|
| <b>Hedged Items</b>                            | <b>Financial Asset / Firm commitments related to Financial Assets</b>            |      |      |
|                                                | (a) Trade Receivable                                                             | –    | –    |
|                                                | <b>Financial Liabilities / Firm commitments related to Financial Liabilities</b> |      |      |
|                                                | (a) Buyers Credit Loan                                                           | –    | –    |
|                                                | (b) Contracts for import of materials                                            | 0.20 | –    |
|                                                |                                                                                  |      |      |
| <b>Hedging Instruments (Forward contracts)</b> | <b>Instruments for hedging the currency risk on Financial Assets</b>             |      |      |
|                                                | (a) PCFC Loan                                                                    | 0.92 | –    |
|                                                | <b>Instruments for hedging the currency risk on Financial Liabilities</b>        |      |      |
|                                                | (a) Forward contracts for Buyers Credit Loan                                     | 2.17 | –    |
|                                                | (b) Forward contract for imports                                                 | –    | –    |
|                                                | (c) Forward Contracts for Exports                                                | –    | –    |

**As at 31-03-2022**

**In Millions**

| Type                                           | Particulars                                                                      | USD  | EURO |
|------------------------------------------------|----------------------------------------------------------------------------------|------|------|
| <b>Hedged Items</b>                            | <b>Financial Asset / Firm commitments related to Financial Assets</b>            |      |      |
|                                                | (a) Trade Receivable                                                             | 0.66 | –    |
|                                                | <b>Financial Liabilities / Firm commitments related to Financial Liabilities</b> |      |      |
|                                                | (a) Buyers Credit Loan                                                           | 2.81 | –    |
|                                                | (b) Contracts for import of materials                                            | 6.71 | –    |
| <b>Hedging Instruments (Forward contracts)</b> | <b>Instruments for hedging the currency risk on Financial Assets</b>             |      |      |
|                                                | (a) PCFC Loan                                                                    | 0.61 | 0.33 |
|                                                | <b>Instruments for hedging the currency risk on Financial Liabilities</b>        |      |      |
|                                                | (a) Forward contracts for Buyers Credit Loan                                     | 2.81 | –    |
|                                                | (b) Forward contract for imports                                                 | –    | –    |
|                                                | (c) Forward Contracts for Exports                                                | 6.71 | –    |

The details of foreign currency forward contracts outstanding at the end of the reporting period is given below:

| Particulars            | Foreign currency<br>(in Lakhs) |            | Nominal Amount<br>(₹ in Lakhs) |            |
|------------------------|--------------------------------|------------|--------------------------------|------------|
|                        | 31-03-2023                     | 31-03-2022 | 31-03-2023                     | 31-03-2022 |
| USD / INR buy forward  | 2.17                           | 6.71       | –                              | NIL        |
| EURO / INR buy forward | –                              | NIL        | –                              | NIL        |

The above forward contracts are having maturity of less than 12 months.

**SRI VISHNU SHANKAR MILL LIMITED, RAJAPALAIYAM**

**NOTES TO CONSOLIDATED FINANCIAL STATEMENTS**

**Cash flow and fair value interest rate risk**

**(₹ in Lakhs)**

Interest rate risk arises from long term borrowings with variable rates which exposed the company to cash flow interest rate risk. The Company's fixed rate borrowing are carried at amortized cost and therefore are not subject to interest rate risk as defined in Ind AS 107 since neither the carrying amount nor the future cash flows will fluctuate because of the change in market interest rates. The Company is exposed to the evolution of interest rates and credit markets for its future refinancing, which may result in a lower or higher cost of financing, which is mainly addressed through the management of the fixed / floating ratio of financial liabilities. The Company constantly monitors credit markets to strategize a well-balanced maturity profile in order to reduce both the risk of refinancing and large fluctuations of its financing cost. The Company believes that it can source funds for both short term and long term at a competitive rate considering its strong fundamentals on its financial position.

**Interest rate risk exposure**

| <b>Particulars</b>       | <b>31-03-2023</b> | <b>01-04-2022</b> |
|--------------------------|-------------------|-------------------|
| Variable rate borrowings | <b>27,278.43</b>  | 28,652.92         |
| Fixed rate borrowings    | –                 | –                 |

The Company does not have any interest rate swap contracts

**Sensitivity on Interest rate fluctuation**

| <b>Incremental Interest Cost works out to</b> | <b>31-03-2023</b> | <b>31-03-2022</b> |
|-----------------------------------------------|-------------------|-------------------|
| 1% Increase in Interest Rate                  | <b>272.78</b>     | 286.53            |

**NOTE NO. 52**

DISCLOSURE AS REQUIRED UNDER MICRO, SMALL AND MEDIUM ENTERPRISES DEVELOPMENT ACT, 2006:

The categorization of supplier as MSME registered under the Act under new definition, has been determined based on the information available with the Company as at the reporting date. The Company has also considered suppliers as MSME who possess the erstwhile MSME certificate for the period upto the reporting date, for the purpose of categorization and disclosures. The disclosures as required under Micro, Small and Medium Enterprises Development Act, 2006:

**(₹ in Lakhs)**

| <b>Particulars</b>                                                                                                                            | <b>31-03-2023</b> | <b>31-03-2022</b> |
|-----------------------------------------------------------------------------------------------------------------------------------------------|-------------------|-------------------|
| (a) (i) The Principal amount remaining unpaid to any supplier at the end of the financial year included in -                                  |                   |                   |
| Trade Payables                                                                                                                                | <b>1.08</b>       | 11.84             |
| Other Current Financial Liabilities                                                                                                           | –                 | –                 |
| (ii) The Interest due on the above                                                                                                            | –                 | –                 |
| (b) The amount of interest paid by the buyer in terms of Section 16 of the Act                                                                | –                 | –                 |
| (c) The amount of the payment made to the supplier beyond the appointed day during the financial year                                         | –                 | –                 |
| (d) The amount of interest accrued and remaining unpaid at the end of the financial year                                                      | –                 | –                 |
| (e) The amount of interest due and payable for the period of delay in making payment but without adding the interest specified under this Act | –                 | –                 |

**SRI VISHNU SHANKAR MILL LIMITED, RAJAPALAIYAM**

**NOTES TO CONSOLIDATED FINANCIAL STATEMENTS**

**NOTE NO. 53**

Additional regulatory information as required under Companies Act, 2013 / Indian Accounting Standards:

**a) Trade Payables ageing Schedule**

| Particulars             | Outstanding for following periods from due date of payment |               |             |             |           | Total         |
|-------------------------|------------------------------------------------------------|---------------|-------------|-------------|-----------|---------------|
|                         | Not due                                                    | < 1 Year      | 1 – 2 Years | 2 - 3 years | > 3 years |               |
| <b>As at 31-03-2023</b> |                                                            |               |             |             |           |               |
| MSME                    | –                                                          | 1.08          | –           | –           | –         | 1.08          |
| Others                  | –                                                          | 519.58        | –           | –           | –         | 519.58        |
| Disputed Dues - MSME    | –                                                          | –             | –           | –           | –         | –             |
| Disputed Dues - Others  | –                                                          | –             | –           | –           | –         | –             |
| Unbilled dues           | –                                                          | –             | –           | –           | –         | –             |
| <b>Total</b>            | <b>–</b>                                                   | <b>520.66</b> | <b>–</b>    | <b>–</b>    | <b>–</b>  | <b>520.66</b> |
| <b>As at 31-03-2022</b> |                                                            |               |             |             |           |               |
| MSME                    | –                                                          | 11.84         | –           | –           | –         | 11.84         |
| Others                  | –                                                          | 176.06        | –           | –           | –         | 176.06        |
| Disputed Dues - MSME    | –                                                          | –             | –           | –           | –         | –             |
| Disputed Dues - Others  | –                                                          | –             | –           | –           | –         | –             |
| Unbilled dues           | –                                                          | –             | –           | –           | –         | –             |
| <b>Total</b>            | <b>–</b>                                                   | <b>187.90</b> | <b>–</b>    | <b>–</b>    | <b>–</b>  | <b>187.90</b> |

**b) Capital Work-in-Progress Ageing Schedule**

| Particulars      | Amount in CWIP for a period of |             |             |           | Total  |
|------------------|--------------------------------|-------------|-------------|-----------|--------|
|                  | < 1 Year                       | 1 – 2 Years | 2 - 3 years | > 3 years |        |
| As at 31-03-2023 | 315.26                         | 69.28       | –           | –         | 384.54 |
| As at 31-03-2022 | 453.75                         | –           | –           | –         | 453.75 |

Notes: (i) None of the capital-work-in-progress whose completion is overdue or has exceeded its cost compared to its original plan.

(ii) The Company does not have any projects whose activity has been suspended.

(iii) The Company has no intangible assets under development.

**SRI VISHNU SHANKAR MILL LIMITED, RAJAPALAIYAM**

**NOTES TO CONSOLIDATED FINANCIAL STATEMENTS**

**c) Trade Receivables Ageing Schedule**

| Particulars                                                                   | Outstanding for following periods from due date of payment |                    |                   |              |             |           | Total           |
|-------------------------------------------------------------------------------|------------------------------------------------------------|--------------------|-------------------|--------------|-------------|-----------|-----------------|
|                                                                               | Not due                                                    | Less than 6 months | 6 months - 1 year | 1 - 2 years  | 2 - 3 years | > 3 years |                 |
| <b>As at 31-03-2023</b>                                                       |                                                            |                    |                   |              |             |           |                 |
| Undisputed Trade receivables - considered good                                | –                                                          | 2,523.38           | 121.37            | –            | –           | –         | 2,644.75        |
| Undisputed Trade receivables - which have significant increase in credit risk | –                                                          | –                  | –                 | –            | –           | –         | –               |
| Disputed Trade receivables - considered good                                  | –                                                          | –                  | –                 | –            | –           | –         | –               |
| Disputed Trade receivables - which have significant increase in credit risk   | –                                                          | –                  | –                 | –            | –           | –         | –               |
| <b>Total</b>                                                                  | –                                                          | <b>2,523.38</b>    | <b>121.37</b>     | –            | –           | –         | <b>2,644.75</b> |
| <b>As at 31-03-2022</b>                                                       |                                                            |                    |                   |              |             |           |                 |
| Undisputed Trade receivables - considered good                                | –                                                          | 5,412.98           | –                 | 17.77        | –           | –         | 5,430.75        |
| Undisputed Trade receivables - which have significant increase in credit risk | –                                                          | –                  | –                 | –            | –           | –         | –               |
| Disputed Trade receivables - considered good                                  | –                                                          | –                  | –                 | –            | –           | –         | –               |
| Disputed Trade receivables - which have significant increase in credit risk   | –                                                          | –                  | –                 | –            | –           | –         | –               |
| <b>Total</b>                                                                  | –                                                          | <b>5,412.98</b>    | –                 | <b>17.77</b> | –           | –         | <b>5,430.75</b> |

**d) Undisclosed Income**

The Company does not have any transaction, which are not recorded in the books of accounts that has been surrounded or disclosed as income in the tax assessments under the Income Tax Act, 1961 during any of the years.

**e) Relationship with Struck off Companies**

The Company did not have any transactions with Companies struck off under Section 248 of Companies Act, 2013 or Section 560 of the Companies Act, 1956 considering the information available with the Company.

**f) Details of Crypto Currency or Virtual Currency**

The Company did not trade or invest in Crypto Currency or virtual currency during the financial year. Hence disclose relating to it are not applicable.

**SRI VISHNU SHANKAR MILL LIMITED, RAJAPALAIYAM**

**NOTES TO CONSOLIDATED FINANCIAL STATEMENTS**

**g) Disclosures related to CSR activities**

| Particulars                                                | Amount (₹ in Lakhs)           |
|------------------------------------------------------------|-------------------------------|
| Amount required to be spent by the Company during the year | 1.62                          |
| Amount of expenditure incurred                             | 6.22                          |
| Shortfall at the end of the year                           | Nil                           |
| Total of previous years shortfall                          | Nil                           |
| Reason for shortfall                                       | Nil                           |
| Nature of CSR activities                                   | Please refer to Table-A below |

Note : The Company has not made any provision to CSR activities for the financial year 2022-23 and 2021-22.

Table - A Nature of CSR activities:

| Nature                                                                                                                                                                                                                                            | Amount (₹ in Lakhs) |
|---------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|---------------------|
| 1 Eradication of Hunger and Promotion of Healthcare including Preventive Healthcare                                                                                                                                                               | 0.62                |
| 2 Preservation and protection of National Heritage, Art and Culture including restoration of building and site of historical importance and work of art setting up public libraries promotion and development of traditional arts and handicrafts | 5.60                |
| <b>TOTAL</b>                                                                                                                                                                                                                                      | <b>6.22</b>         |

**NOTE NO. 54**

**a) Exceptional Items:**

**Profit on Sale of Property, Plant & Equipment and Investment Property**

The Company has modernized Blow Room and carding machineries and sold the old machineries during the financial year 2022-23. The WDV of old machineries and building (Investment Property) as on 31-03-2023 was ₹ 42.52 Lakhs. The Company has incurred Profit on sale of the above old machineries and investment property to the extent of ₹ 141.86 Lakhs (PY: ₹ 107.05 Lakhs) and the same is shown as an Exceptional Items in the Statement of Profit and Loss.

**NOTE NO. 55**

**EVENTS AFTER THE REPORTING PERIOD - DISTRIBUTION MADE AND PROPOSED**

| Particulars                                                                              | 31-03-2023 | 31-03-2022 |
|------------------------------------------------------------------------------------------|------------|------------|
| <b>Cash Dividends on Equity Shares declared and paid</b>                                 |            |            |
| Dividend for the year ended 31 <sup>st</sup> March 2023                                  | 15.00      | Nil        |
| <b>Proposed Dividends on Equity Shares</b>                                               |            |            |
| Final dividend for the year ended 31 <sup>st</sup> March 2022: Nil per Share (PY: ₹ 1/-) | Nil        | 15.00      |

**SRI VISHNU SHANKAR MILL LIMITED, RAJAPALAIYAM**  
**NOTES TO CONSOLIDATED FINANCIAL STATEMENTS**

**NOTE NO. 56**

**CAPITAL MANAGEMENT**

For the purpose of the Company's capital management, capital includes issued equity share capital and all other equity reserves attributable to the equity holders of the Company. The primary objective of the Company's capital management is to maximize the Shareholders' wealth.

The Company manages its capital structure and makes adjustments in the light of changes in economic conditions and the requirements of the financial covenants. The Company monitors capital using a gearing ratio, which is net debt divided by total capital plus Debt.

| Particulars                                | 31-03-2023       | 31-03-2022       |
|--------------------------------------------|------------------|------------------|
| Long Term Borrowings                       | 10,057.66        | 12,013.90        |
| Current maturities of Long Term borrowings | 2,756.52         | 2,599.16         |
| Short Term Borrowings                      | 14,464.25        | 14,039.86        |
| Less: Cash and Cash Equivalents            | 21.71            | 9.68             |
| <b>Net Debt (A)</b>                        | <b>27,256.72</b> | <b>28,643.24</b> |
| Equity Share Capital                       | 150.00           | 150.00           |
| Other Equity                               | 5,395.03         | 6,308.42         |
| <b>Total Equity (B)</b>                    | <b>5,545.03</b>  | <b>6,458.42</b>  |
| Total Capital Employed (C) = (A) + (B)     | 32,801.75        | 35,101.66        |
| Capital Gearing Ratio (A) / (C)            | 83.09%           | 81.60%           |

In order to achieve this overall objective, the Company's capital management, amongst other things, aims to ensure that it meets financial covenants attached to the interest-bearing loans and borrowings that define capital structure requirements. There have been no breaches in the financial covenants of any interest-bearing loans / borrowing. The Company has been consistently focusing on reduction in long term borrowings. There are no significant changes in the objectives, policies or processes for managing capital during the years ended 31-03-2023 and 31-03-2022.

There are no significant changes in the objectives, policies or processes for managing capital during the years ended 31-03-2023 and 31-03-2022.

As per our report annexed

For **M.S. JAGANNATHAN & N. KRISHNASWAMI**  
Chartered Accountants  
Firm Registration No. 001208S

**K. SRINIVASAN**  
Partner,  
Membership No. 021510  
Rajapalayam  
25<sup>th</sup> May, 2023.

For and on behalf of the Board

**Shri P.R. VENKETRAMA RAJA**  
Chairman  
(DIN: 00331406)

**Smt. SHARADHA DEEPA**  
Managing Director  
(DIN: 00383799)

**SRI VISHNU SHANKAR MILL LIMITED, RAJAPALAIYAM**

**NOTES TO CONSOLIDATED FINANCIAL STATEMENTS**

**ADDITIONAL INFORMATION, AS REQUIRED UNDER SCHEDULE III TO THE COMPANIES ACT, 2013 OF ENTERPRISES CONSOLIDATED AS ASSOCIATES FOR THE YEAR 2021-22**

| Name of the Entity                                       | Net Assets i.e. total assets minus total liabilities |            | Share in Profit / (Loss)             |            | Share in Other Comprehensive Income (OCI) |            | Share in Total Comprehensive Income (TCI) |            |
|----------------------------------------------------------|------------------------------------------------------|------------|--------------------------------------|------------|-------------------------------------------|------------|-------------------------------------------|------------|
|                                                          | As % of Consolidated net assets                      | ₹ in Lakhs | As % of Consolidated profit / (loss) | ₹ in Lakhs | As % of Consolidated OCI                  | ₹ in Lakhs | As % of Consolidated TCI                  | ₹ in Lakhs |
| <b>Parent</b>                                            |                                                      |            |                                      |            |                                           |            |                                           |            |
| Sri Vishnu Shankar Mill Limited                          | 27.05%                                               | 5,775.44   | 239.65%                              | (742.62)   | 84.13%                                    | (18.55)    | 229.32%                                   | (761.17)   |
| <b>Associates (Investments as per the Equity Method)</b> |                                                      |            |                                      |            |                                           |            |                                           |            |
| <b>Indian</b>                                            |                                                      |            |                                      |            |                                           |            |                                           |            |
| The Ramco Cements Limited                                | 71.88%                                               | 15,345.93  | -135.01%                             | 418.38     | 15.73%                                    | (3.47)     | -125.00%                                  | 414.91     |
| Rajapalayam Mills Limited                                | 1.04%                                                | 222.04     | -5.01%                               | 15.52      | 0.07%                                     | (0.02)     | -4.67%                                    | 15.50      |
| The Ramaraju Surgical Cotton Mills Limited               | 0.03%                                                | 5.53       | 0.37%                                | (1.16)     | 0.07%                                     | (0.02)     | 0.35%                                     | (1.17)     |

As per our report annexed

**For M.S. JAGANNATHAN & N. KRISHNASWAMI**  
Chartered Accountants  
Firm Registration No. 001208S

**K. SRINIVASAN**  
Partner,  
Membership No. 021510  
Rajapalayam  
25<sup>th</sup> May, 2023.

For and on behalf of the Board

**Shri P.R. VENKETRAMA RAJA**  
Chairman  
(DIN: 00331406)

**Smt. SHARADHA DEEPA**  
Managing Director  
(DIN: 00383799)

## NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

## NOTES

[illegible]

**SRI VISHNU SHANKAR MILL LIMITED, RAJAPALAIYAM**

**NOTES TO CONSOLIDATED FINANCIAL STATEMENTS**

**NOTES**



Our Chairman Shri P.R. Venketrama Raja presenting the Best worker prize to our worker.



Our Vice President – HR receiving the “Meritorious Award - 2022” from Quality Circle Forum of India at Aurangabad for the quality Concept presentation.



A view of new “Blendomat Trutzschler” Automatic Bale Opener Machine installed in our Unit – I at Rajapalayam.



A view of new “Trutzschler – TC 15” Carding Machine installed in our Unit – I at Rajapalayam.

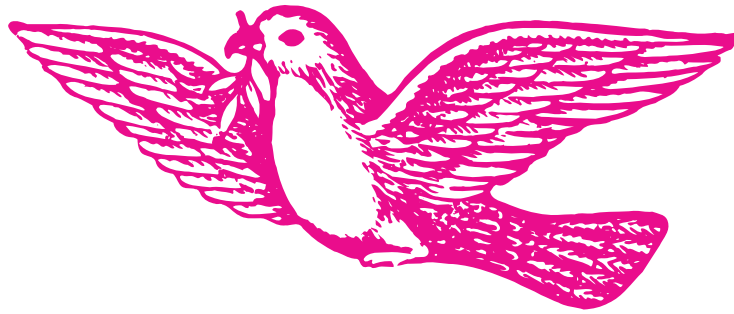


A view of new “LMW-LF4280A” – Simplex Machine installed in our Unit-II at Subramaniyapuram.



A view of new “Rieter – RSB D50” Draw Frame Machine installed in our Unit-I at Rajapalayam.

SRI VISHNU SHANKAR MILL LIMITED



RAJAPALAIYAM