BANNARI AMMAN SPINNING MILLS LTD

Regd. Office. 252, Mettupalayam Road, Coimbatore - 641043
Phone: 0422- 2435555, Website: www.bannarimills.com,
e-mail: shares@bannarimills.com CIN: L17111TZ1989PLC002476

NOTICE TO SHAREHOLDERS

NOTICE is hereby given that the 31st Annual General Meeting of the Members of the Company will be held on Monday the 27th September, 2021 at 11.00 AM through Video Conferencing (VC) / Other Audio Visual Means (OAVM) to transact the business set out in the agenda given below:

You are requested to make it convenient to attend the meeting.

AGENDA

ORDINARY BUSINESS

1. To receive, consider and adopt the Audited Financial Statements of the Company both Standalone and Consolidated for the financial year ended 31st March, 2021, the reports of the Board of Directors' and the Auditors thereon;

2. To appoint a Director in the place of Sri S V Arumugam, (DIN 00002458) who retires by rotation and being eligible, offers himself for re-appointment.

SPECIAL BUSINESS

3. **To consider and if thought fit, to pass with or without modification(s) the following resolution as a Special Resolution:**

   RESOLVED that in partial modification of earlier resolution passed in this regard the approval of the Shareholders be and is hereby accorded the following Minimum Remuneration be paid to Sri SV Arumugam, Managing Director (DIN 00002458) for the remaining period of his office from 28.6.2021 to 26.6.2023:

   MINIMUM REMUNERATION:

   a. BASIC SALARY : Rs.5,00,000/- (Rupees Five Lakhs only) per month;

   b. ALLOWANCES : An amount not exceeding annual Basic Salary ;

   c. PERQUISITES (not included in the above remuneration):

      I. Contribution to Provident Fund @ 12% on basic salary and to the extent the same is not taxable under the relevant provisions of Income Tax Act, 1961.

      II. Gratuity payable at a rate not exceeding half a month's salary for each completed year of service.

   RESOLVED FURTHER that there shall be no other changes in the terms and conditions of appointment of the Managing Director during the current tenure of office, except the provision for Minimum Remuneration being made for the remaining period of his office from 28.6.2021 to 26.6.2023.

   RESOLVED FURTHER that the aforesaid remuneration is payable notwithstanding the situation where the Company has no profits or its profits are inadequate during the relevant financial year.

4. **To consider and if thought fit, to pass with or without modification(s) the following resolution as a Special Resolution:**

   RESOLVED that in terms of Regulation 17 (1A) of SEBI (Listing Obligations and Disclosure Requirements Regulations, 2015, approval be and is hereby accorded for continuation of present term of Directorship of Sri K Sadhasivam, (DIN 00610037) as a Non-Executive Independent Director, who attains the age of 75 years during the tenure of his present appointment.

5. **To consider and if thought fit, to pass with or without modification(s), the following resolution as an Ordinary Resolution:**

   RESOLVED that pursuant to the provisions of Section 148 and other applicable provisions of the Companies Act,2013, read with the Companies (Audit and Auditors) Rules, 2014 and pursuant to the recommendation of Audit Committee, the remuneration of Rs.1,00,000 (Rupees One Lakh only) (besides reimbursement of out of pocket expenses incurred by him for the purpose of Audit) payable to Sri M Nagarajan, Cost Auditor (Firm Registration No. 102133), as approved by the Board of Directors for conducting the audit of the Cost Records of the Company for the Financial Year ending 31st March, 2022 be and is hereby ratified and confirmed.

By order of the Board

Coimbatore
23rd July, 2021

S V ARUMUGAM
CHAIRMAN & MANAGING DIRECTOR
DIN 00002458

STATEMENT OF MATERIAL FACTS IN RESPECT OF THE SPECIAL BUSINESS PURSUANT TO SECTION 102 OF THE COMPANIES ACT, 2013

ITEM 3

Sri S V Arumugam (DIN 00002458) was appointed as a Managing Director of the Company for a period of five years with effect from 27.6.2018 and his tenure of office ends on 26.6.2023. The Board of Directors have proposed to revise the remuneration payable to Sri S V Arumugam after considering the following grounds.

Sri S V Arumugam was appointed as Managing Director of the Company for a period of Five (5) years w.e.f 27.6.2018, after getting the required approvals. He was eligible for minimum remuneration for a period of 3 years commencing from 27.6.2018, in the absence or inadequacy of profits. The remuneration package was a fixed one and without any time-scale increment during the said period of 3 years. As per present resolution of Shareholders, he is eligible for remuneration @ 10% of the net profits of the Company for the remaining period of two (2) years upto 26.6.2013.

The services rendered by Sri S V Arumugam, for the sustainment and development of the Company over the tenure of Office particularly during the difficulties in COVID-19 pandemic periods by his dedicated micro management. His leadership and understanding of the basics of the business have been instrumental in the development of the Company over the years.

The Board of Directors opined that his continued association would be beneficial for the future growth of the Company also.

As per the amended provisions of Section 197 read with Section II of Part II of Schedule V of the Companies Act, 2013, a managerial remuneration may be paid without any ceiling limit with the approval of Shareholders by way of Special Resolution.

Based on the aforesaid facts, considering the progress made by the Company under his dynamic leadership and considering the industry benchmarks for the remuneration for similar position, the Board considered and fixed the remuneration payable to him with effect from 26.6.2021, as recommended by Nomination and Remuneration Committee at their meeting held on 31.5.2021.

A copy of memorandum setting the terms and conditions of appointment of Managing Director is available at the Registered Office of the Company during business hours for inspection of members.

Approval of shareholders by Special Resolution is required pursuant to Section 196 (3) of the Companies Act, 2013 to Sri S V Arumugam, who attained the age of 70 years. The Board recommended the aforesaid resolution for approval of shareholders in compliance of Section 196(3) of the Companies Act, 2013, considering his guidance and experience which would be important for the growth of the Company.

Necessary Special Resolutions are placed before the members for their approval.

Except Sri S V Arumugam, the appointee, none of the Directors and Key Managerial Personnel of the Company and their relative is concerned or interested financially or otherwise, in the resolution set out at Item No.3.

Information pursuant to Clause (iv) of Section II of Schedule V is as follows:

S. No	Name of the Appointee - Sri S V Arumugam	
I	**General Information** 1) Nature of industry	Textile Manufacturing
	2) Date or expected date of commencement of commercial production	Not applicable, existing Company.
	3) In case of new companies, expected date of commencement of activities as per project approved by financial institutions appearing in the prospectus.	Not Applicable
	4) Financial performance based on given indicators	Financial Year 2020-21 (Rs. in Lakhs) Gross Revenue: 86539.78 Profit / (Loss) after Tax: (1055.05) Rate of Dividend: Nil Earnings Per share: (3.35)
	5) Foreign investments or collaborators, if any	The Company has not made any foreign investments or collaborators
II	**Information about the appointee:** 1) Background details	Sri S V Arumugam, holds B.Sc., degree and is a qualified Chartered Accountant He is associated with the Textile Industry for about 33 years. Sri S V Arumugam occupies the position of Managing Director in the Company since 2005. Under his stewardship, the Company has grown from strength to strength and has achieved the status of one of the most reputed companies in the Textile Industry.
	2) Past remuneration	**Year** **in Rs** 2020-21 55,39,600 2019-20 60,39,600 2018-19 77,58,235
	3) Recognition or awards	Past Chairman of Southern India Mills Association, Confederation of Indian Textile Industry and Vice Chairman of Indian Wind Power Association.
	4) Job profile and his suitability	He is the Managing Director of the Company and devotes whole time attention to the management of the day-to-day affairs of the Company subject to superintendence and guidance of Board of Directors.

5) Remuneration proposed	**MINIMUM REMUNERATION:** **a. BASIC SALARY :** Rs.5,00,000/- (Rupees Five Lakhs only) per month; **b. ALLOWANCES:** An amount not exceeding annual Basic Salary ; **c. PERQUISITES** (not included in the above remuneration): I. Contribution to Provident Fund @ 12% on basic salary and to the extent the same is not taxable under the relevant provisions of Income Tax Act, 1961. II. Gratuity payable at a rate not exceeding half a month's salary for each completed year of service. **RESOLVED FURTHER** that there shall be no other changes in the terms and conditions of appointment of the Managing Director during the current tenure of office, except the provision for Minimum Remuneration being made for the remaining period of his office from 28.6.2021 to 26.6.2023. **RESOLVED FURTHER** that the aforesaid remuneration is payable notwithstanding the situation where the Company has no profits or its profits are inadequate during the relevant financial year.
6) Comparative remuneration profile with respect to industry, size of the Company, profile of the position and person	Proposed remuneration is commensurate with Industry standards and Board level positions held in similar sized business.
7) Pecuniary relationship directly or indirectly with the Company, or relationship with the managerial personnel, if any	Does not have any pecuniary relationship with the Company except remuneration drawn as Managing Director

III	Other information:	
	1) Reasons of loss or inadequate profits	NA
	2) Steps taken or proposed to be taken for improvement	NA
	3) Expected increase in productivity and profits in measurable terms	NA

Information pursuant to 1.2.5 of the Secretarial Standard on General Meetings (SS-2) and in terms of Regulation 36(3) of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 regarding Director seeking appointment / re-appointment

Name	Sri S V Arumugam
Age	72 Years
Qualification	B.Sc., ACA
Experience	He has more than 36 years of experience in Textile Industry
Terms and conditions of appointment or re- appointment	Terms of Appointment for 5 years with effect from 27.6.2018 to 26.6.2023
Last drawn remuneration	Rs. 55,39,600/-
Date of first appointment on the Board	27.6.2005
No.of shares held	3,36,304 Equity shares of Rs.5/- each
Relationship with Directors, Managers and KMP	NIL
No.of Board Meetings attended during 2020-2021	7 out of 7 meetings held.
Other Directorship	Bannari Amman Flour Mill Private Limited Sakthi Murugan Transports Private Limited Abirami Amman Designs Private Limited Accel Apparels Private Limited Anamallais Agencies Private Limited Anamallais Automobiles Private Limited Anamallais Motors Private Limited Bannari Amman Logistics Private Limited Bannari Amman Properties Private Limited Bannari Amman Retails Private Limited Bannari Amman Trendz Private Limited Murugan Enterprise Private Limited Senthil Infrastructure Private Limited Young Brand Apparel Private Limited State Industries Promotion Corporation of Tamilnadu Limited
Member of Committee	Stakeholders Relationship Committee - Member
Chairman/Member of the Committees of the Boards of other Companies	State Industries Promotion Corporation of Tamilnadu Limited Audit Committee - Member

Except Sri S V Arumugam, being an appointee, none of the Directors and Key Managerial Personnel of the Company and their relatives is concerned or interested.

ITEM 4

Sri K Sadhasivam is a Non-Executive Independent Director of the Company. He joined the Board of Directors of the Company in 22.8.2006. He has more than 47 years of experience in the field transportation business. He does not hold by himself or for any other person on a beneficial basis, any shares in the Company. Sri K Sadhasivam is a member of the Audit Committee, Nomination and Remuneration Committee of the Board of Directors of the Company and Stakeholders Relationship Committee of the Company.

Sri K Sadhasivam, was reappointed as an Independent Director for second term of fiveconsecutive years from 25.8.2019 to 24.8.2024 at the Annual General Meeting held on 19.8.2019. He has more than 47 years of experience in the transport business.

Securities and Exchange Board of India in SEBI (Listing Obligations and Disclosure Requirements Regulations), 2015, in Regulation 17 (1A), has mandated vide its notification dt: 9th May, 2018, that no Director shall continue the directorship as non-Executive Director who attains the age of 75 years unless a special resolution is passed by the members for this purpose.

The Board considers that his continued association would be of benefit to the Company and it is desirable to continue to avail services of Sri K Sadhasivam as an Independent Director. Accordingly, the Board recommends the resolution in relation to appointment of Sri K Sadhasivam as an Independent Director, for the approval by the shareholders of the Company, who attains the age of 75 years during the tenure of his present appointment.

Such continuation of appointment as Independent Director was recommended by Nomination and Remuneration Committee at their meeting held on 23.7.2021.

Except Sri K Sadhasivam, none of the Directors and Key Managerial Personnel of the Company and their relatives is concerned or interested, financially or otherwise, in the resolution set out at Item No. 4.

ITEM 5

The Board of Directors of the Company on the recommendation of the Audit Committee, approved the appointment and remuneration of Sri M Nagarajan, Cost Auditor to conduct the audit of the Cost records of the Company for the financial year ending 31st March, 2022.

In terms of the provisions of Section 148 of the Companies Act, 2013 read with Rule 14 of the Companies (Audit and Auditors) Rules, 2014, the remuneration payable to the Cost Auditor is to be ratified by the members of the Company. Accordingly, the members are requested to ratify the remuneration payable to the Cost Auditor for the financial year ending 31st March 2022, as set out in the resolution.

The Board of Directors recommend the Ordinary Resolution as set out in this item of the Notice for approval of members.

None of the Directors and Key Managerial Personnel of the Company and their relatives is concerned or interested, financially or otherwise, in the resolution set out at Item No 5.

By Order of the Board

S V ARUMUGAM
CHAIRMAN & MANAGING DIRECTOR
DIN 00002458

Coimbatore
23rd July, 2021

Notes:

1. In view of continuing Covid-19 pandemic, Ministry of Corporate Affairs Circular Ref. Nos: 14/2020 dated April 8, 2020, 17/2020 dated April 13, 2020, 20/2020 dated May 5, 2020 and SEBI Circular No. SEBI/HO/CFD/CMD1/CIR/P/2020/79 dated May 12, 2020 (permitted the holding of Annual General Meeting through VC/OAVM without the physical presence of the members at the common Venue. In compliance with these MCA Circulars and the relevant provisions of the Companies Act, 2013 and the SEBI (Listing Obligations and Disclosure Requirements), Regulations, 2015 the Annual General Meeting of the members of the Company is being held through VC/OAVM.

2. Pursuant to the provisions of the Companies Act, 2013, a Member entitled to attend and vote at the Annual General Meeting is entitled to appoint a proxy to attend and vote on his/her behalf and the proxy need not be a Member of the Company. Since this AGM is being held pursuant to the MCA Circulars through VC/OAVM, physical attendance of Members has been dispensed with. Accordingly, the facility for appointment of proxies by the Members will not be available for the Annual General Meeting and hence the Proxy Form and Attendance Slip are not annexed to the Notice.

3. Institutional/Corporate Shareholders (i.e. other than individuals/HUF, NRI, etc) are required to send a scanned copy (PDF/JPEG Format) of its Board Resolution or governing body Resolution/Authorisation etc., authorising its representative to attend the Annual General Meeting through VC/OAVM on its behalf and to vote through remote e-voting. The said Resolution/Authorization shall be sent to the Scrutinizer by email through their registered email address to sharpcs1@gmail.com with copies marked to the Company at shares@bannarimills.com and to its RTA at coimbatore@linkintime.co.in.

4. Members are requested to submit the questions in advance on the e-mail address shares@bannarimills.com

5. As per MCA General Circular No. 20/2020 dated May 5, 2020 dispatching of physical copies of the financial statements (including Board's Report, Auditor's Report or other documents required to be attached therewith), such statements shall be sent only by e-mail to the members and hence sending of Annual Report by physical mode has been dispensed with.

6. The members attending the meeting through VC / OAVM shall be reckoned for the purpose of Quorum as stipulated under Section 103 of the Companies Act, 2013.

7. All the resolutions will be passed through the facility of e-voting system only.

8. The Explanatory Statement pursuant to Section 102 of the Companies Act, 2013, which sets out details relating to Special Business in respect of items starting from 3 to 5 of the Agenda are annexed hereto.

9. The register of members and the share Transfer books of the company will remain closed from 21.9.2021 to 27.9.2021 (both days are inclusive)

10. Previous year figures are given in brackets for the purpose of comparison.

11. Relevant documents referred to in the accompanying Notice and the Explanatory Statement shall be open for inspection through electronic mode only.

12. In compliance with the provisions of Section 108 of the Act, read with Rule 20 of the Companies (Management and Administration) Rules, 2014, and Regulation 44 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 the Company is pleased to offer the facility of voting through electronic means, as an alternate, to all its Members to enable them to cast their votes electronically instead of casting their vote at a meeting. Please note that the voting through electronic means is optional for the members.

13. The voting through electronic means will commence on 24th September 2021 at 10.00 A.Mand will end on 26th September 2021 at 5.00 P.M. The Members will not be able to cast their vote electronically beyond the date and time mentioned above and the e-voting system shall be disabled for voting thereafter. The persons those who are holding shares as on the cut-off date of 20th September, 2021 are only eligible to cast their e-voting.

14. *Registration of email ID and Bank Account details:*

In case the shareholder's email ID is already registered with the Company/its Registrar & Share Transfer Agent "RTA"/Depositories, log in details for e-voting are being sent on the registered email address.

In case the shareholder has not registered his/her/their email address with the Company/its RTA/Depositories and or not updated the Bank Account mandate the following instructions to be followed:

(i) Shareholders holding shares in physical mode are requested to communicate their change of postal address (enclose copy of Aadhar Card), e-mail address if any, self-attested copy of PAN Card and bank account details (enclose cancelled Cheque leaf) quoting their folio nos. to the Registrar and Share Transfer Agents M/s. Link Intime India Private Limited, Surya, 35 Mayflower Avenue, Behind Senthil Nagar, Sowripalayam Road, Coimbatore - 641028.

(ii) In the case of Shares held in Demat mode*:*

The shareholder may please contact the Depository Participant ("DP") and register the e-mail address and bank account details in the demat account as per the process followed and advised by the DP.

15. The Notice of the Annual General Meeting along with the Annual Report for the financial year 2020-21 is being sent only by electronic mode to those Members whose email addresses are registered with the Company/Depositories in accordance with the aforesaid MCA Circulars and circular issued by SEBI dated May 12, 2020. Members may note that the Notice of Annual General Meeting and Annual Report for the financial year 2020-21 will also be available on the Company's website www.bannarimills.com; websites of the Stock Exchanges i.e. National Stock Exchange of India Ltd and BSE Limited at www.nseindia.com and www.bseindia.com respectively. Members can attend and participate in the Annual General Meeting through VC/OAVM facility only.

16. Members attending the meeting through VC/OAVM shall be counted for the purposes of reckoning the quorum under Section 103 of the Companies Act, 2013.

17. The Company has appointed Sri R Dhanasekaran, Practicing Company Secretary, to act as the Scrutinizer for conducting the voting process in a fair and transparent manner.

18. Instructions for e-voting and joining the Annual General Meeting are as follows:

19. **Remote e-Voting Instructions for shareholders post change in the Login mechanism for Individual shareholders holding securities in demat mode, pursuant to SEBI circular dated December 9, 2020:**

Pursuant to SEBI circular dated December 9, 2020 on e-Voting facility provided by Listed Companies, Individual shareholders holding securities in demat mode can vote through their demat account maintained with Depositories and Depository Participants only post 9th June, 2021.

Shareholders are advised to update their mobile number and email Id in their demat accounts to access e-Voting facility.

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

Type of shareholders	Login Method
Individual Shareholders holding securities in demat mode with NSDL	■ If you are already registered for NSDL IDeAS facility, please visit the e-Services website of NSDL. Open web browser by typing the following URL: https://eservices.nsdl.com either on a Personal Computer or on a mobile. Once the home page of e-Services is launched, click on the "Beneficial Owner" icon under "Login" which is available under 'IDeAS' section. A new screen will open. You will have to enter your User ID and Password. ■ After successful authentication, you will be able to see e-Voting services. Click on "Access to e-Voting" under e-Voting services and you will be able to see e-Voting page. Click on company name or e-Voting service provider name and you will be re-directed to e-Voting service provider website for casting your vote during the remote e-Voting period or joining virtual meeting & voting during the meeting. ■ If the user is not registered for IDeAS e-Services, option to register is available at https://eservices.nsdl.com. Select "Register Online for IDeAS "Portal or click at https://eservices.nsdl.com/SecureWeb/IdeasDirectReg.jsp ■ Visit the e-Voting website of NSDL. Open web browser by typing the following URL: https://www.evoting.nsdl.com/ either on a Personal Computer or on a mobile. Once the home page of e-Voting system is launched, click on the icon "Login" which is available under 'Shareholder/Member' section. A new screen will open. You will have to enter your User ID (i.e. your sixteen digit demat account number hold with NSDL), Password/OTP and a Verification Code as shown on the screen. After successful authentication, you will be redirected to NSDL Depository site wherein you can see e-Voting page. Click on 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 virtual meeting & voting during the meeting.
Individual Shareholders holding securities in demat mode with CDSL	■ Existing user of who have opted for Easi / Easiest, they can login through their user id and password. Option will be made available to reach e- Voting page without any further authentication. The URL for users to login to Easi / Easiest are https://web.cdslindia.com/myeasi/home/login or www.cdslindia.com and click on New System Myeasi. ■ After successful login of Easi / Easiest the user will be also able to see the e-Voting Menu. The Menu will have links of e-Voting service provider i.e. NSDL, KARVY, LINKINTIME, CDSL. Click on e-Voting service provider name to cast your vote. ■ If the user is not registered for Easi/Easiest, option to register is available at https://web.cdslindia.com/myeasi./Registration/EasiRegistration Alternatively, the user can directly access e-Voting page by providing demat Account Number and PAN No. from a link in www.cdslindia.com home page. The system will authenticate the user by sending OTP on registered Mobile & Email as recorded in the demat Account. After successful authentication, user will be provided links for the respective ESP where the e -Voting is in progress.

Type of shareholders	Login Method
Individual Shareholders (holding securities in demat mode) & login through their depository participants	■ You can also login using the login credentials of your demat account through your Depository Participant registered with NSDL/CDSL for e-Voting facility. ■ Once login, you will be able to see e-Voting option. Once you click on e-Voting option, you will be redirected to NSDL/CDSL Depository site after successful authentication, wherein you can see e-Voting feature. Click on 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 virtual meeting & voting during the meeting.
Individual Shareholders holding securities in Physical mode & evoting service Provider is LINKINTIME.	1. Open the internet browser and launch the URL: https://instavote.linkintime.co.in ■ Click on **"Sign Up"** under **'SHARE HOLDER'** tab and register with your following details: - **A. User ID:** Shareholders/members holding shares in **physical form shall provide** Event No + Folio Number registered with the Company. **B. PAN:** Enter your 10-digit Permanent Account Number (PAN) (Members who have not updated their PAN with the Depository Participant (DP)/ Company shall use the sequence number provided to you, if applicable. **C. DOB/DOI:** Enter the Date of Birth (DOB) / Date of Incorporation (DOI) (As recorded with your DP / Company - in DD/MM/YYYY format) **D. Bank Account Number:** Enter your Bank Account Number (last four digits), as recorded with your DP/Company. ■ Shareholders/ members holding shares in **physical form** but have not recorded 'C' and 'D', shall provide their Folio number in 'D' above ■ Set the password of your choice (The password should contain minimum 8 characters, at least one special Character (@!#$&*), at least one numeral, at least one alphabet and at least one capital letter). ■ Click "confirm" (Your password is now generated). 2. Click on 'Login' under **'SHARE HOLDER'** tab. 3. Enter your User ID, Password and Image Verification (CAPTCHA) Code and click on **'Submit'.** 4. After successful login, you will be able to see the notification for e-voting. Select **'View'** icon. 5. E-voting page will appear. 6. Refer the Resolution description and cast your vote by selecting your desired option **'Favour / Against'** (If you wish to view the entire Resolution details, click on the **'View Resolution'** file link). 7. After selecting the desired option i.e. Favour / Against, click on **'Submit'.** A confirmation box will be displayed. If you wish to confirm your vote, click on **'Yes',** else to change your vote, click on 'No' and accordingly modify your vote.

Institutional shareholders:

Institutional shareholders (i.e. other than Individuals, HUF, NRI etc.) and Custodians are required to log on the e-voting system of LIIPL at https://instavote.linkintime.co.in and register themselves as **'Custodian / Mutual Fund / Corporate Body'.** They are also required to upload a scanned certified true copy of the board resolution /authority letter/power of attorney etc. together with attested specimen signature of the duly authorised representative(s) in PDF format in the **'Custodian / Mutual Fund / Corporate Body'** login for the Scrutinizer to verify the same.

Individual Shareholders holding securities in Physical mode & evoting service Provider is LINKINTIME, have forgotten the password:

- Click on **'Login'** under **'SHARE HOLDER'** tab and further Click **'forgot password?'**
- Enter **User ID,** select **Mode** and Enter Image Verification (CAPTCHA) Code and Click on **'Submit'.**

In case shareholders/ members is having valid email address, Password will be sent to his / her registered e-mail address.

Shareholders / members can set the password of his/her choice by providing the information about the particulars of the Security Question and Answer, PAN, DOB/DOI, Bank Account Number (last four digits) etc. as mentioned above.

The password should contain minimum 8 characters, at least one special character (@!#$&*), at least one numeral, at least one alphabet and at least one capital letter.

Individual Shareholders holding securities in demat mode with NSDL/ CDSL have forgotten the password:

Shareholders/ members who are unable to retrieve User ID/ Password are advised to use Forget User ID and Forget Password option available at above mentioned depository/ depository participants website.

- It is strongly recommended not to share your password with any other person and take utmost care to keep your password confidential.
- For shareholders/ members holding shares in physical form, the details can be used only for voting on the resolutions contained in this Notice.
- During the voting period, shareholders/ members can login any number of time till they have voted on the resolution(s) for a particular "Event".

Helpdesk for Individual Shareholders holding securities in demat mode:

In case shareholders/ members holding securities in demat mode have any technical issues related to login through Depository i.e. NSDL/ CDSL, they may contact the respective helpdesk given below:

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

Helpdesk for Individual Shareholders holding securities in physical mode/ Institutional shareholders & evoting service Provider is LINKINTIME.

In case shareholders/ members holding securities in physical mode/ Institutional shareholders have any queries regarding e-voting, they may refer the **Frequently Asked Questions ('FAQs')** and **InstaVote e-Voting manual** available at https://instavote.linkintime.co.in, under **Help** section or send an email to **enotices@linkintime.co.in** or contact on: - Tel: 022 -4918 6000.

InstaVote Support Desk, Link Intime India Private Limited

Instructions for Shareholders/Members to Attend the Annual General Meeting through InstaMeet:

Instructions for Shareholders/Members to attend the Annual General Meeting through InstaMeet (VC/OAVM) are as under:

1) Shareholders/Members are entitled to attend the Annual General Meeting through VC/OAVM provided by Link Intime by following the below mentioned process. Facility for joining the Annual General Meeting through VC/OAVM shall open 30 minutes before the time scheduled for the Annual General Meeting and will be available to the Members on first come first serve basis.

   Shareholders/Members are requested to participate on first come first serve basis as participation through VC/OAVM is limited and will be closed on expiry of 15 (fifteen) minutes from the scheduled time of the Annual General Meeting. Shareholders/Members with >2% shareholding, Promoters, Institutional Investors, Directors, KMPs, Chair Persons of Audit Committee, Nomination and Remuneration Committee, Stakeholders Relationship Committee and Auditors etc. may be allowed to the meeting withour restrictions of first-come-first serve basis. Members can log in and join 30 (thirty) minutes prior to the schedule time of the meeting and window for joining shall be kept open till the expiry of 15 (fifteen) minutes after the schedule time. Participation is restricted upto 1000 members only.

   Shareholders/ Members will be provided with InstaMeet facility wherein Shareholders/ Member shall register their details and attend the Annual General Meeting as under:

1. Open the internet browser and launch the URL for Insta Meet <<https://instameet.linkintime.co.in>> and register with your following details:

   a. DP ID / Client ID or Beneficiary ID or Folio No.: Enter your 16 digit DP ID / Client ID or Beneficiary ID or Folio Number registered with the Company

   b. PAN: Enter your 10 digit Permanent Account Number (PAN). (Members who have not updated their PAN with the Depository Participant (DP)/Company shall use the sequence number provided to you).

   c. Mobile No. Enter your Mobile No.

   d. Email ID

2. Click "Go to Meeting" InstaMeet Support Desk

   Link Intime India Private Limited

Instructions for Shareholders/Members to register themselves as Speakers during Annual General Meeting:

Shareholders/Members who would like to express their views/ask questions during the meeting may register themselves as a speaker by sending their request mentioning their name, demat account number/folio number, email id, mobile number and PAN at (shares@bannarimills.com) from 23rd September 2021 at 10.00 A.M (Date & Time) to 25th September, 2021 at 5.00 P.M (Date & Time).

The first 10 Speakers on first come basis will only be allowed to express their views/ask questions during the meeting.

Shareholders/ Members, who would like to ask questions, may send their questions in advance mentioning their name demat account number/folio number, email id, mobile number at (shares@bannarimills.com). The same will be replied by the company suitably.

Note:

Those shareholders/members who have registered themselves as a speaker will only be allowed to express their views/ask questions during the meeting. The Company reserves the right to restrict the number of speakers depending on the availability of time for the Annual General Meeting.

Shareholders/ Members should allow to use camera and are required to use Internet with a good speed (preferably 2 MBPS download stream) to avoid any disturbance during the meeting.

Instructions for Shareholders/Members to Vote during the Annual General Meeting through InstaMeet:

Once the electronic voting is activated by the scrutiniser during the meeting, shareholders/ members who have not exercised their vote through the remote e-voting can cast the vote as under:

1. On the Shareholders VC page, click on the link for e-Voting "Cast your vote".
2. Enter Demat Account No. / Folio No. and OTP (received on the registered mobile number/ registered email Id) received during registration for InstaMeet and click on '**Submit**'.
3. After successful login, you will see "Resolution Description" and against the same the option "Favour/Against" for voting.
4. Cast your vote by selecting appropriate option i.e. "Favour/Against" as desired.
   Enter the number of shares (which represents no. of votes) as on the cut-off date under 'Favour/Against'.
5. After selecting the appropriate option i.e.Favour/Against as desired and you have decided to vote, click on "Save". A confirmation box will be displayed. If you wish to confirm your vote, click on "Confirm", else to change your vote, click on "Back" and accordingly modify your vote.
6. Once you confirm your vote on the resolution, you will not be allowed to modify or change your vote subsequently.

Note: Shareholders/ Members, who will be present in the Annual General Meeting through Insta Meet facility and have not casted their vote on the Resolutions through remote e-Voting and are otherwise not barred from doing so, shall be eligible to vote through e-Voting facility during the meeting.

Shareholders/Members who have voted through Remote e-Voting prior to the Annual General Meeting will be eligible to attend/participate in the Annual General Meeting through InstaMeet. However, they will not be eligible to vote again during the meeting.

In case the shareholders/members have any queries or issues regarding e-voting, you can write an email to instameet@linkintime.co.in or Call us: - Tel : (022-49186175)

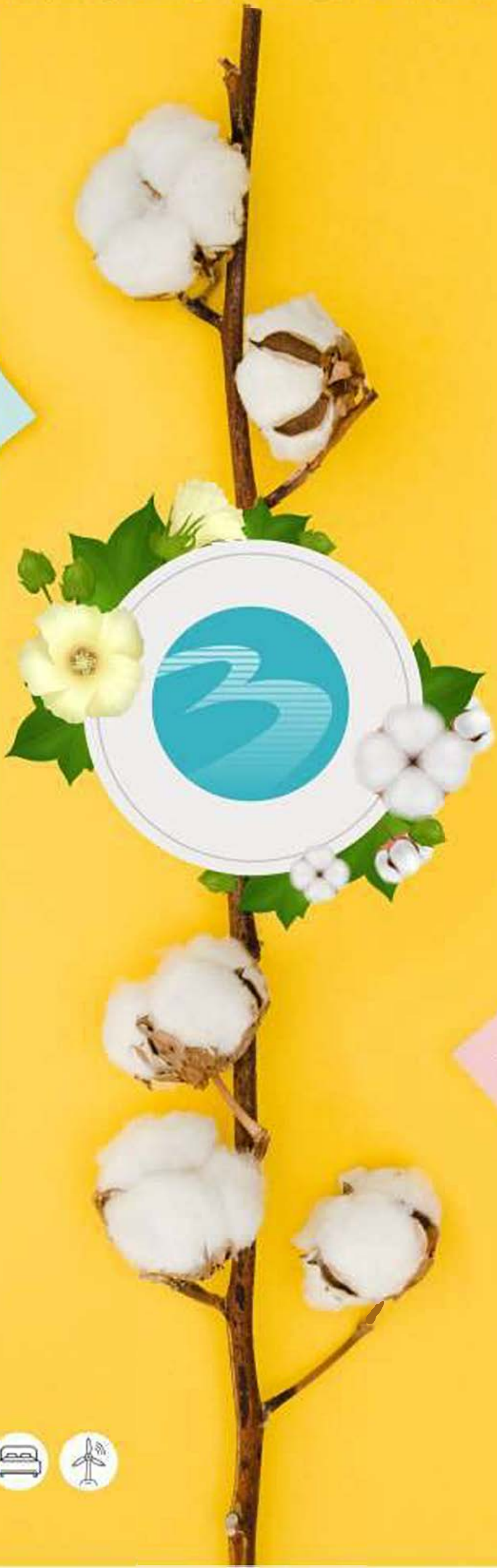
Since, the AGM is held through VC/OAVM, the Route Map of the Venue is not annexed with this notice.

S V ARUMUGAM
CHAIRMAN & MANAGING DIRECTOR
DIN 00002458

Coimbatore
23rd July, 2021

BANNARI AMMAN SPINNING MILLS LTD

31st ANNUAL REPORT 2021



bannarimills.com

CONTENTS

BOARD OF DIRECTORS

Sri S V Arumugam	-	Chairman & Managing Director
Sri K N V Ramani	-	Director
Dr K R Thillainathan	-	Director
Sri S Palaniswami	-	Director
Sri K Sadhasivam	-	Director
Smt S Sihamani	-	Director

COMPANY SECRETARY

Sri N Krishnaraj

CHIEF FINANCIAL OFFICER

Sri S Seshadri

AUDITORS

M/s Deloitte Haskins & Sells LLP
Chartered Accountants
Coimbatore - 641 018

INTERNAL AUDITORS

M/s B M & Associates
Chartered Accountants
Coimbatore - 641 044

COST AUDITOR

Sri M Nagarajan
Cost Auditor
Coimbatore - 641 018

REGISTERED OFFICE

252, Mettupalayam Road
Coimbatore - 641 043 Tamilnadu
Ph No : 0422 - 2435555
www.bannarimills.com
CIN : L17111TZ1989PLC002476

SHARE TRANSFER AGENT

Link Intime India Private Limited
35, Surya Mayflower Avenue
Behind Senthil Nagar
Sowripalayam Road
Coimbatore - 641028
Ph : 0422 - 2314792
E-mail : coimbatore@linkintime.co.in

BANKERS

The Karur Vysya Bank Limited
Union Bank of India
ICICI Bank Limited
Indian Overseas Bank
Bank of Maharashtra
Indian Bank
Bank of Bahrain and Kuwait B.S.C.
DCB Bank Ltd.
Punjab National Bank

DIRECTORS' REPORT

Dear Members,

Your Directors have pleasure in presenting the 31st Annual Report together with audited accounts of the Company for the year ended 31st March, 2021.

FINANCIAL RESULTS :

(Rs. in Lakhs)

	2020-21	2019-20
Profit before Depreciation	1563.77	2854.65
Less : Depreciation	2809.11	2831.16
Less : Taxes	(190.29)	(3.59)
Add/(Less) : Other Comprehensive Income	46.10	57.30
Profit after Tax	(1008.95)	77.20
Surplus brought forward from last year	4870.76	5108.02
Amount available for appropriation	**3861.81**	**5185.22**

DIVIDEND

Your Directors have not recommended any dividend for the year 2020-21.

REVIEW OF OPERATIONS

The performance of the Company was significantly affected in the first half of the financial year 2020-21 on account of lock down measures imposed by the Governments to control the impact of COVID-19. This resulted in complete closure of factories for about 45 days, fall in prices of finished goods due to reduced demand during the pandemic period, disrupted logistics, cancelled or suspended orders all of which contributed to the decline in performance. Even after the lock down was lifted, there were restrictions in labour employment leading to reduced capacity utilization which further impacted the operations. However sentiments picked up in the second half of the year both in domestic and international markets which enabled the Company to reduce the losses for the full year.

IMPACT OF COVID-19

The impact of COVID 19 has been severe for the entire Global economy and textile industry is no exception to this. Complete shut down of manufacturing units in the initial stages of COVID 19 pandemic, sub optimal capacity utilization for 2 to 3 months after relaxation was permitted, cancellation of orders by domestic and international buyers due to uncertainty across the markets, slump in physical Retail sales of apparel items were factors affecting the industry adversely.

The Company has considered the possible effects that may result from the pandemic relating to COVID-19 on the carrying amounts of Property, plant and equipment, Intangibles, Inventories, Receivables and Other assets. In developing the assumptions relating to the possible future uncertainties in the global economic conditions because of this pandemic, the Company, as at the date of approval of these financial results has used internal and external sources on the expected future performance of the Company. The Company has evaluated its liquidity position, recoverability and based on current estimates expects the carrying amount of these assets will be recovered.

The unit wise performance of the company is furnished below:

Spinning Units

During the year under review, the Spinning mills produced 26273 tonnes (30714.94 tonnes) inclusive of purchased quantity Nil tonnes (77.11 tonnes) of Yarn and sold 21853.38 tonnes (25779.09 tonnes) of Yarn.

The sales include 3859.87 tonnes (3322.73 tonnes) by way of export. The total yarn sales of this division amounted to Rs. 46580.55 Lakhs (Rs.54017.30 Lakhs) of which export sales amounted to Rs.7777.97 Lakhs (Rs. 6701.80 Lakhs) constituting 16.70% (12.41%) of the total yarn sales.

The Spinning division produced 8048.59 tonnes (8809.02 tonnes) of saleable waste cotton and sold 7930.21 tonnes (8438.23 tonnes) and the total waste cotton sales of this division amounted to Rs.4564.97 Lakhs (Rs. 5466.79 Lakhs).

Weaving Unit

The Weaving division specializes in manufacturing wider-width cotton grey woven fabric. During the year under review, 118.21 Lakh metres (159.20 Lakh metres) of fabric were produced and 113.02 Lakh metres (123.22 Lakh metres) of fabric were sold.

The sales include 38.12 tonnes (33.09 tonnes) by way of export. The total fabric sales of this division amounted to Rs.10965.78 Lakhs (Rs. 10324.09 Lakhs) of which export sales amounted to Rs. 3116.54 Lakhs (Rs. 2807.32 Lakhs).

Home Textile Unit

During the year under review, the Home Textile division produced 9.59 Lakh pieces (14.66 Lakh Pieces) of made ups and sold 6.05 Lakh pieces (14.56 Lakh pieces).

The total sales of this division amounted to Rs.3106.41 Lakhs (Rs.3187.10 Lakhs) which includes fabric sales 12.77 Lakh metres (19.72 Lakh metres) and the sales amounted to Rs.1315.82 Lakhs (Rs.1590.60 Lakhs).

Knitting Unit

During the year under review, 5865.56 tonnes (5209.68 tonnes) of Knitted fabric were produced and 5500.41 tonnes (4777.35 tonnes) were sold. The total sales of this division amounted to Rs.12284.58 Lakhs (Rs.10826.52 Lakhs) of which export sales amounted to Rs.4881.66 Lakhs (Rs.1627.60 lakhs).

Processing Unit

During the year under review, 2069.83 tonnes (2206.45 tonnes) of fabric were processed on job work basis and 1098.59 tonnes (1001.12 tonnes) of fabric were produced and 1011.76 tonnes (954.81 tonnes) of fabric were sold. The total fabric sales of this division amounted to Rs. 4316.55 Lakhs (Rs. 3933.93 lakhs).

Apparel Unit

During the year under review, 28.73 Lakhs (10.62 lakhs) pieces of Garments were produced on job work basis and nil lakhs (7.41 lakhs) pieces of Garments on own production. The total income of this division amounted to Rs.873.72 lakhs (Rs. 963.29 Lakhs).

Wind Mills

The company has 4 windmills of 1250 KW each totaling 5 MW in Radhapuram Taluk, Tirunelveli District, Tamilnadu, 23 Nos windmills, each of 800 KW capacity totaling 18.4 MW capacity in Dharapuram Taluk, Tirupur District and Palani Taluk, Dindigul District, Tamilnadu. The total installed capacity of Windmills is 23.40 MW and the whole of the wind power generated is captively consumed by the Spinning Units and Weaving Unit.

The windmills produced 407.67 Lakh units of power as against 469.52 Lakh units produced in the last year.

PROSPECTS FOR THE FINANCIAL YEAR 2021-22

The second wave of Covid -19 pandemic reached its peak in April and May of the current financial year. The lock down measures imposed by the government to control the second wave has affected the operations and consequently the performance of the company has been impacted to an extent. The Central Government has warned of possible third wave also which may affect the fortunes of the industry. Hence the prospects for the current year can not be reasonably estimated at this point of time but the Company is confident of overcoming the adverse impact of the pandemic on the operations of the Company.

EVENTS SUBSEQUENT TO THE DATE OF FINANCIAL STATEMENTS

In terms of the resolution framework for COVID-19 related stress prescribed by Reserve Bank of India, vide Circular No. RBI/2020-21/16 DOR.No.BP.BC/3/21.04.048/2020-21 dt. August 6, 2020 ("August 6 Framework"), the company has restructured its existing credit facilities by extension of the tenure of Term loans from Banks and offer of additional/modification of the securities offered to them.

There are no material changes and commitments affecting the Financial position of the Company, subsequent to the end of the Financial Year.

There are no proceedings pending under the Insolvency and Bankruptcy Code, 2016. There was no instance of one-time settlement with any Bank or Financial Institution.

PUBLIC DEPOSITS

The Company has no public deposits outstanding at the beginning of the year and, the Company has not accepted any deposits within the meaning of Section 73 to 76 of the Companies Act, 2013 and the Companies (Acceptance of Deposits) Rules, 2014 during the year under review.

CAPITAL STRUCTURE

i. Sub-division of face value of equity shares

The Company has completed the sub-division of 1 (one) Equity Share of face value of Rs.10/- (ten) each fully paid up into Equity Shares of Rs.5/- (five) each fully paid up, resulting in issuance of 2 (two) Equity Shares of Rs.5/- (five) each fully paidup, thereby keeping the paid-up capital intact under Section 61(1)(d) of the Companies Act, 2013 with necessary approval of Regulators wherever applicable.

Accordingly, the face value of the equity shares of the Company changed from Rs.10/- to Rs.5/- with effect from 12.2.2021.

FURTHER ISSUE OF SHARES ON RIGHTS BASIS

The Company has initiated the procedural formalities for obtaining in-principle approval from Stock Exchanges and have filed the Draft Letter of Offer with the Securities and Exchange Board of India, in order to issue of equity shares to the shareholders of the Company on Rights basis amounting to Rs.100 Crore, in accordance with applicable laws, including Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2018, during the year.

Accordingly, National Stock Exchange of India Limited and BSE Limited have issued the in-principle approval for Listing of shares on 4.5.2021 and on 18.6.2021 respectively and SEBI has issued its observation letter on 25.6.2021.

COMPANY BECOMES SUBSIDIARY

The company has become subsidiary of Murugan Enterprise Private Limited, one of the promoter company consequent to the acquisition of 7,79,500 equity shares of Rs.10/- each constituting 4.95% from Sakthi Murugan Transports Private Limited, another promoter company, with effect from 19.10.2020.

CORPORATE GOVERNANCE

In line with requirements of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 your Company is committed to the principles of good Corporate Governance and continues to adhere good corporate governance practices consistently.

A separate section is given on Corporate Governance, Management Discussion and Analysis alongwith a certificate from a Practicing Company Secretary regarding compliance of conditions of Corporate Governance as stipulated under Regulation 34(3) read with Schedule V of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 forms part of this Annual Report.

ANNUAL RETURN

Pursuant to the sub-section (3) of Section 92 of the Companies Act, 2013, Annual Return for Financial Year ended on 31st March, 2021, is posted on the website of the Company viz., www.bannarimills.com

DIRECTORS

Sri S V Arumugam, (DIN 00002458) will retire by rotation at the ensuing Annual General Meeting, he is eligible for re-appointment and seeks re-appointment.

In terms of Regulation 17(1A) of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, a Special Resolution for continuation of present term of Directorship of Sri K Sadhasivam (DIN 00610037), non-executive Independent Director is proposed who is attaining the age of 75 years. All Independent Directors have given declarations that they meet the criteria of independence as laid down under Section 149 (6) of the Companies Act, 2013 and Regulation 25(8) of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015.

The company has obtained a Certificate from Sri R Dhanasekaran, Company Secretary in Practice certifying that none of the Directors on the Board of the Company have been debarred or disqualified from being appointed or continuing as Directors of companies by the Board/Ministry of Corporate Affairs or any such statutory authority.

KEY MANAGERIAL PERSONNEL

The Company has appointed the following persons as Key Managerial Personnel

Name of the persons	Designation
Sri S V Arumugam	Managing Director
Sri S Seshadri	Chief Financial Officer
Sri N Krishnaraj	Company Secretary

AUDIT COMMITTEE

The Audit Committee comprises of

1. Sri K N V Ramani - Chairman (Non- Executive Independent Director)
2. Sri S Palaniswami - Member (Non- Executive Independent Director) and
3. Sri K Sadhasivam - Member (Non- Executive Independent Director)

The Board has implemented the suggestions made by the Audit Committee from time to time.

EVALUATION OF BOARD OF DIRECTORS

Pursuant to the provisions of the Companies Act, 2013 and Regulation 17 (10) of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, Independent Directors at their meeting without participation of non-Independent Directors and management considered and evaluated the Boards' performance, performance of the Chairman and Managing Director.

The Board has carried out an annual evaluation of performance of Board and of individual Directors as well as the Committees of Directors. The evaluation has been conducted internally in the manner prescribed by Nomination and Remuneration Committee.

BOARD MEETINGS

During the year under review, Seven Board Meetings were conducted. The details of the same have been given in the Corporate Governance Report under Regulation 17 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, forming part of this Report.

PARTICULARS OF LOANS, GUARANTEES OR INVESTMENTS

The Company has furnished/extended Corporate Guarantee to an amount of Rs.149.90 Crores for the credit facilities both term loan and working capital facilities, given by Punjab National Bank (Erstwhile Oriental Bank of Commerce) to Young Brand Apparel Private Limited, a Subsidiary Company. Investments of the Company in the shares of other companies is provided under notes to Balance Sheet appearing in this Annual Report.

ESTABLISHMENT OF VIGIL MECHANISM / WHISTLE BLOWER POLICY

The Company has established a vigil mechanism for Directors and employees to report concerns about unethical behavior, actual or suspected fraud or violation of the Company's code of conduct or ethics. The policy has been posted in the website of the Company: www.bannarimills.com.

POLICY ON NOMINATION AND REMUNERATION COMMITTEE

The Board of Directors have framed a policy setting out the framework for payment of Remuneration to Directors, Key Managerial Personnel and Senior Management Personnel of the Company. The policy is explained as part of the Corporate Governance Report. The Committee ensures 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

b. Relationship of remuneration to performance is clear and meets appropriate performance benchmarks and

c. Remuneration to Directors, Key Managerial Personnel and senior management involves a balance between fixed and incentive pay reflecting short and long term performance objectives appropriate to the working of the Company and its goals.

RELATED PARTY TRANSACTIONS

All the related party transactions that were entered into during the financial year in the ordinary course of business and the prices were at arm's length basis. Hence, the provisions of Section 188 (1) of the Companies Act, 2013 are not attracted. Further no materially significant related party transactions were entered by the Company with Promoters, Directors, Key Managerial Personnel or other designated persons which may have potential conflict with interest of the company at large.Approval of Audit Committee was obtained for transactions of repetitive nature on annual basis. All related party transactions are placed before the Audit Committee for approval and Board of Directors for their review. The policy on Related Party Transactions is available in the website www.bannarimills.com

Disclosure of these Transactions in form AOC-2 pursuant to Section 134 (3)(h) of the Companies Act, 2013 read with Rule 8(2) of the Companies (Accounts) Rules, 2014 as set out below:

Form AOC - 2

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

1. Details of contracts or arrangements or transactions not at arm's length basis: Nil

2. Details of material contracts or arrangement or transactions at arm's length basis: Nil

There were no transactions made with any person or entity belonging to promoter/promoter group which holds 10% or more shareholding in the Company.

SIGNIFICANT/MATERIAL ORDERS PASSED BY THE REGULATORS/COURTS

There are no significant and material orders passed by the Regulators/Courts that would impact the going concern status and the Company's operation in future.

DIRECTORS' RESPONSIBILITY STATEMENT

As stipulated in Section 134 (5) of the Companies Act, 2013 your Directors confirm that:

a) Your Directors have followed in the preparation of the annual accounts, the applicable accounting standards with proper explanation relating to material departures;

b) Your Directors have selected such accounting policies and applied them consistently and made judgments and estimates that are reasonable and prudent so as to give a true and fair view of the state of affairs of the Company at the end of the financial year and of the profit and loss of the Company for that period;

c) Your Directors have 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) Your Directors have prepared the annual accounts on a going concern basis;

e) Your Directors have 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) Your Directors have devised proper system to ensure compliance with the provisions of all applicable laws and that such systems were adequate and operating effectively.

AUDITORS

The present Auditors of the Company M/s Deloitte Haskins & Sells LLP, Chartered Accountants, Bangalore (Firm Registration No: 117366W/W-100018), were appointed for a term of 5 years, pursuant to the resolution passed by the members at the Annual General Meeting held on 25th September, 2017.

Pursuant to Section 40 of the Companies (Amendment) Act, 2017, the proviso to Section 139 (1) relating to ratification of appointment of Auditors every year has been omitted. Accordingly, the term of office of present Auditors continues without requirement of ratification at the Annual General Meeting.

There is no audit qualification for the year under review.

DETAILS OF FRAUDS REPORTED BY AUDITORS

There were no frauds reported by the Statutory Auditors under provisions of Section 143 (12) of the Companies Act, 2013 and rules made thereunder.

SECRETARIAL AUDIT

Pursuant to provisions of section 204 of the Companies Act, 2013 and the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014, the Company has appointed Mr R Dhanasekaran, Practicing Company Secretary to undertake the Secretarial Audit of the Company. The report is annexed herewith as **Annexure - I.**

COMPLIANCE OF SECRETARIAL STANDARDS

The Company has complied with all applicable Secretarial Standards issued by the Institute of Company Secretaries of India from time to time.

COST AUDITOR

Pursuant to section 148 of the Companies Act, 2013 read with the Companies (Cost Records and Audit) Rules, 2014 as amended from time to time, the Board of Directors, on the recommendation of Audit Committee, has appointed Sri M Nagarajan, Cost Accountant, Coimbatore as Cost Auditor to conduct Cost Audit of the Company for the financial year 2021 - 2022. The Company has maintained such accounts and cost records as required under Section 148 (1) of the Companies Act, 2013.

JOINT VENTURE, ASSOCIATE AND SUBSIDIARIES

The Company has following five subsidiaries as on 31.3.2021:

i. Abirami Amman Designs Private Limited

ii. Accel Apparels Private Limited

iii. Young Brand Apparel Private Limited (also Joint Venture Company)

iv. Bannari Amman Retails Private Limited and

v. Bannari Amman Trendz Private Limited.

In accordance with the Section 129 (3) of the Companies Act, 2013, the consolidated Financial Statements of the Company has been prepared which forms part of the Annual Report. A separate statement containing the salient features of the Financial Statements of Subsidiaries in Form AOC-1 (Part A) is furnished:

Form AOC-1
Statement pursuant to Section 129 (3) of the Companies Act, 2013, related to Subsidiary Companies
Part A Subsidiaries

(Amount in Rs.)

	Name of thesubsidiary	Abirami Amman Designs Private Limited*	Accel Apparels Private Limited*	Young Brand Apprel Private Limited	Bannari Amman Retails Private Limited*	Bannari Amman Trendz Private Limited*
1	The date since when subsidiary wasacquired	23.6.2016	23.6.2016	7.7.2017	14.12.2018	21.2.2019
2	Share capital	10,00,000	1,00,000	65,16,06,060	1,00,000	1,00,000
3	Reserves and surplus	(73,071)	(2,72,339)	8,01,98,591	(46,62,820)	(83,36,547)
4	Total assets	9,54,611	74,239	2,10,71,31,956	1,08,18,836	15,47,67,852
5	Total Liabilities	27,682	2,46,578	1,37,53,26,639	1,53,80,958	16,30,04,558
6	Investments	-	-	-	-	-
7	Turnover	-	-	1,69,57,24,050	79,13,505	1,16,17,797
8	Profit before taxation	(17,266)	(52,000)	1,74,85,499	12,27,679	(47,57,388)
9	Provision for taxation	-	-	47,74,717	6,23,925	(28,32,720)
10	Profit after taxation	(17,266)	(52,000)	1,27,10,782	6,03,754	(19,24,668)
11	Proposed Dividend	-	-	-	-	-
12	Extent of shareholding (in percentage)	100%	100%	51.33%	100%	100%

* Unaudited

Notes:

1. Names of subsidiaries which are yet to commence operations - Abirami Amman Designs Private Limited and Accel Apparels Private Limited.
2. Names of subsidiaries which have been liquidated or sold during the year - Nil

INTERNAL CONTROL SYSTEMS AND THEIR ADEQUACY

The Company has an Internal Control System, commensurate with the size, scale and complexity of its operations. The scope and authority of the Internal Audit function is defined in the Internal Audit Manual. To maintain its objectivity and independence, the Internal Audit function reports to the Chairman of the Audit Committee and to the Chairman and Managing Director of the Company.

The Company has Independent Internal Auditor and an Internal Audit Department which monitors and evaluates the efficiency and adequacy of internal control system in the Company, its compliance with operating systems, accounting procedures and policies at all locations of the Company.

Based on the report of internal audit function, corrective actions are taken in the respective areas and thereby strengthen the controls. Significant audit observations and recommendations along with corrective actions thereon are presented to the Audit Committee of the Board.

STATEMENT ON RISK MANAGEMENT POLICY

Pursuant to section 134(3) (n) of the Companies Act, 2013, the Committee has developed a Risk Management Policy and implemented the same. At present the Company has not identified any element of risk which may be of threat to the existence of the Company.

CORPORATE SOCIAL RESPONSIBILITY

The Company has constituted Corporate Social Responsibility Committee which shall recommend to the Board, the activities to be undertaken by the Company as specified in Schedule VII, recommend the amount of expenditure to be incurred on such activities and monitor the CSR policy of the Company. The company has fully spent the amount stipulated under the requirements of the Act. The Company has constituted Corporate Social Responsibility Committee consisting of the following Directors:

1. Sri S V Arumugam - Managing Director
2. Sri S Palaniswami - Independent Director
3. Sri K Sadhasivam - Independent Director

The Annual Report on CSR activities and its related particulars is enclosed as **Annexure II**

STATUTORY DISCLOSURES

I. **Conservation of Energy and others**- The particulars required to be included in terms of Section 134(3)(m) of the Companies Act, 2013, read with Rule 8(3) of the Companies (Accounts) Rules, 2014 for the year ended 31st March, 2021, relating to Conservation of Energy, etc., is enclosed as **Annexure III.**

II. **Remuneration of Directors and other details-** The information required under Section 197(12) of the Companies Act, 2013 read with Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014 and forming part of the Directors' Report for the year ended 31st March, 2021 is provided in **Annexure IV.**

HUMAN RESOURCES AND INDUSTRIAL RELATIONS

During the year under review the human relations continued to be very cordial. The Company wishes to acknowledge the contribution of the employees at all levels of the organisation.

The Company has an Anti-Sexual Harassment Policy in line with the requirements of The Sexual Harassment of Women at the Workplace (Prevention, Prohibition & Redressal) Act, 2013 and an Internal Complaints Committee (ICC) has constituted to redress complaints of sexual harassment as provided therein. All employees (permanent, contractual, temporary, trainees) are covered under this policy.

a.	No.of complaints filed during the financial year 2020-21	-	Nil
b.	No.of complaints disposed off during the financial year 2020-21	-	Nil
c.	No.of complaints pending as on end of financial year 2020-21	-	Nil

ACKNOWLEDGEMENT

Your Directors acknowledge with gratitude the timely assistance and help extended by the Bankers for having provided the required bank facilities. Your Directors wish to place on record their appreciation of the contributions made by the employees at all levels for the excellent performance of your company.

Coimbatore
23rd July, 2021

By Order of the Board
S V ARUMUGAM
Chairman & Managing Director
DIN 00002458

FORM NO. MR - 3

SECRETARIAL AUDIT REPORT

(FOR THE FINANCIAL YEAR ENDED 31st MARCH, 2021)

(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
Bannari Amman Spinning Mills Limited
(CIN: L17111TZ1989PLC002476)
252, Mettupalayam Road,
Coimbatore - 641043.

I have conducted the secretarial audit of the compliance of applicable statutory provisions and the adherence to good corporate practices by Bannari Amman Spinning Mills Limited (hereinafter called the "Company"). Secretarial Audit was conducted in a manner that provided me a reasonable basis for evaluating the corporate conducts / statutory compliances and expressing my opinion thereon.

Based on my verification of the books, papers, minute books, forms and returns filed and other records maintained by the Company and also the information provided by the Company, its officers, agents and authorized representatives during the conduct of secretarial audit, I hereby report that in my opinion, the Company has, during the audit period covering the financial year ended on 31st March, 2021, complied with the statutory provisions listed hereunder and also that the Company has proper Board-processes and compliance-mechanism in place to the extent, in the manner and subject to the reporting made hereinafter:

I have examined the books, papers, minute books, forms and returns filed and other records maintained by Bannari Amman Spinning Mills Limited ("the Company") for the financial year ended on 31st March 2021) ('Audit Period') according to the provisions of:

i. The Companies Act, 2013 (the Act) and the Rules made thereunder and applicable provisions of the Companies Act 1956;

ii. The Securities Contracts (Regulation) Act, 1956 (**'SCRA'**) and the Rules made thereunder;

iii. The Depositories Act, 1996 and the Regulations and Bye-laws framed thereunder;

iv. 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;

v. The following Regulations and Guidelines prescribed under the Securities and Exchange Board of India Act, 1992 **('SEBI Act')** to the extent applicable to the Company;

a. The Securities and Exchange Board of India (Substantial Acquisition of Shares and Takeovers) Regulations, 2011;

b. Securities and Exchange Board of India (Prohibition of Insider Trading) Regulations, 2015;

c. The Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2018 (Not applicable to the Company during the Audit Period);

d. The Securities and Exchange Board of India (Share Based Employee Benefits) Regulations, 2014; (Not applicable to the company during the Audit Period)

e. The Securities and Exchange Board of India (Issue and Listing of Debt Securities) Regulations, 2008; (Not applicable to the company during the Audit Period)

f. 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; (Not applicable to the company during the Audit Period)

g. The Securities and Exchange Board of India (Delisting of Equity Shares) Regulations, 2009 (Not applicable to the Company during the Audit Period); and

h. The Securities and Exchange Board of India (Buyback of Securities) Regulations, 2018 (Not applicable to the Company during the Audit Period);

vi. The following other laws specifically applicable to the company:

a. Textile Committee Act, 1963

b. Textiles (Development and Regulation) order, 2001

c. Textiles (Consumer Protection) Regulation, 1985

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

i) Secretarial Standards issued by The Institute of Company Secretaries of India.

ii) The Listing Agreements entered into by the Company with the BSE Limited, National Stock Exchange of India Limited and SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015.

I report that, during the period under review the Company has complied with the provisions of the Act, Rules, Regulations, Guidelines, Standards, Listing Agreements etc., mentioned above except that the company submitted the Financial Results for the quarter ended 31st March, 2020, to the Stock Exchanges only on 13th August, 2020 which was supposed to be filed on or before 31st July, 2020. The company had submitted to the exchanges that due to Covid - 19 pandemic there was a complete lockdown of all the offices and Orgnizations in Tamil Nadu from March 24, 2020 to May 10, 2020 and further due to Covid-19 positive cases in office, the Company's office had remained closed from July 09, 2020 to July 22, 2020 and therefore the Company was not able to submit the financial result for the quarter/year ended March 31st, 2020 within prescribed timeline and the delay was unintentional and beyond the control of the company. The above submissions were considered by the respective exchanges and waived the fine imposed in this regard.

I further report that, based on the information provided by the Company, its officers and authorised representatives during the conduct of the audit, and also on the review of periodical compliance reports by respective department heads / company secretary / CFO taken on record by the Board of Directors of the Company, in my opinion, adequate systems and process and control mechanism exist in the Company to monitor and ensure compliance with applicable financial / general laws like, direct and indirect tax laws, labour laws, and environmental laws.

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

Adequate notice is given to all directors to schedule the Board Meetings, agenda and detailed notes on agenda were sent at least seven days in advance, and a system exists for seeking and obtaining further information and clarifications on the agenda items before the meeting and for meaningful participation at the meeting.

All decisions at Board Meetings and Committee Meetings are carried out unanimously as recorded in the minutes of the meetings of the Board of Directors or Committee of the Board, as the case may be.

I further report that, there are adequate systems and processes in the company commensurate with the size and operations of the Company to monitor and ensure compliance with applicable laws, rules, regulations and guidelines.

I further report that, during the audit period:

The company has not taken any events / actions having a major bearing on the company's affairs in pursuance of the above referred laws, rules, regulations, guidelines, standards, etc.

R Dhanasekaran
Company Secretary in Practice
FCS 7070/ CP 7745
ICSI UDIN : F007070C000691963

Coimbatore
23rd July, 2021

ANNEXURE II

ANNUAL REPORT ON CORPORATE SOCIAL RESPONSIBILITY (CSR) ACTIVITIES

1. A Brief outline of the Company's CSR policy including overview of projects or programs proposed to be undertaken and a reference to the web-link to the CSR policy and projects or programs. CSR Policy - Approved by the Board of Directors and applicable from 14.8.2014.

2. Constitution of CSR Committee

S.No	Name of the Director	Designation / Nature of Directorship	Number of meetings of CSR Committee held during the year	Number of Meetings of CSR Committee attended during the year
1.	Sri S V Arumugam	Chairman & Managing Director	3	3
2.	Sri S Palaniswami	Independent Director	3	3
3.	Sri K Sadhasivam	Independent Director	3	3

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.bannarimills.com

4. Provide the details of Impact assessment of CSR projects carried out in pursuance of sub-rule (3) of rule 8 of the Companies (Corporate Social responsibility Policy) Rules, 2014, if applicable (attach the report).: Not Applicable

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

S.No	Financial Year	Amount available for set off from preceding financial years (in Rs)	Amount required to be set off for the financial year, if any (in Rs.)
	NIL		

6. Average net profit of the company as per section 135(5). Rs.8,98,07,447/-

7. (a) Two percent of average net profit of the company as per section 135(5) Rs.17,96,149/-

   (b) Surplus arising out of the CSR projects or programmes or activities of the previous financial years -

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

   (d) Total CSR obligation for the financial year (7a+7b-7c). Rs.17,96,149/-

8. (a) CSR amount spent or unspent for the financial year:

Total Amount Spent for the Financial Year. (in Rs.)	Amount Unspent (in Rs.)				
	Total Amount transferred to Unspent CSR Account as per section 135(6).		Amount transferred to any fund specified under Schedule VII as per second proviso to section 135(5).		
	Amount	Date of transfer	Name of the Fund	Amount	Date of transfer
18,09,245/-	Nil	-	-	Nil	-

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

Sl. No.	Name of the Project	Item from the list of activities in Schedule VII to the Act	Local area (Yes/No)	Location of the project		Project duration	Amount allocated for the project (in Rs.)	Amount spent in the current financial Year (in Rs.)	Amount transferred to Unspent CSR Account for the project as per Section	Mode of Implementation - Direct (Yes/No).	Mode of Implementation - Through Implementing Agency	
				State	District						Name	CSR Registration number.
	NIL											

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

Sl. No.	Name of the Project	Item No. the list of activities in Schedule VII to the Act	Local area (Yes/ No)	Location of the activities		Amount spent for the project (in Rs.)	Mode of implementation Direct (Yes/No)	Mode of implementation Through implementing agency	
				State	District			Name	CSR Registration Number
1)	Education	Yes	(ii)	Tamilnadu	Coimbatore	3,52,725	No	Dr S V K Educational Charities	-
2)	Supply of materials during COVID - 19	Yes	(xii)	Tamilnadu	Coimbatore	5,00,000	No	Rotary Club of Coimbatore Metropolis Trust	-
3)	Maintenance of traffic signals	Yes	(xii)	Tamilnadu	Coimbatore	2,56,520	No	Uyir Trust	-
4)	Medical aid and care for mentally Ill and orphaned	Yes	(iii)	Tamilnadu	Coimbatore	3,50,000	No	Kongunadu Mananala Arakattalai	-
5)	Construction of building and providing facilities to intellectually ill children and orphaned	Yes	(ii)	Tamilnadu	Dindigul	3,50,000	No	Damien leprosy Conrtrol centre	-

(d) Amount spent in Administrative Overheads : NIL

(e) Amount spent on Impact Assessment, if applicable : Nil

(f) Total amount spent for the Financial Year : Rs.18,09,245/- (8b+8c+8d+8e)

(g) Excess amount for set off, if any

Sl. No.	Particular	Amount (in Rs.)
(i)	Two percent of average net profit of the company as per section 135(5)	17,96,149/ -
(ii)	Total amount spent for the Financial Year	18,09,245/ -
(iii)	Excess amount spent for the financial year ((ii) - (i))	13,096/ -
(iv)	Surplus arising out of the CSR projects or programmes or activities of the previous financial years, if any	-
(v)	Amount available for set off in succeeding financial years ((iii)-(iv))	13,096/ -

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

<table>
<tr><th rowspan="2">Sl. No.</th><th rowspan="2">Preceding Financial Year.</th><th rowspan="2">Amount transferred to Unspent CSR Account under section 135 (6) (in Rs.)</th><th rowspan="2">Amount spent in the reporting Financial Year (in Rs.).</th><th colspan="3">Amount transferred to any fund specified under Schedule VII as per section 135(6), if any.</th><th rowspan="2">Amount remaining to be spent in succeeding financial years. (in Rs.)</th></tr>
<tr><th>Name of the Fund</th><th>Amount (in Rs).</th><th>Date of transfer</th></tr>
<tr><td></td><td colspan="7">NIL</td></tr>
</table>

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

Sl. No	Project ID	Name of the Project	Financial Year in which the project was commenced	Project duration	Total amount allocated for the project (in Rs.)	Amount spent on the project in the reporting Financial Year (in Rs)	Cumulative amount spent at the end of reporting Financial Year. (in Rs.)	Status of the project - Completed /Ongoing
				NIL				

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

(a) Date of creation or acquisition of the capital asset(s). Nil

(b) Amount of CSR spent for creation or acquisition of capital asset. Nil

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

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

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

S V ARUMUGAM
Chairman of CSR Committee and Managing Director
DIN 00002458

ANNEXURE III

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

The information under section 134 (3) (m) of the Companies Act, 2013 read with rule 8 (3) of the Companies (Accounts) Rules, 2014 for the year ended 31st March, 2021 is given here below, and forms part of the Director's Report.

A. CONSERVATION OF ENERGY

(i) The steps taken or impact on conversation of energy;

Various measures are under consideration for conservation of energy in the production units. Energy Audits are also conducted to suggest measures to conserve energy.

(ii) The steps taken by the company for utilising alternate source of energy;

During the year under review the company utilized wind power of 459.04 Lakh units by way of captive consumption.

(iii) The capital investment on energy conversation equipments;- Nil

B. TECHNOLOGY ABSORPTION

1. The efforts made towards technology absorption; - Nil
2. The benefits derived like product improvement, cost reduction, product development or import substitution; - Nil
3. In case of imported technology (imported during the last three years reckoned from the beginning of the financial year); - Nil
4. The expenditure incurred on Research and Development;-Nil

C. FOREIGN EXCHANGE EARNINGS AND OUTGO

During the year under review foreign exchange earnings were Rs.18763.67 Lakhs (Rs.14,344.49 Lakhs). Foreign exchange outgo was Rs.1367.63 Lakhs (Rs.8,832.06 Lakhs).

By Order of the Board

S V ARUMUGAM

Chairman & Managing Director

DIN 00002458

Coimbatore
23rd July, 2021

ANNEUXRE IV

Disclosure in the Board's Report

Particulars of Remuneration of Directors and Employees pursuant to Section 197(12) of the Companies Act, 2013 read with Rule 5 of the Companies (Appointment & Remuneration of Managerial Personnel) Rules, 2014

(i) The Ratio of the remuneration of each director to the median remuneration of the employees of the company for the Financial year 2020 -21

Director's Name	Ratio
Sri S V Arumugam, Managing Director	56.88 : 1

(ii) The Percentage increase in remuneration of each Director, Chief Financial Officer, Company Secretary or Manager if any in the Financial year 2020-21 compared to 2019 -20

Director's Name/CS/CFO	% increase in remuneration
Sri S V Arumugam, Managing Director	(8.33)
Sri N Krishnaraj, Company Secretary	(6.07)
Sri S Seshadri, Chief Financial Officer	(4.85)

In respect of other Directors, the Company is paying only sitting fees. Hence, not considered for the above purposes.

(iii)	Percentage increase in the median remuneration of employees in the Financial year 2020 - 21	5.14
(iv)	Number of permanent employees on the rolls of the Company	3351

(v) Average percentile increase already made in the salaries of Employees other than Managerial Personnel in the last financial year and its comparison with the percentile increase in managerial remuneration and justification thereof and point out if there are any exceptional circumstances for increase in the managerial remuneration.

The average percentile increase granted to employees other than managerial personnel is (9.87%)

The percentile increase granted to managerial personnel is (7.16%).The Board of Directors of the Company affirm that the remuneration paid to Directors, Key Managerial Personnel and employees is as per the remuneration policy approved by the Board of Directors of the Company.

(vi) Particulars of Employees as per Rule 5(2) and Rule 5(3) of Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014:

Table 1: Particulars of Top Ten Employees in terms of remuneration drawn under Rule 5(2):

Name (Age in years)	Designation	Gross Remuneration paid (in Rs.)*	Qualification	Date of Commencement of employment (experience in years)	Previous Employment
Sri. S.V. Arumugam	Managing Director	55,39,600	B.Sc., ACA	16.5.1993 (36)	Shiva Texyarn Limited
Sri A.Senthil (44)	Chief Executive Officer**	27,89,600	MBA	23.5.2011 (16)	Shiva Texyarn Limited
Sri.J.Annaraj (63)	GM - Weaving	20,12,979	DTT	30.3.2005 (34)	Loyal Textile Mills Limited
Sri.S.Shankarkumar (55)	GM Marketing	19,58,858	B.Tech.,MBA	1.11.2013 (32)	Shiva Texyarn Limited
Sri.S Seshadri (60)	Chief Financial Officer	19,88,355	B.Sc, ACA	1.4.2018 (30)	Shiva Texyarn Limited
Sri.N.Krishnaraj (56)	Company Secretary	19,15,939	B.Com., ACS	3.8.2007 (33)	Bannari Amman Sugars Limited
Sri.C.S.Teotia (68)	Director - Cotton	16,50,000	B.Sc.,MA PGDM	4.9.2013 (42)	Cotton Corporation of India
Sri.Swaminathan (52)	Head - Manufacturing	18,24,127	DTMFT	10.4.2017 (23)	Premier Spinning & Weaving Mills Pvt Limited
Sri.A.Ganapathy (57)	GM Business Development	17,20,762	B.Tech M.B.A	15.2.2017 (31)	Rohini Textile Industry Pvt Limited
Sri.K. Mugunth (44)	Head-Business Development	17,20,641	B.B.A	09.03.2017(23)	Trident Limited
Sri. Shekhar Chandra Yadav (44)	Head Marketing	16,52,255	B.com; PG Dip. (NIFT)	1.02.2015 (17)	Asmara Apparels, Tirupur

*From 1.4.2020 to 31.3.2021

** Resigned from 30.3.2021

Table 2: The statement of employee(s) specified under Rule 5(2) (i), (ii), and (iii):

Name	:	S V Arumugam
Age	:	72
Designation	:	Managing Director
Nature of Duties	:	Managing the day to day affairs of the Company
Remuneration (Rs. in lakhs)	:	55.40
Qualification & Experience (years)	:	B.Sc., ACA More than 35 years in Textile Industry
Date of commencement of employment	:	27.5.2005
Last employment	:	Shiva Texyarn Limited

Sri A Senthil, listed in the said Annexure is relative of Sri S V Arumugam, Managing Director (DIN 00002458) of the Company. None of the employees hold (by himself or along with his spouse and dependent children) more than two percent of the equity shares of the Company.

Coimbatore
23rd July, 2021

By Order of the Board

S V ARUMUGAM
Chairman and Managing Director
DIN 00002458

REPORT ON CORPORATE GOVERNANCE

COMPANY'S PHILOSOPHY ON CODE OF GOVERNANCE

The Company's philosophy on corporate governance envisages the attainment of high levels of transparency, accountability, fairness and equity in all facets of its operations, procedures, reporting system and in all the interactions with its stakeholders.

Bannari Amman Spinning Mills Limited has adopted a Code of Conduct which lays down standards of values, ethics and business principles of management.

BOARD OF DIRECTORS

The Board comprises of 6 Directors viz., 1 Executive Director and 5 Non-Executive Independent Directors including a Woman Director.

S. No.	Name of the Director	Category	Number of Directorships held in other Companies*	Number of Board Committee Membership held in other Companies**	
				Chairman	Member
1.	Sri S V Arumugam	Executive	6	-	2
2.	Sri K N V Ramani	Non-Executive - Independent	6	4	5
3.	Sri S Palaniswami	Non-Executive - Independent	1	-	1
4.	Dr K R Thillainathan	Non-Executive - Independent	-	-	-
5.	Sri K Sadhasivam	Non-Executive - Independent	5	-	1
6.	Smt S Sihamani	Non-Executive - Independent	-	-	-

*Excluding private companies which are not subsidiary of public limited companies.

** Only Committees formed under Regulation 26 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 are considered.

The name of the listed entities where the person is a Director and the category of Directorship as per Schedule V Part C of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015.

S.No	Name of the Directors	Name of the Listed Entities holding Directorships	Category of Directorships	No. of shares held
1.	Sri S V Arumugam	Bannari Amman Spinning Mills Limited	Chairman & Managing Director	336034
2.	Sri K N V Ramani	Bannari Amman Spinning Mills Limited	Independent Director	-
		Shiva Texyarn Limited	Independent Director	-
		Shiva Mills Limited	Independent Director	-
		K.G Denim Limited	Independent Director	-
		K.P.R Mill Limited	Independent Director	-
		LGB Forge Limited	Independent Director	-
3.	Sri S Palaniswami	Bannari Amman Spinning Mills Limited	Independent Director	344
		Shiva Mills Limited	Independent Director	-
4.	Dr K R Thillainathan	Bannari Amman Spinning Mills Limited	Independent Director	-
5.	Sri. K. Sadhasivam	Bannari Amman Spinning Mills Limited	Independent Director	-
6.	Smt S Sihamani	Bannari Amman Spinning Mills Limited	Independent Director	-

The non-Executive Independent Directors fulfill the conditions laid down for appointment/re-appointment as Independent Directors as specified in Section 149 of the Companies Act, 2013 and rules made thereunder and Regulation 25 (8) of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015. A formal letter of appointment/re-appointment has been issued and a copy of the same is posted on the website of the Company viz. www.bannarimills.com

BOARD MEETINGS AND ANNUAL GENERAL MEETING

During the financial year, 7 Board Meetings were convened by giving advance notices to the Directors. The meetings were held on 9.6.2020,13.8.2020,15.9.2020,11.11.2020, 25.1.2021, 12.2.2021 and 11.3.2021. The interval between the two Meetings were well within the maximum period prescribed under the Companies Act, 2013 and Regulation 17 (2) of the SEBI (LODR) Regulations, 2015.

The Board is given all the material information which are incorporated in the Agenda papers for facilitating meaningful and focused discussions at the meetings.

Details of attendance of each Director at the Board Meetings and at the last Annual General Meeting (held on 7.12.2020) are furnished here below:

NAME OF THE DIRECTOR	NUMBER OF BOARD MEETINGS ATTENDED	LAST AGM ATTENDED YES / NO
1. Sri S V Arumugam (DIN 00002458)	7	Yes
2. Sri K N V Ramani (DIN 00007931)	7	Yes
3. Dr K R Thillainathan (DIN 00009400)	6	Yes
4. Sri S Palaniswami (DIN 00007901)	7	Yes
5. Sri K Sadhasivam (DIN 00610037)	7	Yes
6. Smt S Sihamani (DIN 06945399)	7	Yes

FAMILIARISATION PROGRAMME

At the time of appointment of Directors a formal letter of appointment is issued, which sets out roles, functions, duties and responsibilities expected from them. The Directors have also been explained the relevant regulations. The appointments are also provided with necessary information to understand the Company's operations, products and events relating to the Company.

CHART SETTING OUT THE SKILLS OF THE BOARD OF DIRECTORS

Board of Directors	Age	Date of appointment	Qualification	Skills
Sri S V Arumugam	72	27.6.2005	B.Sc., ACA	He has more than 36 years of experience in Textile Industry Sound knowledge on Company's business, policies, vision and mission, strengths, weakness, opportunities and threats of the Company's business operations.

CHART SETTING OUT THE SKILLS OF THE BOARD OF DIRECTORS — (Contd.)

Board of Directors	Age	Date of appointment	Qualification	Skills
Sri K N V Ramani	89	25.7.2005	M.A., B.L	He has more than 62 years of Specialization in Companies Act, Taxation, Labour Law etc., Sound knowledge on Company's business, policies, vision and mission, strengths, weakness, opportunities and threats of the Company's business operations. Corporate Governance/ compliance management/legal Advisory expertise/profession skills/intellectual inputs in relation to Company's business.
Dr K R Thillainathan	67	26.5.2008	MBBS	He has more than 42 years of Experience in Medical profession General administration.
Sri S Palaniswami	76	26.5.2008	B.E	Electrical Engineering. He has more than 42 years of experience in the field of Vertical Transportation Elevators, Escalators and allied products. General administration
Sri K Sadhasivam	74	22.8.2006	B.Sc.,	He has more than 47 years of Experience in Transport Business General administration
Smt S Sihamani	67	28.9.2015	B.A.	Engaged in Social Welfare activities for the past 16 years General administration

CODE OF CONDUCT

The Company has adopted the code of conduct for all Board Members and Senior Management as required under Regulation 17(5) of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015. The code is posted on the company's website at www.bannarimills.com All Board Members and Senior Management personnel have affirmed compliance with the code on an annual basis and a declaration to this effect signed by the Chairman is attached to this report.

AUDIT COMMITTEE

The Audit Committee consists of following Directors:

Sl.No.	Name	Position	No. of Meetings Attended
1.	Sri K N V Ramani	Chairman - Independent	7
2.	Sri S Palaniswami	Member - Independent	7
3.	Sri K Sadhasivam	Member - Independent	7

The terms of reference of the Audit Committee are as set out in Regulation 18 (3) read with Part C of Schedule II of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, which inter-alia includes the following:

a) Review of the company's financial reporting process and the disclosure of its financial information to ensure that the financial statement is correct, sufficient and credible;

b) Recommendation for appointment, remuneration and terms of appointment of Auditors of the Company;

c) Approval of payment to statutory auditors for any other services rendered by the Statutory Auditors;

d) Reviewing, with the management, the annual financial statements and Auditor's Report thereon before submission to the board for approval, with particular reference to:

   I. Matters required to be included in the Director's Responsibility Statement to be included in the Board's report in terms of clause (c) of sub-section 3 of section 134 of the Companies Act, 2013;

   II. Changes, if any, in accounting policies and practices and reasons for the same;

   III. Major accounting entries involving estimates based on the exercise of judgment by management;

   IV. Significant adjustments made in the financial statements arising out of audit findings;

   V. Compliance with listing and other legal requirements relating to financial statements;

   VI. Disclosure of any related party transactions; and

   VII. Modified opinions in the draft audit report.

e) Reviewing, with the management, the quarterly financial statements before submission to the board for approval;

f) Reviewing, with the management, the statement of uses / application of funds raised through an issue (public issue, rights issue, preferential issue, etc.), the statement of funds utilized for purposes other than those stated in the offer document/ prospectus/notice and the report submitted by the monitoring agency monitoring the utilisation of proceeds of a public or rights issue, and making appropriate recommendations to the Board to take up steps in this matter;

g) Review and monitor the Auditor's independence and performance, and effectiveness of audit process;

h) Approval or any subsequent modification of transactions of the company with related parties;

i) Scrutiny of inter-corporate loans and investments;

j) Valuation of undertakings or assets of the company, wherever it is necessary;

k) Evaluation of internal financial controls and risk management systems;

l) Reviewing, with the management, performance of statutory and internal auditors, adequacy of the internal control systems;

m) Reviewing the adequacy of internal audit function, if any, including the structure of the internal audit department, staffing and seniority of the official heading the department, reporting structure coverage and frequency of internal audit;

n) Discussion with Internal Auditors of any significant findings and follow up thereon;

o) Reviewing the findings of any internal investigations by the Internal Auditors into matters where there is suspected fraud or irregularity or a failure of internal control systems of a material nature and reporting the matter to the board;

p) Discussion with Statutory Auditors before the audit commences, about the nature and scope of audit as well as post-audit discussion to ascertain any area of concern;

q) To look into the reasons for substantial defaults in the payment to the depositors, debenture holders, shareholders (in case of non-payment of declared dividends) and creditors;

r) To review the functioning of the Whistle Blower mechanism;

s) Approval of appointment of Chief Financial Officer (i.e., the whole-time Finance Director or any other person heading the finance function or discharging that function) after assessing the qualifications, experience and background, etc., of the candidate;

t) Carrying out any other function as is mentioned in the terms of reference of the Audit Committee.

u) To Review the utilization of loans and/or advances from/investment by the holding company in the subsidiary exceeding rupees 100 crore or 10% of the asset size of the subsidiary, whichever is lower including existing loans/advances/ investments existing as on the date of coming into force of this provision.

v) The Audit Committee shall mandatorily review the following information:

1) Management discussion and analysis of financial condition and results of operations;
2) Statement of significant related party transactions (as defined by the audit committee), submitted by management;
3) Management letters / letters of internal control weaknesses issued by the statutory auditors;
4) Internal audit reports relating to internal control weaknesses; and
5) The appointment, removal and terms of remuneration of the chief internal auditor shall be subject to review by the audit committee.
6) Statement of deviations:
   i. Quarterly statement of deviation(s) including report of monitoring agency, if applicable, submitted to stock exchange(s) in terms of Regulation 32(1).

   Annual statement of funds utilized for purposes other than those stated in the offer document/prospectus/notice in terms of Regulation 32 (7).

During the financial year, the Audit committee met 7 times on 9.6.2020, 13.8.2020, 15.9.2020, 11.11.2020, 25.1.2021, 12.2.2021 and 11.3.2021. The Audit committee chairman was present at the last AGM.

NOMINATION AND REMUNERATION COMMITTEE :

The Nomination and Remuneration Committee consists of 3 Directors, all of whom are independent:

Sl.No.	Name of the Director	Position
1.	Sri K N V Ramani	Chairman
2.	Sri S Palaniswami	Member
3.	Sri K Sadhasivam	Member

The Nomination and Remuneration Committee Chairman was present at the last Annual General Meeting.

The terms of reference specified by Board of Directors to the Nomination and Remuneration Committee are as under:

(a) Formulation of the criteria for determining qualifications, positive attributes and independence of a director and recommend to the board of directors a policy relating to, the remuneration of the directors, key managerial personnel and other employees;

(b) Formulation of criteria for evaluation of performance of independent directors andthe board of directors;

(c) Devising a policy on diversity of board of directors;

(d) Identifying persons who are qualified to become directors and who may beappointed in senior management in accordance with the criteria laid down, andrecommend to the board of directors their appointment and removal.

(e) Whether to extend or continue the term of appointment of the independent director,on the basis of the report of performance evaluation of independent directors.

Recommend to the Board, all remuneration, in whatever form, payable to senior management.

Remuneration Policy

The Nomination and Remuneration Committee has adopted a charter which, inter alia, deals with the manner of selection of Board of Directors/Key Managerial Personnel/Senior Managerial Personnel. The policy is accordingly derived from the said Charter. The policy on remuneration is available in the following weblink: www.bannarimills.com

Evaluation criteria

The Nomination and Remuneration Committee has formulated the methodology and criteria to evaluate the performance of the Board and each Director. The evaluation of the performance of the Board and its committees are evaluated through a questionnaire circulated to all directors and based upon the response to the questionnaire, the directors do a self-evaluation of their performance. Accordingly, Board reviewed the performance of each of the directors and expressed their satisfaction.

The performance evaluation of the Chairman and the Managing Director was carried out separately by the Independent Directors. The Independent Directors expressed their satisfaction on the performance of the Chairman and the Managing Director.

Remuneration paid to Managing Director is as follows :

Name	Designation	Remuneration received (in Rs.)
Sri S V Arumugam	Managing Director	55,39,600/-

Remuneration paid to Director:

All the non-executive Directors are paid with sitting fee of Rs.10,000/- as recommended by Nomination and Remuneration Committee and approved at the Board Meeting held on 14.8.2018 for each Board Meeting and Audit Committee Meeting attended by them.

Meeting of Independent Directors

During the year under review the Independent Directors met on 12.2.2021 for the following purposes:

- Evaluation of performance of non- Independent Directors and the Board as a whole
- Evaluation of performance of the Chairman and Managing Director of the Company
- Evaluation of quality and flow of information to the Board

All the Independent Directors were present at the meeting.

CORPORATE SOCIAL RESPONSIBILITY COMMITTEE

The Company has constituted Corporate Social Responsibility Committee which shall recommend to the Board, the activities to be undertaken by the Company as specified in Schedule VII, of the Companies Act, 2013 recommend the amount of expenditure to be incurred on such activities and monitor the CSR policy of the Company. The company has fully spent the amount stipulated under the requirements of the Act. Corporate Social Responsibility Committee consisting of the following Directors with effect from 21.5.2014.

1.	Sri S V Arumugam	-	Managing Director
2.	Sri S Palaniswami	-	Independent Director
3.	Sri K Sadhasivam	-	Independent Director

SUBSIDIARIES

The Company has one material subsidiary viz., Young Brand Apparel Private Limited within the meaning of Regulation 16 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015. The company has adopted a Policy for determining material subsidiary and is available on the weblink : http://bannarimills.com/?page_id=753&rtype=Policies

RELATED PARTY TRANSACTIONS

The company has adopted policy on dealing with Related parties. The same is disclosed in the website of the company and is available in the following

weblink : http://bannarimills.com/?page_id=753&rtype=Policies

RISK MANAGEMENT COMMITTEE

Requirement for constitution of Risk Management Committee pursuant to Regulation 21 of SEBI (Listing Obligations and Disclosure Requirements), Regulations, 2015 is not applicable to the Company.

The Company has adopted Policy on Foreign Exchange Risk Management on 12.11.2015

Disclosures regarding commodity price risk and hedging activities pursuant to Regulation 34(3) read with clause 9(n) of Part C of Schedule V of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015.

Exposure to commodity risks faced by the company throughout the year

Total exposure of the Company to commodities in INR : NIL

Exposure of the company to various commodities : NIL

Commodity name	Exposure in INR towards the particular commodity	Exposure in quantity terms towards the particular commodity	% of such exposure hedged through commodity derivatives				Total
			Domestic Market		International Market		
			OTC	Exchange	OTC	Exchange	
—	—	—	—	—	—	—	—
—	—	—	—	—	—	—	—

WHISTLE BLOWER MECHANISM

The Company has established a whistle blower policy/vigil mechanism for Directors and Employees to report concerns about unethical behavior, actual or suspected incidents of fraud or violation of the code of conduct or ethics policy. This mechanism provides adequate safeguards against victimization of directors/employees who avail of the mechanism and also provide for direct access to the Chairman of the Audit Committee. The whistle blower policy is posted on the company's website at the link www.bannarimills.com.

SHAREHOLDING OF NON-EXECUTIVE DIRECTORS AS ON 31.3.2021

Name of the Director	No. of shares held
Sri K N V Ramani	Nil
Sri C S K Prabhu	Nil
Dr K R Thillainathan	Nil
Sri S Palaniswami	344
Sri K Sadhasivam	Nil
Smt S Sihamani	Nil

STAKEHOLDERS RELATIONSHIP COMMITTEE

The Stakeholders Relationship Committee was formed to specifically look into shareholders/investors complaints if any, on transfer of shares, non-receipt of Balance Sheet, non-receipt of declared dividend, etc., and also the action taken by the Company on those matters.

The Stakeholders Relationship Committee consists of:

1.	Sri S Palaniswami	Chairman
2.	Sri S V Arumugam	Member
3.	Sri K Sadhasivam	Member

Sri N Krishnaraj, Company Secretary is the Compliance Officer.
The company has not received any complaints from the Investors for redressal during the year and there were no complaint was pending at the beginning of the year.

CEO & CFO CERTIFICATION

The Managing Director and Chief Financial Officer have furnished a certificate relating to financial statements and internal controls and systems to the Board of Directors as prescribed under Regulation17(8) read with Part B of Schedule II of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 and Board took the same on record.

INSIDER TRADING

In compliance with SEBI Regulations in prohibition of insider trading the company has framed a comprehensive Code of Conduct. The Code lays down guidelines and procedures to be followed and disclosures to be made by the management staff while dealing with the shares of the company.

GENERAL BODY MEETINGS

Details of last three Annual General Meeting and special resolutions passed there at are as follows :

AGM	Date & Time	Special Resolutions Passed	Voting Pattern
28th	24.9.2018 9.15 A.M	i) Re-appointment and payment of remuneration to Sri S V Arumugam, Managing Director (DIN 00002458)	Total Votes polled:87,53,254 Votes polled for:87,53,254 Votes against:Nil Votes neutral:Nil
		ii)Approval for continuation of present term of Directorship of Sri K N V Ramani (DIN 00007931) who has attained the age of 75 years, in terms of Regulation 17 (1A) of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015	Total Votes polled:85,85,237 Votes polled for: 85,85,217 Votes against:Nil Votes neutral:Nil Votes Invalid: 20
		iii) Approval for Continuation of present term of Directorship of Sri S Palaniswami (DIN 00007901) who attains the age of 75 years, during the tenure of his present appointment, in terms of Regulation 17 (1A) of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015	Total Votes polled:87,53,254 Votes polled for:87,53,234 Votes against:Nil Votes neutral:Nil Votes Invalid: 20
29th	19.8.2019 9.45 A.M	i) Re-appointment of Sri K N V Ramani (DIN 00007931) as an Independent Director, for second term of five consecutive years from 25.8.2019 to 24.8.2024 pursuant to Section 149, 150, 152 and other applicable provisions of the Companies Act, 2013	Total Votes polled:87,64, 152 Votes polled for:87,64,077 Votes against:75 Votes neutral:Nil Votes Invalid: 311
		ii) Re-appointment of Dr K R Thillainathan (DIN 00009400) as an Independent Director, for second term of five consecutive years from 25.8.2019 to 24.8.2024 pursuant to Section 149, 150, 152 and other applicable provisions of the Companies Act, 2013	Total Votes polled:87,64, 152 Votes polled for:87,64,077 Votes against:75 Votes neutral:Nil Votes Invalid: 311
		iii) Re-Appointment of Sri S Palaniswami, (DIN 00007901) as an Independent Director, for second term five consecutive years, from 25.8.2019 to 24.8.2024, pursuant to Section 149, 150, 152 and other applicable provisions of the Companies Act, 2013	Total Votes polled:87,64, 152 Votes polled for:87,64,077 Votes against:75 Votes neutral:Nil Votes Invalid: 311

AGM	Date & Time	Special Resolutions Passed	Voting Pattern
		iv) Re-Appointment of Sri K Sadhasivam, (DIN 00610037) as Non-Executive Independent Director, for second term of five consecutive years, from 25.8.2019 to 24.8.2024, pursuant to Section 149, 150, 152 and other applicable provisions of the Companies Act, 2013	Total Votes polled:87,64,152 Votes polled for:87,64,077 Votes against:75 Votes neutral:Nil Votes Invalid: 311
30th	7.12.2020 11.30 A.M	i) Re-Appointment of Smt S Sihamani, (DIN 06945399) as Non-Executive Independent Director, for second term of five consecutive years, from 28.9.2020 to 27.9.2025, pursuant to Section 149, 150, 152 and other applicable provisions of the Companies Act, 2013	Total Votes polled: 87,51,711 Votes polled for: 87,51,711 Votes against:Nil Votes neutral:Nil Votes Invalid: Nil
		ii) Sub-division of 1 (one) Equity Share of face value of Rs.10/- (ten) each fully paid up into Equity Shares of Rs.5/- (five) each fully paid up, resulting in issuance of 2 (two) Equity Shares of Rs. 5/- (five) each fully paid up, thereby keeping the paid up capital intact.	Total Votes polled: 87,51,711 Votes polled for: 87,51,711 Votes against:Nil Votes neutral:Nil Votes Invalid: Nil
		iii) Reclassification and increase the Authorised Share Capital of the Company from existing Rs.16,50,00,000/- to Rs.50,00,00,000/- and consequent alternation to the Capital Clause of Memorandum of Association of the Company	Total Votes polled: 87,51,711 Votes polled for: 87,51,711 Votes against:Nil Votes neutral:Nil Votes Invalid: Nil
		iv) Adoption of new set of Articles of Association of the Company	Total Votes polled: 87,51,711 Votes polled for: 87,51,711 Votes against:Nil Votes neutral:Nil Votes Invalid: Nil
		v) Further issue of equity shares on Rights Basis upto an amount not exceeding Rs.100/- Crore	Total Votes polled: 87,51,711 Votes polled for: 87,51,711 Votes against:Nil Votes neutral:Nil Votes Invalid: Nil

Sri R Dhanasekaran, Practicing Company Secretary, Coimbatore was appointed as Scrutinizer to conduct the voting process.

There is no Special Resolution is being proposed for the approval of shareholders through postal ballot in the forthcoming Annual General Meeting.

DISCLOSURES

- ✓ The Company has not entered into any transaction of a material nature with the related parties having potential conflict with the interest of the Company.
- ✓ There was no instance of non-compliance of any matter related to the capital markets during the last 3 years.
- ✓ The company has a Whistle Blower Policy in place and No personnel has been denied access to the Audit Committee.
- ✓ The Company has complied with all the mandatory requirements of Regulation 34(3) of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 and in respect of Non mandatory requirements the company has complied the conditions except the suggestion relating to appointment of separate persons to the post of Chairman and Managing Director/CEO and circulation of half Yearly financial results to each household of the shareholder.
- ✓ The Company has not raised funds through preferential allotment or qualified institutions placements, hence no reporting of utilisation of the same is made as specified under Regulation 32 (7A).
- ✓ There were no instances of Board for non-acceptance of any recommendation of any Committee of the Board which is mandatorily required during the Financial Year.
- ✓ The company has obtained a Certificate from Sri R Dhanasekaran, Company Secretary in Practice certifying that none of the Directors on the Board of the Company have been debarred or disqualified from being appointed or continuing as Directors of companies by the Board/Ministry of Corporate Affairs or any such statutory authority. The said certificate is annexed to this report as Annexure.

MEANS OF COMMUNICATION

i) The quarterly/half-yearly/annual financial results of the Company are announced within the stipulated period and are normally published in Business Standard (English) and MakkalKural (Tamil) newspapers. The results and news items relating to the company are displayed incompany's website www.bannarimills.com.

ii) The Management Discussion and Analysis forms part of this Annual Report.

SHAREHOLDERS' INFORMATION

Annual General Meeting

Day and Date	:	Monday, 27th September 2021
Time	:	11.00 A.M
Venue	:	" Video Conferencing (VC)" "Other Audio Visual Means (OAVM)"

Financial Year

Results Announced	:	31.5.2021
Dividend payment Date	:	NA
Announcement of quarterly Results	:	i) During first/second week of August and November 2021, February and May 2022 or as stipulated by SEBI from time to time. ii) The financial results are displayed on the website of the Company www.bannarimills.com.

Date of book closure for the purpose of Annual General Meeting 21.09.2021 to 27.09.2021 (Both days inclusive)

Share Price Movement

The high and low quotations of the company's shares on the National Stock Exchange of India Limited and BSE Limited together with Nifty and SENSEX from April 2020 to March 2021 were:

MONTH	SHARE PRICE				NSE - NIFTY		BSE - SENSEX	
	NSE (Rs. Ps.)		BSE (Rs. Ps.)		High	Low	High	Low
	High	Low	High	Low				
April 2020	98.90	67.00	97.30	67.50	33887.30	27500.80	9889.05	8055.80
May	84.50	70.15	80.00	72.50	32845.50	29968.50	9598.85	8806.75
June	124.80	77.50	123.85	82.00	35706.60	32348.10	10553.20	9544.35
July	107.00	77.65	108.80	70.20	38617.00	34927.20	11341.40	10299.60
August	103.00	76.50	102.40	77.80	40010.20	36911.20	11794.30	10882.30
September	100.50	77.25	100.00	78.05	39359.50	36496.00	11618.10	10790.20
October	108.00	84.00	106.40	81.20	41048.10	38410.20	12025.50	11347.10
November	97.95	82.00	96.00	82.00	44825.40	39334.90	13145.90	11557.40
December	143.00	87.50	143.00	90.25	47897.00	44118.10	14024.90	12962.80
January 2021	164.75	133.50	164.95	132.10	50184.00	46160.50	14753.60	13596.80
February	159.95	65.60	161.55	65.60	52516.80	46433.70	15431.80	13661.80
March	69.75	57.90	69.90	58.10	51821.80	48236.40	15336.30	14264.40

Based on the closing quotation of Rs.60.90 as at 31.3.2021 at NSE Mumbai, the market capitalization of the company was Rs.191.89 Crore.

SHARE DETAILS

The Company's Equity Shares are listed on the following Stock Exchanges :

BSE Limited	Stock Code:	National Stock Exchange of India Limited	Stock Code:
Phiroze Jeejeebhoy Towers Dalal Street, Mumbai 400 001	532674	"Exchange Plaza" Bandra-Kurla Complex Bandra (E) Mumbai 400 051	BASML

The company has paid Annual Listing Fees for the year 2021-2022.

Outstanding GDRs/ADRs/Warrants or any convertible instruments

The company has not issued GDRs/ADRs/Warrants or any convertible instruments

DEMATERIALISATION OF SHARES

The shares of the company are in compulsory demat segment. The company's shares are available for trading in the depository systems of both the National Securities Depository Limited (NSDL) and the Central Depository Services (India) Limited (CDSL). Members have option to hold their shares in demat form (i.e electronic mode) either through the NSDL or CDSL. ISIN allotted to our company is INE186H01014.

SHARE TRANSFER AGENT

Link Intime India Private Limited, Phone : (0422) 2314792, 2315792

Surya, 35, Mayflower Avenue, Behind Senthil Nagar Fax: (0422) 2314792

Sowripalayam Road, Coimbatore - 641 028. E-mail :coimbatore@linkintime.co.in

Share Transfer documents, Non-Receipt of share certificates sent for transfer, nomination forms and change of address may directly be sent to the above address.

SHARE TRANSFER SYSTEM

The Share Transfers in physical form were discontinued w.e.f 1.4.2019 as per SEBI guidelines. Transmission/Transposition requests, if any, which are in physical form are returned within 30 days from the date of receipt if they are in order. The same are approved by the Share Transfer Committee who usually meets, if needed.

DISTRIBUTION OF SHAREHOLDING AS ON 31.3.2021

CATEGORY	No. of Shares Held	Percentage of Shareholding
Promoter's Holding	17502500	55.55
Banks/FIs/Mutual Funds	-	-
Private Corporate Bodies	6323806	20.07
Indian Public	7493954	23.78
NRI/OCBs	188278	0.60
Total	**31508538**	**100.00**

PLANT LOCATIONS:

Spinning Units	
Nadukandanur Pirivu, Morepatty Post Vadamadurai, Dindigul 624 802. Tamilnadu	Velvarkottai, Dindigul Trichy National Highway 45, Vedasandur Taluk Dindigul 624 803. Tamilnadu
Weaving Unit	**Knitting Unit**
Karanampet - Paruvai Road Paruvai Post, Coimbatore - 641 658	Karanampet - Paruvai Road Paruvai Post, Coimbatore - 641 658
Processing Unit	
Factory H-11, E-12 & R-44 SIPCOT Industrial Growth Estate Perundurai, Erode 638 052	
Garment Unit	**Retail Unit**
Palladam Hitech Weaving Park Sukkampalayam Village K N Puram (Po) Palladam- 641 662	252, Mettupalayam Road Coimbatore - 641 043
Windmill Units	
Irukandurai & Dhanakarkulam Villages Radhapuram Taluk Tirunelveli District, Tamilnadu	Chinnapudur Village Dharapuram Taluk Erode District, Tamilnadu
Melkaraipatti & Kottathurai Villages Palani Taluk Dindigul District Tamilnadu	
Address for Correspondence	
All investor related queries and complaints may be sent to the following address: The Company Secretary, Bannari Amman Spinning Mills Limited, Regd. Office: 252, Mettupalayam Road, Coimbatore - 641 043 E-mail: shares@bannarimills.com	

CREDIT RATINGS

Credit ratings obtained by the Company and revisions thereto during the financial year 2020-21 for credit facilities availed by the Company from Banks are as follows:

Rating Agency	Communication No	Nature of facility	Rating	Rating action
CARE Ratings Limited	CARE/CMBO/RL/ 2020-21/1081 dt: 22.9.2020	Long-term Bank facilities	CARE BBB; Stable (Triple B: Outlook : Stable)	Revised from CARE BBB+; Negative (Triple B Plus; Outlook: Negative) and outlook revised from negative
		Short term Bank facilities	CARE A3 + (A Three Plus)	Revised from CARE A3+ (A Three Plus)
		Long-term/Short term Bank facilities	CARE BBB; Stable / CAREA3 (Triple B ; Outlook: Stable / A Three)	Revised from CARE BBB+; Negative / CARE A3+ (Triple B Plus ; Outlook: Negative / A Three Plus) and outlook revised from negative

AUDITORS FEES ON CONSOLIDATED BASIS

The total fees for all servicespaid by the Company and its subsidiaries on consolidated basis to the Statutory Auditors during the year 2020-21 is as follows:

(in Rupees)

S. No.	Payment of fees towards	Holding Company	Subsidiary company
		Bannari Amman Spinning Mills Limited	Young Brand Apparel Private Limited
1.	Statutory Audit & Limited Review	30,50,000	7,50,000
2.	Taxation matters	-	-
3.	Other services	-	-

By Order of the Board

S V ARUMUGAM
Chairman & Managing Director
DIN 00002458

Coimbatore
23rd July, 2021

MANAGEMENT DISCUSSION AND ANALYSIS

COMPANY'S BUSINESS

The Company's principal line of business is manufacturing and marketing of Cotton Yarn, Woven and Knitted fabrics, Home Textiles, Knitted Garments and Processing of fabrics. The Company has two spinning units near Dindigul, Tamilnadu with an installed capacity of 145440 spindles, Weaving and Home Textiles units at Karanampettai near Palladam with an installed capacity of 153 looms, Processing unit at SIPCOT, Perundurai with an installed capacity to process 5400 tonnes of fabric per annum, Knitting unit at Karanampettai near Palladam with installed capacity to produce 7200 tonnes of knitted fabric per annum, Garment unit at Palladam Hi-tech weaving park and 27 Windmills with an installed capacity of 23.40 MW green power which is entirely used for captive consumption.

INDUSTRY STRUCTURE AND DEVELOPMENTS

The textile industry is one of the earliest industries to have developed in India. Its inherent and unique strength is its incomparable employment potential. This is owing to the presence of the entire value chain from fibre to apparel manufacturing within the country.

In fact, it is the biggest employer after agriculture providing direct employment to 4.5 crore people and another 6 crores in allied sectors. India's textiles industry contributed seven per cent of the industry output (in value terms) in FY19. It contributed two percent to the GDP of India and has a share of about twelwe percent in India's exports. India's textiles industry has a capacity to produce wide variety of products suitable for different market segments, both within India and across the world.

OPPORTUNITIES

China's share in Global Textile & Apparel Trade is more than 30% where as India's share is only about 4% to 5% inspite of having a strong production base thereby offering tremendous opportunity for India to improve its market share significantly. However COVID-19 pandemic has resulted in significant disruptions on the Indian Textile value chain due to Global market contraction and a subdued domestic market.

But things look some what better at this point of time given the roll out of vaccines, growth in e-commerce sale of Apparel and resumption of global supply chain. New opportunities for essential product categories such as meditech products, personal care products have emerged post covid as there are now more than 1000 Companies in India which produce these products as compared to none pre covid. The Production Linked Incentive scheme announced to sectors such as Technical Textiles and Man Made Fibre segments also gives an opportunity to Companies to tap the vast potential which is yet to be explored.

OUTLOOK

The government of India has initiated various policies to support textile and apparel sector's growth for the long-term horizon Being largely a consumer driven industry, textile and apparel sector's growth and performance is majorly dependent on India's growing economy. The growth in the textile and apparel sector is sustained by the strong domestic consumption as well as export demand over the medium term. India has high abundance of raw material, particularly with respect to cotton where it is quite cost competitive, together with healthy infrastructure and skilled labour force as compared to neighbouring countries like Bangladesh and Sri Lanka, which is expected to provide support in expanding the country's share in the global textile and apparel market. Though short-term hiccup due to the ongoing Coronavirus pandemic will result into contraction and lower growth and market value for the next couple of quarters as compared to historical average, it is still estimated that India has the potential to reach USD 70 billion (INR 5,242 billion) in exports and achieve much higher share of the global market by 2024.

RISKS AND CONCERNS

Availability of Cotton, the main raw material for manufacture of Cotton Yarn, is subject to the vagaries of nature and the prices also fluctuate wildly based on supply/demand in the World market and Government policy on export of Cotton. Availability of adequate man power, fluctuations in forex markets are among other concerns which will have a bearing on the fortunes of the Industry.

INTERNAL CONTROL SYSTEM AND THEIR ADEQUACY

The Company has adequate internal control procedures and systems commensurate with its size and nature of its business for purchase of raw materials, plant and machinery, components and other items and sale of goods. The checks and controls are reviewed by the Audit Committee for improvement in each of these areas on a periodical basis. The internal control systems are improved and modified continuously to meet with changes in business conditions, statutory and accounting requirements.

FINANCIAL PERFORMANCE WITH RESPECT TO OPERATIONAL PERFORMANCE

The financial performance of the Company has been discussed at length in Director's Report to the Members.

SIGNIFICANT CHANGES IN KEY FINANCIAL RATIOS FOR THE FINANCIAL YEAR 2019-20 AND 2020-21

S. No.	Ratios	31.3.2021	31.3.2020
1	Debtors Turnover	5.62	5.19
2.	Inventory Turnover	3.63	3.51
3.	Interest coverage	0.78	1.00
4.	Current Ratio	0.79	0.86
5.	Debt Equity Ratio	0.42	2.16
6.	Operating Profit margin	4.48%	7.05%
7.	Net Profit margin	(-) 1.22%	0.08%

DETAILS OF ANY CHANGE IN RETURN ON NETWORTH AS COMPARED TO IMMEDIATELY PREVIOUS FINANCIAL YEAR ALONG WITH A DETAILED EXPLANATION THEREOF

Return on Networth 31.3.2021 : (-) 3.40% (PAT/total equity)
Return on Networth 31.3.2020 : 0.25

The RONW has reduced during FY 21 as the performance of the Company suffered due to COVID 19 related reasons which caused poor demand on account of lock down measures announced by Central & State Goverments, weak market sentiments etc.

MEDIUM TERM AND LONG TERM STRATERGIES

The Company currently manufactures Cotton yarn, Knitted fabric, Grey and bleached woven fabric, made ups, Processed knit fabric and Apparel products for men, women and kids. The medium and long term strategies that will be initiated by the Company are discussed below.

Cotton Yarn :

The Spinning units presently produce about 90 tonnes of cotton yarn per day out of which hosiery (knitted) yarn forms a major portion. The Company apart from traditional markets is also exploring new markets in both domestic and export segments to improve sales. Moreover plans are underway to change the product mix so as to improve the per unit sales realization.

Knitted fabric :

The Knitting unit presently produces about 20 to 25 tonnes of fabric per day. Production is against orders and emphasis will be on producing value added fabric (Lycra).

Woven fabric :

Production of fabric is generally against orders. A portion of fabric produced is transferred to Home Textile division for manufacture of value added products. Efforts are underway to identify new markets.

Home Textiles :

The main products are bleached fabric and madeups like bed linen products meant mainly for exports. Home textiles is one of the focus areas for the Company and efforts are taken to produce meditech products particularly in view of Covid-19 pandemic.

(Disclosure with limits set by competitive position, medium term and long term strategies as approved by Board of Directors)

By Order of the Board
S V ARUMUGAM
CHAIRMAN & MANAGING DIRECTOR
DIN 00002458

Coimbatore
23rd July, 2021

DECLARATION ON CODE OF CONDUCT

To
The Members of
Bannari Amman Spinning Mills Limited

In compliance with the requirements of Regulation 34(3) read with Schedule V of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 with the Stock Exchanges, I declare that the Board of Directors and members of senior management have affirmed the compliance with the code of conduct during the financial year ended 31.3.2021

By Order of the Board

Place : Coimbatore
Date : 14.7.2021

S V ARUMUGAM
Managing Director
DIN : 00002458

CERTIFICATE ON CORPORATE GOVERNANCE

To
The Members of
Bannari Amman Spinning Mills Limited

I have examined the compliance of conditions of Corporate Governance by M/s Bannari Amman Spinning Mills Limited ('the company'), for the year ended on 31st March, 2021 as stipulated in Regulations 17 to 27 and clauses (b) to (i) of regulation 46(2) and paras C and D Schedule V of the Securities Exchanges Board of India (SEBI) Listing Obligations and Disclosure Requirements (LODR) Regulations, 2015.

The compliance of conditions of Corporate Governance is the responsibility of the Management. My examination was limited to a review of the procedures and implementation thereof adopted by the Company for ensuring the compliance with the conditions of the Corporate Governance as stipulated in the said Listing Regulations. It is neither an audit nor an expression of opinion on the financial statements of the Company.

In my opinion and to the best of my information and according to the explanations given to me and based on the representations made by the Directors and the Management, I certify that the Company has complied with the conditions of Corporate Governance as stipulated in the Securities Exchange Board of India (SEBI) Listing Obligations and Disclosure Requirements (LODR) Regulations, 2015 during the year ended 31st March, 2021.

I further state that such compliance is neither an assurance as to future viability of the Company nor the efficiency or effectiveness with which the management has conducted the affairs of the Company.

R. Dhanasekaran
Company Secretary in Practice
FCS 7070 / CP 7745
ICSI UDIN : F007070C000692018

Coimbatore
23.07.2021

CERTIFICATE OF NON-DISQUALIFICATION OF DIRECTORS

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

To
The Members of
BANNARI AMMAN SPINNING MILLS LIMITED
CIN: L17111TZ1989PLC002476
Registered office: 252,Mettupalayam Road,
Coimbatore-641043.

I have examined the relevant registers, records, forms, returns and disclosures received from the Directors of Bannari Amman Spinning Mills Limited having CIN:L17111TZ1989PLC002476 and having registered office at 252, Mettupalayam Road, Coimbatore-641043 (hereinafter referred to as 'the Company'), produced before me by the Company for the purpose of issuing this Certificate, in accordance with Regulation 34(3) read with Schedule V Para-C Sub clause 10(i) of the Securities Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations,2015.

In my opinion and to the best of my information and according to the verifications (including Directors Identification Number (DIN) status at the portal www.mca.gov.in) as considered necessary and explanations furnished to me by the Company & its officers, I hereby certify that none of the Directors on the Board of the Company for the Financial Year ending on 31stMarch, 2021 have been debarred or disqualified from being appointed or continuing as Directors of companies by the Securities and Exchange Board of India, Ministry of Corporate Affairs.

Ensuring the eligibility of for the appointment / continuity of every Director on the Board is the responsibility of the management of the Company. My responsibility is to express an opinion on these based on my verification.

R. Dhanasekaran
Company Secretary in Practice
FCS 7070 / CP 7745
ICSI UDIN : F007070C000692029

Coimbatore
23.07.2021

INDEPENDENT AUDITOR'S REPORT

To The Members of Bannari Amman Spinning Mills Limited
Report on the Audit of the Standalone Financial Statements

Opinion

We have audited the accompanying standalone financial statements of Bannari Amman Spinning Mills Limited ("the Company"), which comprise the Balance Sheet as at March 31, 2021, and the Statement of Profit and Loss (including Other Comprehensive Income), the Cash Flow Statement and the Statement of Changes in Equity for the year then ended, 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 standalone financial statements give the information required by the Companies Act, 2013 ("the Act") in the manner so required and give a true and fair view in conformity with the (Indian Accounting Standards prescribed under section 133 of the Act read with the Companies (Indian Accounting Standards) Rules, 2015, as amended, ("Ind AS") and other accounting principles generally accepted in India, of the state of affairs of the Company as at March 31, 2021, and its loss, total comprehensive loss, its cash flows and the changes in equity for the year ended on that date.

Basis for Opinion

We conducted our audit of the standalone financial statements in accordance with the Standards on Auditing specified under section 143(10) of the Act (SAs). Our responsibilities under those Standards are further described in the Auditor's Responsibility for the Audit of the Standalone Financial Statements section of our report. We are independent of the Company in accordance with the Code of Ethics issued by the Institute of Chartered Accountants of India (ICAI) together with the ethical requirements that are relevant to our audit of the standalone 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 obtained by us is sufficient and appropriate to provide a basis for our audit opinion on the standalone financial statements.

Key Audit Matters

Key audit matters are those matters that, in our professional judgment, were of most significance in our audit of the standalone financial statements of the current period. These matters were addressed in the context of our audit of the standalone financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters. We have determined the matter described below to be the key audit matter to be communicated in our report.

Sr. No.	Key Audit Matter	Auditor's Response
1	**Valuation of finished goods invertors for certain items:** Valuation of finished goods inventory for certain items: The Company has certain items of finished goods (garments) aggregating Rs. 1,671.53 lakhs included in total inventory of Rs. 18,138.79 lakhs as at March 31, 2021 referred to in Note 6 of the standalone financial statements which, as per the accounting policy for valuation of inventory in Note 2.4, are valued at the lower of cost and net realizable value. Considering the nature of the such garments, the determination of the net realisable value by Management involves the an element of judgment with regard to volatility in selling price of garments, the past trends of discounts applied for necessary disposal of old garments, impact of future fashion trends and market conditions, etc. Any change in the assumptions considered by the Management for such inventories would result in an impact in the margins in the year of disposal/sales of the inventory or change in assumptions and accordingly, considering the element of judgment involved, this has been assessed as a key audit matter.	**Principal audit procedure performed** We have performed the following procedures: a. Evaluated the design, implementation and tested the operating effectiveness of the internal controls over the evaluation of the reasonableness of assumptions being considered by the management in determining the net realisable value and the assessment, if any, for adjustment to cost required for such items of finished goods. b. Obtained an understanding of the significant judgements applied by the management in determination of the net realizable values of the finished goods and the relevant workings and for the sample of inventory items selected performed the following procedures: • Conducted a retrospective test of comparing the net realisable value determined by the management in the previous year with the subsequent sale value of such finished goods in the current year to evaluate if the assumptions considered were reasonable. • Compared the net realisable value determined at the year-end with any instance of sale occurring for such inventory after the year end / latest realization to assess the reasonableness of the assumptions considered by the management. c. Compared the actual costs incurred to sell such inventory after the year end based on the latest sale transaction to assess the reasonableness of the cost to sell that was estimated and considered by the management.

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

- The Company's Board of Directors is responsible for the other information. The other information comprises the information included in the Management Discussion and Analysis, Director's Report including annexures to Director's Report and Corporate Governance, but does not include the standalone financial statements, consolidated financial statements and our auditor's report thereon.

- Our opinion on the standalone 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 standalone financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the standalone financial statements or our knowledge obtained during the course of our audit or otherwise appears to be materially misstated.

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

Management's Responsibility for the Standalone Financial Statements

The Company's Board of Directors is responsible for the matters stated in section 134(5) of the Act with respect to the preparation of these standalone 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 Ind AS and other accounting principles generally accepted in India. This responsibility also includes maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding the assets of the Company and for preventing and detecting frauds and other irregularities; selection and application of appropriate accounting policies; making judgments and estimates that are reasonable and prudent; and design, implementation and maintenance of adequate internal financial controls, that were operating effectively for ensuring the accuracy and completeness of the accounting records, relevant to the preparation and presentation of the standalone financial statement that give a true and fair view and are free from material misstatement, whether due to fraud or error.

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

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

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

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

As part of an audit in accordance with SAs, we exercise professional judgment and maintain professional skepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the standalone financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal 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 Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the standalone financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Company to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the standalone financial statements, including the disclosures, and whether the standalone financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

Materiality is the magnitude of misstatements in the standalone financial statements that, individually or in aggregate, makes it probable that the economic decisions of a reasonably knowledgeable user of the standalone 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 standalone 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.

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

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

Report on Other Legal and Regulatory Requirements

1. As required by Section 143(3) of the Act, based on our audit, we report that:

   a) We have sought and obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purposes of our audit.

   b) In our opinion, proper books of account as required by law have been kept by the Company so far as it appears from our examination of those books.

   c) The Balance Sheet, the Statement of Profit and Loss including Other Comprehensive Income, the Cash Flow Statement and Statement of Changes in Equity dealt with by this Report are in agreement with the books of account.

   d) In our opinion, the aforesaid standalone financial statements comply with the Ind AS specified under Section 133 of the Act.

   e) On the basis of the written representations received from the directors as on March 31, 2021 taken on record by the Board of Directors, none of the directors is disqualified as on March 31, 2021 from being appointed as a director in terms of Section 164(2) of the Act.

   f) With respect to the adequacy of the internal financial controls over financial reporting of the Company and the operating effectiveness of such controls, refer to our separate Report in "Annexure A". Our report expresses an unmodified opinion on the adequacy and operating effectiveness of the Company's internal financial controls over financial reporting

   g) With respect to the other matters to be included in the Auditor's Report in accordance with the requirements of section 197(16) of the Act, as amended,

      In our opinion and to the best of our information and according to the 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.

   h) With respect to the other matters to be included in the Auditor's Report in accordance with Rule 11 of the Companies (Audit and Auditors) Rules, 2014, as amended in our opinion and to the best of our information and according to the explanations given to us:

      i. The Company has disclosed the impact of pending litigations on its financial position in its standalone financial statements;

      ii. The Company has made provision, as required under the applicable law or accounting standards, for material foreseeable losses, if any, on long-term contracts including derivative contracts;

      iii. There has been no delay in transferring amounts, required to be transferred, to the Investor Education and Protection Fund by the Company

2. As required by the Companies (Auditor's Report) Order, 2016 ("the Order") issued by the Central Government in terms of Section 143(11) of the Act, we give in "Annexure B" a statement on the matters specified in paragraphs 3 and 4 of the Order.

For **Deloitte Haskins & Sells LLP**
Chartered Accountants
(Firm's Registration No. 117366W/W-100018)

Balaji M. N.
(Partner)
(Membership No. 202094)
(UDIN: 21202094AAAAFN4968)

Place: Bengaluru
Date: July 23, 2021

ANNEXURE "A" TO THE INDEPENDENT AUDITOR'S REPORT

(Referred to in paragraph 1(f) under 'Report on Other Legal and Regulatory Requirements' section of our report of even date)

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

We have audited the internal financial controls over financial reporting of Bannari Amman Spinning Mills Limited ("the Company") as of March 31, 2021 in conjunction with our audit of the standalone Ind AS financial statements of the Company for the year ended on that date.

Management's Responsibility for Internal Financial Controls

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

Auditor's Responsibility

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

Our audit involves performing procedures to obtain audit evidence about the adequacy of the internal financial controls system over financial reporting and their operating effectiveness. Our audit of internal financial controls over financial reporting included obtaining an understanding of internal financial controls over financial reporting, assessing the risk that a material weakness exists, and testing and evaluating the design and operating effectiveness of internal control based on the assessed risk. The procedures selected depend on the auditor's judgement, including the assessment of the risks of material misstatement of the 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 authorisations of management and directors of the company; and (3) provide reasonable assurance regarding prevention or timely detection of unauthorised acquisition, use, or disposition of the company's assets that could have a material effect on the financial statements.

Inherent Limitations of Internal Financial Controls Over Financial Reporting

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

Opinion

In our opinion, to the best of our information and according to the explanations given to us, the Company has, in all material respects, an adequate internal financial controls system over financial reporting and such internal financial controls over financial reporting were operating effectively as at March 31, 2021, based on the criteria for internal financial control over financial reporting established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting issued by the Institute of Chartered Accountants of India.

For **Deloitte Haskins & Sells LLP**
Chartered Accountants
(Firm's Registration No. 117366W/W-100018)

Balaji M. N.
(Partner)
(Membership No. 202094)
(UDIN: 21202094AAAAFN4968)

Place: Bengaluru
Date: July 23, 2021

ANNEXURE "B" TO THE INDEPENDENT AUDITOR'S REPORT

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

(I) (a) The Company has maintained proper records showing full particulars, including quantitative details and situation of plant, property and equipment.

(b) Some of the plant, property and equipment were physically verified during the year by the management in accordance with a regular programme of verification which, in our opinion, provides for physical verification of all the plant, property and equipment at reasonable intervals. According to the information and explanation given to us no material discrepancies were noticed on such verification.

(c) According to the information and explanations given to us and the records examined by us and based on the examination of the registered sale deed, transfer deed provided to us, we report that, the title deeds, comprising all the immovable properties of land and buildings which are freehold, are held in the name of the Company as at the balance sheet date. Immovable properties of land whose title deeds have been pledged as security for loans are held in the name of the company based on the confirmations directly received by us from lenders. In respect of immovable properties of land that have been taken on lease and disclosed as Right to use assets in the financial statements, the lease agreements are in the name of the company, where the company is the lessee in the agreement.

(ii) As explained to us, the inventories were physically verified during the year by the Management at reasonable intervals and no material discrepancies were noticed on physical verification.

(iii) The Company has not granted any loans, secured or unsecured, to companies, firms, limited liability partnerships or other parties covered in the Register maintained under Section 189 of the Companies Act, 2013.

(iv) The Company has not granted any loans hence provisions of Section 185 is not applicable. The Company has complied with the provisions of section 186 of the Companies Act, 2013 in respect of making investments and providing guarantees.

(v) According to the information and explanations given to us, the Company has not accepted any deposit during the year hence the provisions of Sections 73 to 76 or any other provisions of the Companies Act, 2013 is not applicable.

(vi) We have broadly reviewed the cost records maintained by the Company pursuant to the Companies (Cost Records and Audit) Rules, 2014, as amended and prescribed by the Central Government under sub-section (1) of Section 148 of the Companies Act, 2013, and are of the opinion that, prima facie, the prescribed accounts and cost records have been maintained.

(vii) According to the information and explanations given to us, in respect of statutory dues:

(a) The Company has generally been regular in depositing undisputed statutory dues, including Provident Fund, Employees' State Insurance, Income-tax, Duty of Customs, Goods and Services Tax, Cess and other material statutory dues applicable to it to the appropriate authorities.

(b) There were no undisputed amounts payable in respect of Provident Fund, Employees' State Insurance, Income-tax, Duty of Customs, Goods and Services Tax, Cess and other material statutory dues in arrears as at March 31, 2021 for a period of more than six months from the date they became payable.

(c) Details of dues of Duty of Excise which have not been deposited as on March 31, 2021 on account of disputes are given below:

Name of Statute	Nature of Dues	Forum where dispute is pending	Period to which the amount relates	Amount involved (Rs. in Lakhs)
Central Excise Act, 1944	Claim for refund of duty	CESTAT Chennai	Assessment year 2008-09, 2009-10 2017-18	69.61

(viii) In our opinion and according to the information and explanations given to us, the Company has not defaulted in repayment of dues to banks. The Company has not has taken any loans from financial institutions, Government or has not issued any debentures.

(ix) The Company has not raised any moneys by way of initial public offer or further public offer (including debt instruments). The Company has obtained term loans during the year and the same have been applied for the purposes for which they were obtained.

(x) To the best of our knowledge and according to the information and explanations given to us, no fraud by the Company and no material fraud on the Company by its officers or employees has been noticed or reported during the year.

(xi) In our opinion and according to the information and explanations given to us, the Company has paid / provided managerial remuneration in accordance with the requisite approvals mandated by the provisions of section 197 read with Schedule V to the Companies Act, 2013.

(xii) The Company is not a Nidhi Company and hence reporting under clause (xii) of the CARO 2016 Order is not applicable.

(xiii) In our opinion and according to the information and explanations given to us the Company is in compliance with Sections 177 and 188 of the Companies Act, 2013, where applicable, for all transactions with the related parties and the details of related party transactions have been disclosed in the Standalone Financial Statements as required by the applicable accounting standards.

(xiv) During the year the Company has not made any preferential allotment or private placement of shares or fully or partly convertible debentures and hence reporting under clause (xiv) of the CARO 2016 Order is not applicable to the Company.

(xv) In our opinion and according to information and explanations given to us, during the year the Company has not entered into any non-cash transactions with its directors or persons connected with them and hence provisions of Section 192 of Companies Act, 2013 are not applicable.

(xvi) The Company is not required to be registered under section 45-IA of the Reserve Bank of India Act, 1934.

For **Deloitte Haskins & Sells LLP**
Chartered Accountants
(Firm's Registration No. 117366W/W-100018)

Balaji M. N.
(Partner)
(Membership No. 202094)
(UDIN: 21202094AAAAFN4968)

Place: Bengaluru
Date: July 23, 2021

STANDALONE BALANCE SHEET AS ON MARCH 31, 2021

(Rs. in Lakhs)

Particulars	Note No.	As at March 31, 2021	As at March 31, 2020
ASSETS			
1 Non-current assets			
a) Property, plant and equipment	3A	53,464.18	56,103.64
b) Right of use assets	31	735.03	758.66
c) Financial assets	4		
i) Investments	4.1	2,645.41	2,644.37
d) Other financial assets	4.2	578.00	-
e) Other non-current assets	5	922.85	1,392.26
Total non-current assets		**58,345.47**	**60,898.93**
2 Current assets			
a) Inventories	6	18,138.79	24,872.01
b) Financial assets	7		
i) Trade receivables			
A) Trade receivables - Unsecured	7.1	12,049.91	15,597.36
B) Trade receivables - Credit impaired	7.1	856.04	814.52
ii) Cash and cash equivalents	7.2	877.98	2,656.94
iii) Bank balances other than (ii) above	7.2	2.60	167.11
iv) Loans	7.3	30.19	17.79
v) Other financial assets	7.4	1,287.73	1,742.09
c) Current tax assets	7.5	45.68	166.99
d) Other current assets	8	2,657.91	2,322.75
e) Assets classified as held for sale	3C	56.72	56.72
Total current assets		**36,003.55**	**48,414.28**
Total assets (1+2)		**94,349.02**	**109,313.21**
EQUITY AND LIABILITIES			
1 Equity			
a) Equity share capital	9	1,575.43	1,575.43
b) Other equity	10	28,087.79	29,096.74
Total equity		**29,663.22**	**30,672.17**
Liabilities			
2 Non-current liabilities			
a) Financial liabilities	11		
i) Borrowings	11.1	15,754.56	18,345.81
ii) Lease liabilities	31	18.56	83.15
b) Deferred tax liabilities (net)	29B	2,530.52	2,699.91
c) Other non-current liabilities	12	703.58	904.30
Total non - current liabilities		**19,007.22**	**22,033.17**
3 Current liabilities			
a) Financial liabilities	13		
i) Borrowings	13.1	29,092.70	37,995.46
ii) Trade payables			
a) Total outstanding dues of micro and small enterprises	13.2	1,739.30	809.51
b) Total outstanding dues of creditors other than micro and small enterprises	13.2	7,782.59	10,482.05
iii) Lease liabilities	31	61.72	80.28
iv) Other financial liabilities	13.3	5,590.44	6,237.22
b) Provisions	14	239.00	135.33
c) Other current liabilities	15	1,172.83	868.02
Total current liabilities		**45,678.58**	**56,607.87**
Total equity and liabilities (1+2+3)		**94,349.02**	**109,313.21**
See accompanying notes to the standalone financial statements			

In terms of our report attached

For and on behalf of Board of Directors

For **Deloitte Haskins & Sells LLP**
Chartered Accountants

BALAJI M N
Partner

Bengaluru
July 23, 2021

S V ARUMUGAM
Chairman & Managing Director
DIN 00002458

N KRISHNARAJ
Company Secretary
ACS No. 20472

K SADHASIVAM
Director
DIN 00610037

S SESHADRI
Chief Financial Officer

Coimbatore
July 23, 2021

STANDALONE STATEMENT OF PROFIT AND LOSS FOR THE YEAR ENDED MARCH 31, 2021

(Rs. in Lakhs)

	Particulars	Note No.	For the year ended March 31, 2021	For the year ended March 31, 2020
I	Revenue from operations	16	85,963.70	92,497.28
II	Other Income	17	576.08	1,847.31
III	**Total Revenue (I + II)**		**86,539.78**	**94,344.59**
IV	**Expenses**			
	a) Cost of materials consumed	18A	53,915.96	65,750.09
	b) Purchase of stock-in-trade	18B	51.12	217.47
	c) Changes in stock of finished goods, work-in-progress and stock in trade	19	5,496.98	(1,009.50)
	d) Employee benefit expense	20	7,913.10	8,774.01
	e) Finance costs	21	5,675.63	6,495.71
	f) Depreciation and amortisation expenses	3A & 31	2,809.11	2,831.16
	g) Other expenses	22	11,923.22	11,262.16
	Total Expenses		**87,785.12**	**94,321.10**
V	**Profit / (loss) before tax (III - IV)**		**(1,245.34)**	**23.49**
VI	**Tax expense**			
	(1) Deferred tax			
	a) Deferred tax	29A	(190.29)	3.59
	Total tax expense		**(190.29)**	**3.59**
VII	**Profit / (loss) for the year (V - VI)**		**(1,055.05)**	**19.90**
			46.10	**57.30**
VIII	**Other comprehensive income/(loss)**			
	A i) Items that will not be reclassified to profit or loss			
	a) Remeasurements of the defined benefit liabilities/(asset)		67.00	83.28
	ii) Income tax relating to items that will not be reclassified to profit or loss		(20.90)	(25.98)
IX	**Total comprehensive income for the year (VII + VIII)**		**(1,008.95)**	**77.20**
X	Earnings / (loss) per equity share: in Rs.	28		
	1) Basic		(3.35)	0.06
	2) Diluted		(3.35)	0.06

See accompanying notes to the standalone financial statements

In terms of our report attached

For **Deloitte Haskins & Sells LLP**
Chartered Accountants

BALAJI M N
Partner

Bengaluru
July 23, 2021

For and on behalf of Board of Directors

S V ARUMUGAM
Chairman & Managing Director
DIN 00002458

K SADHASIVAM
Director
DIN 00610037

N KRISHNARAJ
Company Secretary
ACS No. 20472

S SESHADRI
Chief Financial Officer

Coimbatore
July 23, 2021

STANDALONE STATEMENT OF CHANGES IN EQUITY FOR THE YEAR ENDED MARCH 31, 2021

(Rs. in Lakhs)

a) Equity share capital	Amount
Balance at the April 1, 2019	1,575.43
Balance at the March 31, 2020	**1,575.43**
Balance as at April 1, 2020	1,575.43
Balance as at March 31, 2021	**1,575.43**

b) Other equity (Rs. in Lakhs)

Particulars	Securities premium account	General reserve	Retained earnings (refer note 10)	Items of Other Comprehensive Income: Remeasurements of the defined benefit liabilities/ (asset)	Items of Other Comprehensive Income: Equity instruments through other comprehensive income	Total other equity
Balance as at April 1, 2019	**7,930.76**	**16,295.22**	**5,145.66**	**(41.13)**	**3.49**	**29,334.00**
Profit / (Loss) for the year	-	-	19.90	-	-	19.90
Impact on account of initial application of Ind AS 116 (Refer Note 31)	-	-	(10.26)	-	-	(10.26)
Cash dividends	-	-	(252.07)	-	-	(252.07)
Tax on dividends	-	-	(52.13)	-	-	(52.13)
Other comprehensive income (net of taxes)	-	-	-	57.30	-	57.30
Balance as at March 31, 2020	**7,930.76**	**16,295.22**	**4,851.10**	**16.17**	**3.49**	**29,096.74**
Balance as at April 1, 2020	**7,930.76**	**16,295.22**	**4,851.10**	**16.17**	**3.49**	**29,096.74**
Loss for the year	-	-	(1,055.05)	-	-	(1,055.05)
Other comprehensive income (net of taxes)	-	-	-	46.10	-	46.10
Balance as at March 31, 2021	**7,930.76**	**16,295.22**	**3,796.05**	**62.27**	**3.49**	**28,087.79**

For and on behalf of Board of Directors

In terms of our report attached

For **Deloitte Haskins & Sells LLP**
Chartered Accountants

S V ARUMUGAM
Chairman & Managing Director
DIN 00002458

K SADHASIVAM
Director
DIN 00610037

BALAJI M N
Partner

N KRISHNARAJ
Company Secretary
ACS No. 20472

S SESHADRI
Chief Financial Officer

Bengaluru
July 23, 2021

Coimbatore
July 23, 2021

STANDALONE STATEMENT OF CASHFLOWS FOR THE YEAR ENDED MARCH 31, 2021

(Rs. in Lakhs)

Particulars	For the year ended March 31, 2021		For the year ended March 31, 2020	
A. CASH FLOW FROM OPERATING ACTIVITIES				
Profit / (loss) before tax		(1,245.34)		23.49
Adjustments for:				
Depreciation and amortization expenses	2,809.11		2,831.16	
Profit / (loss) lon sale of property, plant and equipment	(380.55)		(1,709.18)	
Profit / (loss) on sale of investments	-		3.83	
Finance costs	5,675.63		6,495.71	
Interest income	(116.70)		(138.13)	
Allowance for doubtful trade receivables and bad debts written off	501.54		159.57	
Net unrealised exchange (gain)	(57.48)		(278.01)	
		8,431.55		7,364.95
Operating profit before working capital changes		7,186.21		7,388.44
Changes in working capital				
Adjustments for increase / (decrease) in operating assets:				
Financial assets				
Trade receivables	3,061.87		1,160.75	
Loans	(12.40)		13.15	
Other financial assets	665.60		220.53	
Non-financial assets				
Inventories	6,733.22		661.38	
Other non-financial assets	201.25		698.89	
Adjustments for increase / (decrease) in operating liabilities:				
Financial liabilities				
Trade payables	(1,769.67)		2,369.70	
Other financial liabilities	32.49		(17.81)	
Non-financial liabilities				
Provisions	103.67		(108.64)	
Other non-financial liabilities	283.05		114.15	
		9,299.08		5,112.10
		16,485.29		12,500.54
Net income tax paid		121.31		(170.99)
Net cash flow from operating activities (A)		**16,606.60**		**12,329.55**
B. CASH FLOW FROM INVESTING ACTIVITIES				
Capital expenditure on property plant and equipment, including capital advances	(794.90)		(1,752.77)	
Margin money deposits	164.00		98.00	
Sales of other investments	(1.04)		58.66	
Proceeds from sale of property, plant and equipment	1,072.17		3,043.04	
Inter corporate deposit	(578.00)		-	
Interest received	133.16		124.43	
Net cash flow from / (used in) investing activities (B)		**(4.61)**		**1,571.36**

STANDALONE STATEMENT OF CASHFLOWS FOR THE YEAR ENDED MARCH 31, 2021

(Rs. in Lakhs)

Particulars	For the year ended March 31, 2021		For the year ended March 31, 2020	
C. CASH FLOW FROM FINANCING ACTIVITIES				
Proceeds from non-current borrowings	1,700.00		2,200.00	
Repayment of non-current borrowings	(4,728.15)		(4,663.85)	
Increase / (decrease) in working capital borrowings	(8,902.76)		(2,200.87)	
Payment of dividend including tax thereon	-		(304.20)	
Repayment of operating lease liabilities	(143.77)		(101.55)	
Interest paid on lease liabilities	(22.08)		(22.08)	
Finance costs paid	(6,284.19)		(6,717.70)	
Net cash flow used in financing activities (C)		**(18,380.95)**		**(11,810.25)**
Net increase / (decrease) in cash and cash equivalents (A+B+C)		**(1,778.96)**		**2,090.66**
Add: Cash and cash equivalents at the beginning of the year		2,656.94		566.28
Cash and cash equivalents at the end of the year *		**877.98**		**2,656.94**
*Comprises:				
(a) Cash on hand	3.74		6.17	
(b) Cheques/drafts on hand	4.00		3.50	
(c) Balances with banks:				
(i) In current accounts	870.24		617.27	
(ii) In deposit accounts	-		2,030.00	
Total		**877.98**		**2,656.94**
See accompanying notes to the standalone financial statements				

In terms of our report attached

For **Deloitte Haskins & Sells LLP**
Chartered Accountants

BALAJI M N
Partner

Bengaluru
July 23, 2021

For and on behalf of Board of Directors

S V ARUMUGAM
Chairman & Managing Director
DIN 00002458

K SADHASIVAM
Director
DIN 00610037

N KRISHNARAJ
Company Secretary
ACS No. 20472

S SESHADRI
Chief Financial Officer

Coimbatore
July 23, 2021

Notes to the standalone financial statements for the year ended March 31, 2021

Note No.	Particulars
1.	**Corporate information**
	Bannari Amman Spinning Mills Limited (the "Company") is a integrated textile company engaged in the manufacture of cotton yarn, knitted & woven fabrics, pocessing of fabrics, finished garments, home textiles and wind power generation. The company was incorporated in the year 1989 and issued shares to the public in the year 2006.
	The standalone financial statements were approved for issue by the Board of Directors onJuly, 2021.
2.	**Significant accounting policies**
	This note provides a list of the significant accounting policies adopted in the preparation of these financial statements. These policies have been consistently applied to all the years presented, unless otherwise stated.
2.1	**Basis of accounting and preparation of financial statements**
	(i) Compliance with Ind AS
	The standalone financial statements comply in all material aspects with Indian Accounting Standards (Ind AS) notified under Section 133 of the Companies Act, 2013 (the Act) (Companies (Indian Accounting Standards) Rules, 2015) and other relevant provisions of the Act as amended from time to time.
	The Company has consistently applied accounting policies to all periods.
	To provide more reliable and relevant information about the effect of certain items in the Balance sheet and statement of profit and loss, the company has changed the classification of certain items. Previous year figures have been re-grouped or reclassified , to confirm to such current year's grouping/classification. There is no impact on Equity or Net Loss due to those regrouping / reclassifications.
	(ii) Historical cost convention
	The financial statements have been prepared on a historical cost basis, except for the following: a) Certain property, plant and equipment, financial assets and liabilities that are measured at fair value
	b) Defined benefit plans – plan assets measured at fair value
	c) Assets held for sale – measured at fair value less cost to sell
2.2	**Segment reporting**
	Operating segments are reported in a manner consistent with the internal reporting provided to the chief operating decision maker. The board of directors of the Company assesses the financial performance and position of the Company, and makes strategic decisions. The board of directors, which has been identified as being the chief operating decision maker.
2.3	**Use of estimates**
	In the application of the Company's accounting policies, the directors of the Company are required to make judgements, estimates and assumptions about the carrying amounts of assets and liabilities that are not readily apparent from other sources. The estimates and associated assumptions are based on historical experience and other factors that are considered to be relevant. Actual results may differ from these estimates.
	The estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognised in the period in which the estimate is revised if the revision affects only that period, or in the period of the revision and future periods if the revision affects both current and future periods.
	The following are the key assumptions concerning the future, and other key sources of estimation uncertainty at the end of the reporting period that may have a risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year.

Notes to the standalone financial statements for the year ended March 31, 2021

Note No.	Particulars
	a) Impairment of investments in subsidiaries The Company reviews its carrying value of investments in subsidiaries at cost, annually, or more frequently when there is an indication for impairment. If the recoverable amount is less than its carrying amount, the impairment loss is accounted for. **b) Useful lives of property, plant and equipment** The Company reviews the useful life of property, plant and equipment at the end of each reporting period. This assessment may result in change in the depreciation expense in future periods. Useful life in years : Factory building - 30, Building (non factory) - 60, Plant and machinery (main) - 30, Plant and machinery (others) - 15, Office equipments - 5, Furniture & fittings - 10, Vehicles - 8. **c) Deferred tax assets** The carrying amount of deferred tax asset is reviewed at each reporting period and is reduced to the extent that it is no longer probable that sufficient taxable profits will be available to allow all or part of the asset to be recovered. **d) Employee benefits** The cost of defined benefit plans are determined using actuarial valuations. The actuarial valuation involves making assumptions about discount rates, expected rates of return on assets, future salary increases, mortality rates and future pension increases. Due to the long-term nature of these plans, such estimates are subject to significant uncertainty. **e) Impact of Covid-19** The outbreak of COVID-19 pandemic and the resultant lockdown measures enforced by the Central and State Governments has affected the Company's full year financial performance though the operations have significantly improved in the second half of the financial year 2020-21. The Company has considered the possible effects that may result from the pandemic relating to COVID-19 on the carrying amounts of Property, plant and equipment, Intangibles, Inventories, Receivables and Other assets. In developing the assumptions relating to the possible future uncertainties in the global economic conditions because of this pandemic, the Company, as at the date of approval of these financial results has used internal and external sources on the expected future performance of the Company. The Company has evaluated its liquidity position, recoverability and based on current estimates expects the carrying amount of these assets will be recovered. The impact of COVID-19 on the Company's financial results may differ from that estimated as at the date of approval of these financial results.
2.4	**Inventories** Inventories are valued at lower of cost and net realisable value. Cost of raw materials, Packing materials, Stores and Spares and consumables are valued at specific identification method. Value of finished goods and work-in-progress are determined on weighted average basis and include appropriate share of overheads.
2.5	**Cash and cash equivalents** Cash and cash equivalents comprise cash on hand and demand deposits with banks other than deposits pledged with government authorities and margin money deposits. Cash and cash equivalent in the Balance Sheet comprise cash at banks and on hand and short-term deposits with an original maturity of three months or less, which are subject to insignificant risk of changes in value. Bank borrowings are generally considered to be financing activities. However, where bank overdrafts which are repayable on demand form an integral part of an entity's cash management, bank overdrafts are included as a component of cash and cash equivalents. A characteristic of such banking arrangements is that the bank balance often fluctuates from being positive to overdrawn.

Notes to the standalone financial statements for the year ended March 31, 2021

Note No.	Particulars
2.6	**Cash flow statement**
	Cash flows are reported using the indirect method, whereby profit / (loss) before extraordinary items 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. The cash flows from operating, investing and financing activities of the Company are segregated based on the available information.
2.7	**Taxes on income**
	a) Current tax
	The tax currently payable is based on taxable profit for the year. Taxable profit differs from 'profit before tax' as reported in the standalone statement of profit and loss because of items of income or expense that are taxable or deductible in other years and items that are never taxable or deductible. The Company's current tax is calculated using tax rates that have been enacted and are applicable as at the end of the reporting period. In the absence of adequate taxable profits, the Company is required to pay Minimum Alternate Tax (MAT) on the book profits, as adjusted for certain provisions.
	b) Deferred tax
	Deferred tax is recognised on temporary differences between the carrying amounts of assets and liabilities in the financial statements and the corresponding tax bases used in the computation of taxable profit. Deferred tax liabilities are generally recognised for all taxable temporary differences.
	Deferred tax assets are generally recognised for all deductible temporary differences to the extent that it is probable that taxable profits will be available against which those deductible temporary differences can be utilised. Such deferred tax assets and liabilities are not recognised if the temporary difference arises from the initial recognition of assets and liabilities in a transaction that affects neither the taxable profit nor the accounting profit.
	MAT paid in accordance with the tax laws, if any, which gives future economic benefits in the form of adjustment to future income tax liability, is considered as an asset if there is convincing evidence that the Company will pay normal tax. Accordingly, MAT is recognised as a deferred tax asset in the Balance sheet when it is highly probable that future economic benefit associated with it will flow to the Company.
	The carrying amount of deferred tax assets is reviewed at the end of each reporting period and reduced to the extent that it is no longer probable that sufficient taxable profits will be available to allow all or part of the asset to be recovered.
	Deferred tax liabilities and assets are measured at the tax rates that are expected to apply in the period in which the liability is settled or the asset realised, based on tax rates (and tax laws) that have been enacted or substantively enacted by the end of the reporting period.
	c) Current and deferred tax for the year
	Current and deferred tax are recognised in the Statement of profit and loss, except when they relate to items that are recognised in other comprehensive income or directly in equity, in which case, the current and deferred tax are also recognised in other comprehensive income or directly in equity respectively.

Notes to the standalone financial statements for the year ended March 31, 2021

Note No.	Particulars
2.8	**a) Property, plant and equipment** The cost of property, plant and equipment comprises its purchase price net of any trade discounts and rebates, any import duties and other taxes (other than those subsequently recoverable from the tax authorities), any directly attributable expenditure on making the asset ready for its intended use, including relevant borrowing costs for qualifying assets and any expected costs of decommissioning. Expenditure incurred after the property, plant and equipment have been put into operation, such as repairs and maintenance, are charged to the Statement of Profit and Loss in the period in which the costs are incurred. Major shut-down and overhaul expenditure is capitalised as the activities undertaken improves the economic benefits expected to arise from the asset. An item of property, plant and equipment is derecognized upon disposal or when no future economic benefits are expected to arise from the continued use of the asset. Any gain or loss arising on the disposal or retirement of an item of property, plant and equipment is determined as the difference between the sales proceeds and the carrying amount of the asset and is recognized in Statement of Profit and Loss. Property, plant and equipment except freehold land held for use in the production, supply or administrative purposes, are stated in the balance sheet at cost less accumulated depreciation and accumulated impairment losses, if any. Freehold land and leasehold land where the lease is convertible to freehold land under lease agreements at future dates at no additional cost, are not depreciated. **b) Capital work-in-progress** Projects under which assets are not ready for their intended use and other capital work-in-progress are carried at cost, comprising direct cost and related incidental expenses. Depreciation commences when the assets are ready for their intended use. Depreciable amount for assets is the cost of an asset, or other amount substituted for cost, less its estimated residual value. Depreciation is recognized so as to write off the cost of assets (other than freehold land and properties under construction) less their residual values over their useful lives, using straight-line method as per the useful life prescribed in Schedule II to the Companies Act, 2013. The Company reviews the residual value, useful lives and depreciation method annually and, if expectations differ from previous estimates, the change is accounted for as a change in accounting estimate on a prospective basis. **c) Depreciation and Amortisation** Depreciation on assets (other than freehold land) has been provided on the straight-line method as per the useful life prescribed in Schedule II to the Companies Act, 2013 except in respect of Windmill for which 30 years is considered based on technical advice, taking into account the nature of the asset, the estimated usage of the asset, the operating conditions of the asset, past history of replacement, anticipated technological changes, manufacturers warranties and maintenance support, etc., Depreciation is provided pro-rata from the date of Capitalisation. The estimated useful lives, residual values and depreciation method are reviewed at the end of each reporting period.
2.9	**Leases** The Company's lease asset classes primarily consist of leases for land and buildings. The Company, at the inception of a contract, assesses whether the contract is a lease or not lease. A contract is, or contains, a lease if the contract conveys the right to control the use of an identified asset for a time in exchange for a consideration. The Company recognises a right-of-use asset and a lease liability at the lease commencement date. 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.

Notes to the standalone financial statements for the year ended March 31, 2021

Note No.	Particulars
	The right-of-use asset is subsequently depreciated using the straight-line method from the commencement date to the end of the lease term. 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 Company's incremental borrowing rate. 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 the Company changes its assessment of whether it will exercise a purchase, extension or termination option. 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 profit or loss if the carrying amount of the right-of-use asset has been reduced to zero.
2.10	**Revenue recognition** **(i) Sale of goods** Revenue from sale of goods is recognised when control of the goods is transferred to the Customers. Revenue from the sale of goods is measured at the fair value of the consideration received or receivable, net of returns and allowances, trade discounts and volume rebates. **(ii) Time and material** Revenue from time and material contracts are recognised as and when services are rendered to the customer. These are based on the efforts spent and rates agreed with the customer. Revenue from the end of the last invoicing to the reporting date is recognised as unbilled revenue. **(iii) Dividend and interest income** Dividend income from investments is recognised when the shareholder's right to receive payment has been established (provided that it is probable that the economic benefits will flow to the Company and the amount of income can be measured reliably). Interest income from a financial asset is recognised when it is probable that the economic benefits will flow to the Company and the amount of income can be measured reliably. Interest income is accrued on a time basis, by reference to the principal outstanding and at the effective interest rate applicable, which is the rate that exactly discounts estimated future cash receipts through the expected life of the financial asset to that asset's net carrying amount on initial recognition. **(iv) Other operating revenue** Income incidental to exports such as duty drawback, Merchandise Exports from India Scheme (MEIS), income from import entitlement and premium on sale of such entitlement are recognised when there is a reasonability of collection.
2.11	**Employee benefits** Employee benefits include provident fund, employee state insurance, gratuity fund and compensated absences. **a. Retirement benefit costs and termination benefits** Payments to defined contribution Retirement Benefit Plans are recognised as an expense when employees have rendered service entitling them to the contributions. For defined benefit Retirement Benefit Plans, the cost of providing benefits is determined using the projected unit credit method, with actuarial valuations being carried out at the end of each annual reporting period. Remeasurement, comprising actuarial gains and losses, the effect of the changes to the asset ceiling (if applicable) and the return on plan assets (excluding net interest), is reflected in the balance sheet with a charge or credit recognised in other comprehensive income in the period in which they occur. Remeasurement recognised in other comprehensive income is reflected immediately in retained earnings and is not reclassified to profit or loss. Past service cost is recognised in profit or loss in the period of a plan amendment. Net interest is calculated by applying the discount rate at the beginning of the period to the net defined benefit liability or asset.

Notes to the standalone financial statements for the year ended March 31, 2021

Note No.	Particulars
	b. Defined benefit costs are categorised as follows
	-service cost (including current service cost, past service cost, as well as gains and losses on curtailments and settlements);
	- net interest expense or income; and
	- remeasurement
	For defined benefit plan, in the form of gratuity fund, the cost of providing benefits is determined using the Projected Unit Credit method, with actuarial valuations being carried out at each Balance Sheet date. Actuarial gains and losses are recognised in the Statement of Profit and Loss in the period in which they occur. The retirement benefit obligation recognised in the Balance Sheet represents the present value of the defined benefit obligation as adjusted for unrecognised past service cost, as reduced by the fair value of scheme assets. Any asset resulting from this calculation is limited to past service cost, plus the present value of available refunds and reductions in future contributions to the scheme. The gratuity fund is maintained with Life Insurance Corporation of India. The Company presents the first two components of defined benefit costs in profit or loss in the line item 'Employee benefits expenses'. Curtailment gains and losses are accounted for as past service costs.
	The retirement benefit obligation recognised in the balance sheet represents the actual deficit or surplus in the Company's defined benefit plan. Any surplus resulting from this calculation is limited to the present value of any economic benefits available in the form of refunds from the plans or reductions in future contributions to the plans. A liability for a termination benefit is recognised at the earlier of when the entity can no longer withdraw the offer of the termination benefit and when the entity recognises any related restructuring costs.
	c. Short-term and other long term employee benefits
	A liability is recognised for benefits accruing to employees in respect of wages and salaries, annual leave and sick leave in the period the related service is rendered at the undiscounted amount of the benefits expected to be paid in exchange for that service.
	Liabilities recognised in respect of short term employee benefits are measured at the undiscounted amount of the benefits expected to be paid in exchange for the related service.
	Liabilities recognised in respect of other long term employee benefits are measured at the present value of the estimated future cash outflows expected to be made by the Company in respect of services provided by employees up to the reporting date.
2.12	**Foreign currency transactions and translations**
	i) Functional and presentation currency
	Items included in the financial statements of the Company are measured using the currency of the primary economic environment in which the Company operates ('the functional currency').
	The financial statements are presented in Indian rupee (INR), which is the Company's functional and presentation currency.
	ii) Transactions and balances
	Transactions in foreign currency are translated into the respective functional currencies using the exchange rates prevailing at the dates of the respective transactions. Foreign exchange gains and losses resulting from the settlement of such transactions and from the translation at the exchange rates prevailing at reporting date of monetary assets and liabilities denominated in foreign currencies are recognized in the statement of profit and loss and reported within foreign exchange gains/ (losses). Also refer note 2.1(1).

Notes to the standalone financial statements for the year ended March 31, 2021

Note No.	Particulars
	Non-monetary assets and liabilities measured in terms of historical cost in foreign currencies are not retranslated. Foreign currency gains and losses are reported on a net basis. This includes changes in the fair value of foreign exchange derivative instruments, which are accounted at fair value through profit or loss.
2.13	**Borrowings and borrowing cost**
	Borrowings are recognised initially at fair value, net of transaction costs incurred. Borrowings are subsequently stated at amortised cost. Any difference between the proceeds (net of transaction costs) and the redemption value is recognised in the income statement over the period of the borrowings using the effective interest rate method. Borrowings are classified as current liabilities unless the Company has an unconditional right to defer settlement of the liability for at least 12 months after the reporting date. Borrowing costs directly attributable to the acquisition, construction or production of qualifying assets, which are assets that necessarily take a substantial period of time to get ready for their intended use or sale, are added to the cost of those assets, until such time as the assets are substantially ready for their intended use or sale. Interest income earned on the temporary investment of specific borrowings pending their expenditure on qualifying assets is deducted from the borrowing costs eligible for capitalisation. All other borrowing costs are recognised in statement of profit and loss in the period in which they are incurred.
2.14	**Earnings per share**
	Basic earnings per share is computed by dividing the profit / (loss) after tax by the weighted average number of equity shares outstanding during the year. Diluted earnings per share is computed by dividing the profit / (loss) after tax as adjusted for dividend, interest and other charges to expense or income relating to the dilutive potential equity shares, by the weighted average number of equity shares considered for deriving basic earnings per share and the weighted average number of equity shares which could have been issued on the conversion of all dilutive potential equity shares.
2.15	**Provisions and contingencies**
	A provision is recognised when the Company has a present obligation as a result of past events and it is probable that an outflow of resources will be required to settle the obligation in respect of which a reliable estimate can be made. Provisions (excluding retirement benefits) are not discounted to their present value and are determined based on the best estimate required to settle the obligation at the Balance Sheet date. These are reviewed at each Balance Sheet date and adjusted to reflect the current best estimates. Contingent liabilities are disclosed in the Notes.
2.16	**Financial instruments**
	All financial instruments are recognised initially at fair value. Transaction costs that are attributable to the acquisition of the financial asset (other than financial assets recorded at fair value through profit or loss) are included in the fair value of the financial assets. Purchase or sales of financial assets that require delivery of assets within a time frame established by regulation or convention in the market place (regular way trade) are recognised on trade date. While, financial liabilities like loans and borrowings and payables are recognised net of directly attributable transaction costs.

Notes to the standalone financial statements for the year ended March 31, 2021

Note No.	Particulars
	For the purpose of subsequent measurement, financial instruments of the Company are classified in the following categories: non-derivative financial assets comprising amortised cost, equity instruments at FVTOCI or fair value through profit and loss account (FVTPL) and financial liabilities at amortised cost or FVTPL. The classification of financial instruments depends on the objective of the business model for which it is held. Management determines the classification of its financial instruments at initial recognition. **a) Non-derivative financial assets** **i) Financial assets at amortised cost** A financial asset shall be measured at amortised cost if both of the following conditions are met: a) the financial asset is held within a business model whose objective is to hold financial assets in order to collect contractual cash flows and b) the contractual terms of the financial asset give rise on specified dates to cash flows that are solely payments of principal and interest (SPPI) on the principal amount outstanding. They are presented as current assets, except for those maturing later than 12 months after the reporting date which are presented as non-current assets. Financial assets are measured initially at fair value plus transaction costs and subsequently carried at amortized cost using the effective interest method, less any impairment loss. The effective interest method is a method of calculating the amortised cost of a debt instrument and of allocating interest income over the relevant period. The effective interest rate is the rate that exactly discounts estimated future cash receipts (including all fees and points paid or received that form an integral part of the effective interest rate, transaction costs and other premiums or discounts) through the expected life of the debt instrument, or where appropriate, a shorter period, to the gross carrying amount on initial recognition. Financial assets at amortised cost are represented by trade receivables, security deposits, cash and cash equivalents, employee and other advances and eligible current and non-current assets. Income is recognised on an effective interest basis for debt instruments other than those financial assets classified as at FVTPL. Interest income is recognised in profit or loss and is included in the "Other Income" line item. **ii) Equity instruments at FVTOCI** All equity instruments are measured at fair value. Equity instruments held for trading is classified as FVTPL. For all other equity instruments, the Company may make an irrevocable election to present subsequent changes in the fair value in OCI. The Company makes such election on an instrument by-instrument basis.If the Company decides to classify an equity instrument as at FVTOCI, then all fair value changes on the instrument, excluding dividend are recognised in OCI which is not subsequently reclassified to statement of profit and loss. **iii) Financial assets at FVTPL** FVTPL is a residual category for financial assets. Any financial asset which does not meet the criteria for categorization as at amortised cost or as FVTOCI, is classified as FVTPLIn addition, the Company may elect to designate the financial asset, which otherwise meets amortised cost or FVOCI criteria, as FVTPL if doing so eliminates or significantly reduces a measurement or recognition inconsistency.Financial assets at FVTPL are measured at fair value at the end of each reporting period, with any gains or losses arising on remeasurement recognised in profit or loss.

Notes to the standalone financial statements for the year ended March 31, 2021

Note No.	Particulars
	The net gain or loss recognised in profit or loss incorporates any dividend or interest earned on the financial asset and is included in the `Other income' line item. Dividend on financial assets at FVTPL is recognised when the Company's right to receive the dividends is established, it is probable that the economic benefits associated with the dividend will flow to the entity, the dividend does not represent a recovery of part of cost of the investment and the amount of dividend can be measured reliably.
	iv) Derecognition of financial assets
	The Company derecognises a financial asset when the contractual rights to the cash flows from the asset expire, or when it transfers the financial asset and substantially all the risks and rewards of ownership of the asset to another party. If the Company neither transfers nor retains substantially all the risks and rewards of ownership and continues to control the transferred asset, the Company recognises its retained interest in the asset and an associated liability for amounts it may have to pay. If the Company retains substantially all the risks and rewards of ownership of a transferred financial asset, the Company continues to recognise the financial asset and also recognises a collateralised borrowing for the proceeds received.
	On derecognition of a financial asset in its entirety, the difference between the asset's carrying amount and the sum of the consideration received and receivable and the cumulative gain or loss that had been recognised in other comprehensive income and accumulated in equity is recognised in profit or loss if such gain or loss would have otherwise been recognised in profit or loss on disposal of that financial asset.
	On derecognition of a financial asset other than in its entirety (e.g. when the Company retains an option to repurchase part of a transferred asset), the Company allocates the previous carrying amount of the financial asset between the part it continues to recognise under continuing involvement, and the part it no longer recognises on the basis of the relative fair values of those parts on the date of the transfer. The difference between the carrying amount allocated to the part that is no longer recognised and the sum of the consideration received for the part no longer recognised and any cumulative gain or loss allocated to it that had been recognised in other comprehensive income is recognised in profit or loss if such gain or loss would have otherwise been recognised in profit or loss on disposal of that financial asset. A cumulative gain or loss that had been recognised in other comprehensive income is allocated between the part that continues to be recognised and the part that is no longer recognised on the basis of the relative fair values of those parts.
	b) Non-derivative financial liabilities
	i) Financial liabilities at amortised cost
	Financial liabilities at amortised cost represented by borrowings, trade and other payables are initially recognized at fair value, and subsequently carried at amortized cost using the effective interest rate method.
	ii) Financial liabilities at FVTPL
	Financial liabilities at FVTPL are stated at fair value, with any gains or losses arising on remeasurement recognised in profit or loss. The net gain or loss recognised in profit or loss incorporates any interest paid on the financial liability and is included in the `Finance costs' line item. The Company derecognises financial liabilities when, and only when, the Company's obligations are discharged, cancelled or they expire. The difference between the carrying amount of the financial liability derecognised and the consideration paid and payable is recognised in Statement of Profit and Loss.

Notes to the standalone financial statements for the year ended March 31, 2021

Note No.	Particulars
	For financial liabilities that are denominated in a foreign currency and are measured at amortised cost at the end of each reporting period, the foreign exchange gains and losses are determined based on the amortised cost of the instruments and are recognised in the statement of profit and loss. The fair value of financial liabilities denominated in a foreign currency is determined in that foreign currency and translated at the spot rate at the end of the reporting period. For financial liabilities that are measured as at FVTPL, the foreign exchange component forms part of the fair value gains or losses and is recognised in profit or loss.
	iii) Derecognition of non-derivative financial liabilities
	The Company derecognises financial liabilities when, and only when, the Company's obligations are discharged, cancelled or have expired. An exchange between with a lender of debt instruments with substantially different terms is accounted for as an extinguishment of the original financial liability and the recognition of a new financial liability. Similarly, a substantial modification of the terms of an existing financial liability (whether or not attributable to the financial difficulty of the debtor) is accounted for as an extinguishment of the original financial liability and the recognition of a new financial liability. The difference between the carrying amount of the financial liability derecognised and the consideration paid and payable is recognised in statement of profit or loss.
2.17	**Impairment**
	a) Financial Assets
	In accordance with Ind AS 109, the Company applies expected credit loss (ECL) model for measurement and recognition of impairment loss. The Company follows 'simplified approach' for recognition of impairment loss allowance on trade receivable. The application of simplified approach does not require the Company to track changes in credit risk. Rather, it recognises impairment loss allowance based on lifetime ECLs at each reporting date, right from its initial recognition.
	Lifetime ECLs are the expected credit losses resulting from all possible default events over the expected life of a financial instrument. The 12-month ECL is a portion of the lifetime ECL which results from default events that are possible within 12-months after the reporting date.
	ECL is the difference between all contractual cash flows that are due to the Company in accordance with the contract and all the cash flows that the entity expects to receive (i.e. all shortfalls), discounted at the original EIR. When estimating the cash flows, an entity is required to consider :
	i) All contractual terms of the financial instrument (including prepayment, extension etc.) over the expected life of the financial instrument. However, in rare cases when the expected life of the financial instrument cannot be estimated reliably, then the entity is required to use the remaining contractual term of the financial instrument.
	ii) Cash flows from the sale of collateral held or other credit enhancements that are integral to the contractual terms.
	As practical expedient, the Company uses a provision matrix to determine impairment loss on portfolio of its trade receivable. The provision matrix is based on its historically observed default rates over the expected life of the trade receivable and is adjusted for forward-looking estimates. At every reporting date, the historically observed default rates are updated and changes in forward-looking estimates are analysed.
	ECL impairment loss allowance (or reversal) recognised during the year is recognised as income/expense in the statement of profit and loss. The balance sheet presentation for various financial instruments is described below:

Notes to the standalone financial statements for the year ended March 31, 2021

Note No.	Particulars
	Financial assets measured at amortised cost, contractual revenue receivable: ECL is presented as an allowance, i.e. as an integral part of the measurement of those assets in the balance sheet. The allowance reduces the net carrying amount. Until the asset meets write off criteria, the Company does not reduce impairment allowance from the gross carrying amount.
	b) Non-financial assets
	The Company assesses at each reporting date whether there is any objective evidence that a non financial asset or a group of non financial assets is impaired. If any such indication exists, the Company estimates the amount of impairment loss.
	An impairment loss is calculated as the difference between an asset's carrying amount and recoverable amount. Losses are recognised in profit or loss and reflected in an allowance account. When the Company considers that there are no realistic prospects of recovery of the asset, the relevant amounts are written off. If the amount of impairment loss subsequently decreases and the decrease can be related objectively to an event occurring after the impairment was recognised, then the previously recognised impairment loss is reversed through profit or loss.
	The recoverable amount of an asset or cash-generating unit (as defined below) is the greater of its value in use and its fair value less costs to sell. In assessing value in use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset. For the purpose of impairment testing, assets are grouped together into the smallest group of assets that generates cash inflows from continuing use that are largely independent of the cash inflows of other assets or groups of assets (the "cash-generating unit").
2.18	**Government grants**
	Grants from the government are recognised when there is reasonable assurance that:
	(i) the Company will comply with the conditions attached to them; and
	(ii) the grant will be received.
	Government grants related to revenue are recognised on a systematic basis in the statement of profit and loss over the periods necessary to match them with the related costs which they are intended to compensate. Such grants are deducted in reporting the related expense. When the grant relates to an asset, it is recognized as income over the expected useful life of the asset.
	Where the Company receives non-monetary grants, the asset is accounted for on the basis of its acquisition cost. In case a non-monetary asset is given free of cost it is recognised at a fair value. When loan or similar assistance are provided by government or related institutions, with an interest rate below the current applicable market rate, the effect of this favourable interest is recognized as government rate. The loan or assistance is initially recognized and measured at fair value and the government grant is measured as the difference between the initial carrying value of the loan and the proceeds received.
2.19	**Operating cycle**
	Based on the nature of products / activities of the Company and the normal time between acquisition of assets and their realisation in cash or cash equivalents, the Company has determined its operating cycle as 12 months for the purpose of classification of its assets and liabilities as current and non-current.

Notes to the standalone financial statements for the year ended March 31, 2021

3A Property, plant and equipment and capital work-in-progress

(Rs. in Lakhs)

Carrying Amount of	As at March 31, 2021	As at March 31, 2020
Own land	4,933.99	4,939.06
Building - own	10,587.37	11,047.05
Building on leasehold land	1,345.91	1,372.19
Plant and machinery	36,210.24	38,283.92
Office equipment	80.66	114.13
Furniture and fittings	248.28	294.06
Vehicles	55.94	51.44
Tools and implements	1.79	1.79
Total	**53,464.18**	**56,103.64**

Assets	Rate of depreciation (%)
Factory building	3.17
Building (non factory)	1.58
Plant & machinery (main)	3.17
Plant & machinery (others)	6.33
Office equipments	19.00
Furniture and fittings	9.50
Vehicles	11.88

(Rs. in Lakhs)

Description of Assets	Own land	Building - own	Building on leasehold land	Plant and machinery	Office equipment	Furniture and fittings	Vehicles	Tools and implements	Total
I. Gross									
Balance as at April 1, 2019	**4,976.31**	**12,644.26**	**1,490.79**	**46,674.78**	**403.86**	**430.94**	**107.92**	**1.88**	**66,730.74**
Additions	-	476.44	51.51	1,298.87	56.95	1.35	-	-	1,885.12
Disposals	(37.25)	(476.67)	-	(3,139.94)	(0.02)	-	-	-	(3,653.88)
Balance as at March 31, 2020	**4,939.06**	**12,644.03**	**1,542.30**	**44,833.71**	**460.79**	**432.29**	**107.92**	**1.88**	**64,961.98**
Additions	-	19.99	24.29	732.24	19.69	1.35	7.09	-	804.65
Disposals	(5.07)	-	-	(1,771.22)	-	-	(7.59)	-	(1,783.88)
Balance as at March 31, 2021	**4,933.99**	**12,664.02**	**1,566.59**	**43,794.73**	**480.48**	**433.64**	**107.42**	**1.88**	**63,982.75**
II. Accumulated depreciation/amortisation									
Balance as at April 1, 2019	**-**	**1,314.92**	**120.68**	**6,611.88**	**273.20**	**88.81**	**41.73**	**0.09**	**8,451.31**
Depreciation / amortisation expenses for the year	-	458.04	49.43	2,081.93	73.48	49.42	14.75	-	2,727.05
Disposals	-	(175.98)	-	(2,144.02)	(0.02)	-	-	-	(2,320.02)
Balance as at March 31, 2020	**-**	**1,596.98**	**170.11**	**6,549.79**	**346.66**	**138.23**	**56.48**	**0.09**	**8,858.34**
Depreciation / amortisation expenses for the year	-	479.67	50.57	2,093.99	53.16	47.13	0.34	-	2,724.86
Disposals	-	-	-	(1,059.29)	-	-	(5.34)	-	(1,064.63)
Balance as at March 31, 2021	**-**	**2,076.65**	**220.68**	**7,584.49**	**399.82**	**185.36**	**51.48**	**0.09**	**10,518.57**
Net (I-II)									
Balance as at March 31, 2020	**4,939.06**	**11,047.05**	**1,372.19**	**38,283.92**	**114.13**	**294.06**	**51.44**	**1.79**	**56,103.64**
Balance as at March 31, 2021	**4,933.99**	**10,587.37**	**1,345.91**	**36,210.24**	**80.66**	**248.28**	**55.94**	**1.79**	**53,464.18**

Amount pertaining to the lease hold land and building comprised in the property, plant and equipment schedule represented by 252,841 equity shares of Rs.10/- each of Section 8 Company and Leave and license agreement.

3B Depreciation and amortisation expenses

Particulars	For the year ended March 31, 2021	For the year ended March 31, 2020
Tangible assets	2,724.86	2,727.05
Depreciation on Right-of-use assets	84.25	104.11
	2,809.11	**2,831.16**

3C The Company entered into an agreement to sell dated March 30, 2011 with Shiva Tex Yarn Limited for the sale of part of land situated at Velvarkottai, Dindigul and Kodangipalayam, Karanampet, Coimbatore, valued at Rs.56,72,085/-. Accordingly the said amount is disclosed as assets held for sale.

Notes to the standalone financial statements for the year ended March 31, 2021

Non-current assets

4 Financial assets

4.1 Investments

(Rs. in Lakhs)

Particulars	As at March 31, 2021	As at March 31, 2020
I. Quoted investments (fully paid) carried at fair value		
Investments in equity instruments - others		
i) 250 (As at March 31, 2020 - 250) equity shares of Rs.10/- each in Bannari Amman Sugars Limited	3.82	3.82
ii) 34 (As at March 31, 2020 - 34) equity shares of Rs.10/- each in Moil Limited	0.03	0.03
Total quoted investments	3.85	3.85
II. Unquoted investments (fully paid)		
I. Investments in equity instruments - subsidiaries (carried at cost)		
i) 3,34,49,112 (As at March 31, 2020 - 3,34,49,112) equity shares of Rs.10/- each in Young Brand Apparel Private Limited	2,606.00	2,606.00
ii) 10,000 (As at March 31, 2020 - 10,000) equity shares of Rs.10/- each in Accel Apparels Private Limited (Wholly owned subsidiary)	1.00	1.00
iii) 1,00,000 (As at March 31, 2020 - 1,00,000) equity shares of Rs. 10/- each in Abirami Amman Designs Private Limited (Wholly owned subsidiary)	10.00	10.00
iv) 10,000 (As at March 31, 2020 - 10,000) equity shares of Rs.10/- each in Bannari Amman Retails Private Limited (Wholly owned subsidiary)	1.00	1.00
v) 10,000 (As at March 31, 2020 - 10,000) equity shares of Rs.10/- each in Bannari Amman Trendz Private Limited (Wholly owned subsidiary)	1.00	1.00
II. Investments - Others (Carried at fair value)		
i) 6,443 (As at March 31, 2020 - 6,443) Preference shares of Shiva Automobiles Private Limited of Rs. 100 each	5.10	5.10
ii) 15,000 (As at March 31, 2020 - 15,000) Equity shares of Rs.10/- each in OPG Metal Power Private Limited	1.50	1.50
iii) 1,41,800 (As at March 31, 2020 - 1,32,700) Equity shares of Rs.10/- each in OPG Power Generation Private Limited	15.93	14.89
III. Investments in Government securities (Carried at fair value)		
Kisan Vikas Patra	0.03	0.03
Total Unquoted Investments	**2,641.56**	**2,640.52**
Total - Investments	**2,645.41**	**2,644.37**

Notes to the standalone financial statements for the year ended March 31, 2021

(Rs. in Lakhs)

Particulars	A sat March 31, 2021	As at March 31, 2020
Aggregate amount of quoted investments	3.85	3.85
Aggregate market value of quoted investments	3.85	3.85
Aggregate amount of unquoted investments	2,641.56	2,640.52
Aggregate market value of unquoted investments	22.56	2,640.52

4.2 Other financial assets

Particulars	As at March 31, 2021	As at March 31, 2020
Inter corporate deposit	550.00	-
Interest on inter corporate deposit	28.00	-
Total - Other financial assets	**578.00**	**-**

5 Other non-current assets

Particulars	As at March 31, 2021	As at March 31, 2020
Security deposits paid	429.67	936.05
Capital advances	6.19	1.23
Other advances	63.72	206.02
Advance tax and tax deducted at source (Net)	423.27	248.96
Total - Other non-current assets	**922.85**	**1,392.26**

Current assets

6 Inventories

(At lower of cost and net realisable value)

Particulars	As at March 31, 2021	As at March 31, 2020
Raw materials	10,774.45	12,163.71
Work-in-progress	1,772.70	1,645.35
Finished goods	4,843.62	10,467.95
Stores and spares	748.02	595.00
Total - Inventories	**18,138.79**	**24,872.01**
Raw Materials expensed	53,915.96	65,750.09

Notes to the standalone financial statements for the year ended March 31, 2021

7. Financial assets

7.1 Trade receivables

(Rs. in Lakhs)

	Particulars	As at March 31, 2021	As at March 31, 2020
A)	Trade receivable considered good - Unsecured	12,905.95	16,411.88
B)	Trade receivable - Credit impaired	856.04	814.52
		13,761.99	17,226.40
	Less: Allowance for doubtful trade receivables	(856.04)	(814.52)
	Total - Trade receivables	**12,905.95**	**16,411.88**

The Company uses a provision matrix to determine impairment loss on portfolio of its trade receivable. The provision matrix is based on its historically observed default rates over the expected life of the trade receivable and is adjusted for forward-looking estimates. At every reporting date, the historical observed default rates are updated and changes in forward-looking estimates are analysed. The Company estimates the following matrix at the reporting date.

	Ageing		
Particulars	**1-90 days**	**91-180 days**	**> 180 days**
Exports customers			
Default rate	-	-	-
PY	-	-	27.12%
Domestic customers			
Default rate	-	-	15.00%
PY	2.71%	9.55%	15.00%

Movement in expected credit loss allowance

Particulars	As at March 31, 2021	As at March 31, 2020
Balance at the beginning of the year	814.52	657.17
Movement in expected credit loss on trade receivables calculated at lifetime expected credit losses	41.52	157.35
Balance at the end of the year	**856.04**	**814.52**

Notes to the standalone financial statements for the year ended March 31, 2021

7.2 Cash and cash equivalents

(Rs. in Lakhs)

Particulars	As at March 31, 2021	As at March 31, 2020
a) Cash on hand	3.74	6.17
b) Cheques/drafts on hand	4.00	3.50
c) Balances with banks :		
i) In current accounts	870.24	617.27
ii) In deposit accounts	-	2,030.00
iii) In earmarked accounts		
- Margin money deposits	-	164.00
- Unpaid dividend accounts	2.60	3.11
Total - Cash and cash equivalents	**880.58**	**2,824.05**
Of the above, balances that meet the definition of cash and cash equivalents as per Ind AS 7 Cash Flow Statements	877.98	2,656.94

7.3 Loans

(Unsecured and considered good, unless stated otherwise)

Particulars	As at March 31, 2021	As at March 31, 2020
Employee advance	30.19	17.79
Total - Loans	**30.19**	**17.79**

7.4 Other financial assets

(Unsecured and considered good, unless stated otherwise)

Particulars	As at March 31, 2021	As at March 31, 2020
Accruals:		
- Interest accrued on fixed deposits with banks	-	16.46
- TUF subsidy receivable	662.59	462.52
- Incentive/grant receivable	531.00	531.00
- Unbilled revenue (Refer Note (i) below)	66.51	488.60
Rights issue expenses	27.63	-
Derivative financial instruments	-	243.51
Total - Other financial assets	**1,287.73**	**1,742.09**

Notes to the standalone financial statements for the year ended March 31, 2021

Note (i) Movement in unbilled revenue

(Rs. in Lakhs)

Particulars	As at March 31, 2021	As at March 31, 2020
Opening Balance	488.60	422.09
Add: Revenue recognised during the year	-	66.51
Less: Reversal / adjustments during the year	422.09	-
Closing Balance	**66.51**	**488.60**

7.5 Current tax assets

Particulars	As at March 31, 2021	As at March 31, 2020
Current tax assets (Advance tax & TDS for the year)	45.68	166.99
Total - Current tax assets	**45.68**	**166.99**

8 Other current assets

(Unsecured and considered good, unless stated otherwise)

Particulars	As at March 31, 2021	As at March 31, 2020
Prepaid expenses	393.79	466.56
Balances with government authorities:		
- Duty drawback receivable	512.43	247.73
- GST receivable	462.28	713.56
- ESI liquidated damage	7.58	7.58
Gratuity	155.611	131.98
Advance to suppliers	1,126.22	755.34
Total - Other current assets	**2,657.91**	**2,322.75**

9 Equity share capital

Particulars	As at March 31, 2021		As at March 31, 2020	
	Number of shares	Amount in Lakhs	Number of shares	Amount in Lakhs
(a) Authorised :				
(i) Equity share capital				
Equity shares of Rs.5/- each (PY Rs.10/- each)	100,000,000	5,000.00	16,000,000	1,600.00
(ii) Preference share capital				
Cumulative preference shares of Rs.100/- each	50,000	50.00	50,000	50.00
Total	**100,050,000**	**5,050.00**	**16,050,000**	**1,650.00**
(b) Issued, subscribed and fully paid-up :				
(i) Equity share capital				
Equity shares of Rs. 5/- each (PY Rs.10/- each)	31,508,538	1,575.43	15,754,269	1,575.43
Total - Equity share capital	**31,508,538**	**1,575.43**	**15,754,269**	**1,575.43**

Notes to the standalone financial statements for the year ended March 31, 2021

(i) Reconciliation of the number of shares and amount outstanding at the beginning and at the end of the reporting period :

Particulars	As at March 31, 2021		As at March 31, 2020	
	Number of shares	Amount in Lakhs	Number of shares	Amount in Lakhs
Equity shares of Rs. 5/- each At the beginning of the year	15,754,269	1,575.43	15,754,269	1,575.43
Add: Increase in number of shares due to split of face value from Rs.10/- per share to Rs.5/- per share during the year	15,754,269	-	-	-
Outstanding at the end of the year	**31,508,538**	**1,575.43**	**15,754,269**	**1,575.43**

(ii) Terms / rights attached to the equity shares:

The company has splitted the face value of equity share from Rs.10/- per share to Rs.5/- per share thereby increase of equivalent number of existing shares.

The Company has issued only one class of equity share having a face value of Rs. 5/- per share. The holder of each equity share is entitled to one vote per share. In the event of liquidation of the Company, the holders of equity shares will be entitled to receive remaining assets of the Company, after distribution to all preferential creditors and other creditors, in the order of priority. The distribution will be in proportion to the number of equity shares held by shareholders. The company declares and pays dividend in Indian Rupees. The dividend proposed by Board of Directors is subject to the approval of Shareholders in the ensuing Annual General Meeting.

(iii) Distributions made and proposed:

Dividend recognized as distributions to equity shareholders for the year ended March 31, 2020 was NIL as the Board of Directors at its meeting held on August 13, 2020 had recommended no dividend.Further, for the year ended March 31, 2021, the Board of Directors at its meeting held on May 31, 2021 have not proposed any dividend.

(iv) Details of shareholders holding more than 5% of the share capital:

Equity Shares

Name of the Shareholder	As at March 31, 2021		As at March 31, 2020	
	Number of shares held	% of holding	Number of shares held	% of holding
Murugan Enterprise Private Limited	17,166,466	54.48%	7,803,733	49.53%
Gagandeep Credit Capital Private Limited	1,974,950	6.27%	987,475	6.27%

(v) Details of shares held by the holding company:

Particulars	As at March 31, 2021
	Number of Shares
Out of the equity shares issued by the company - Murugan Enterprise Private Limited, the holding company	17,166,466

Notes to the standalone financial statements for the year ended March 31, 2021

10 Other equity

(Rs. in Lakhs)

Particulars	As at March 31, 2021	As at March 31, 2020
1. Securities premium account		
Amounts received on issue of shares in excess of the par value has been classified as securities premium.		
Opening balance	7,930.76	7,930.76
Closing balance	**7,930.76**	**7,930.76**
2. General reserve		
This represents appropriation of profit by the Company.		
Opening balance	16,295.22	16,295.22
Closing balance	**16,295.22**	**16,295.22**
3. Retained earnings		
Retained earnings comprise of the Company's prior years undistributed earnings after taxes.		
Opening balance	4,851.10	5,145.66
Add : Profit / (loss) for the current year	(1,055.05)	19.90
Less : Cash dividends	-	(252.07)
Less : Tax on dividends	-	(52.13)
Impact on account of initial application of Ind AS 116 (Refer Note 31)	-	(10.26)
Closing balance	**3,796.05**	**4,851.10**
4. Other comprehensive income		
Other items of other comprehensive income consist of fair value changes on FVTOCI financial assets and financial liabilities and remeasurement of net defined benefit liability.		
Opening balance	19.66	(37.64)
Add : Movement during the year	46.10	57.30
Closing balance	**65.76**	**19.66**
Total - Other equity (1+2+3+4)	**28,087.79**	**29,096.74**

Non-current liabilities

11. Financial liabilities

11.1 Borrowings

(Rs. in Lakhs)

Particulars	As at March 31, 2021	As at March 31, 2020
(a) Term loans - Secured (Refer Notes (i) to (ix) below)		
- From banks	10,156.10	14,626.31
- From others	1,698.46	1,519.50
(b) Borrowings from others - Unsecured (Refer Note (x) below)	3,900.00	2,200.00
Total - Borrowings	**15,754.56**	**18,345.81**

Notes to the standalone financial statements for the year ended March 31, 2021

The Company vide its letter dated November 27, 2020 requested its Bankers for One Time Restructuring of Term Loans under the Resolution framework for COVID 19 related stress in line with RBI circular number RBI/2020-21/16/ DOR.No.BP.BC/3/21.04.048/2020-21 dated August 06, 2020. The mentioned Resolution Plan was approved by the Bankers on June 24, 2021 in terms of which a moratorium has been allowed to an extent of Rs.5245.77 lakhs relating to Financial year 2021-22 for a period of 1 year and 1 month. Considering this being a non-adjusting subsequent event no adjustment has been made in books of accounts for this effect.

Notes

Details of terms of repayment and security provided in respect of secured term loans : (Rs. in Lakhs)

Particulars	As at March 31, 2021	As at March 31, 2020
i) ICICI Bank Limited- Rupee term loan 2	375.00	1,054.85
ICICI Bank Limited- Rupee term loan 3	957.50	1,915.00
Less : Current maturities of long term debt	(1,332.50)	(1,590.41)
Total	**-**	**1,379.44**

Security:

Term Loan 2 : First Pari passu charge on the entire property, plant and equipment of Spinning Unit I located at Vadamadurai, Dindigul alongwith other banks and exclusive charge on the specific plant & machinery of weaving unit.

Term loan 3 : First charge on the entire property, plant and equipment of Spinning Mill Unit I situated at Dindigul on pari passu basis alongwith other banks and exclusive charge on the windmills (Land, Building, Plant & Machinery) of the Company with an aggregate installed capacity of 16.2 MW located at Chinnaputhur village, Tirupur District and Irukkandurai Village, Tirunelveli District.

Repayment : Term Loan 2: 16 quarterly instalments starting from July 2017. Term Loan 3: 16 quarterly instalments starting from June 2018.

Rate of Interest : Term Loan 2: 4.43%. Term loan 3: 10%

Particulars	As at March 31, 2021	As at March 31, 2020
ii) Indian Bank - Rupee Term Loan	793.60	971.35
Less: Current maturities of long term debt	(632.09)	(250.00)
Total	**161.51**	**721.35**

Pari-passu first charge by way of equitable mortgage over factory land and building at SIPCOT Perundurai and exclusive charge on fixed assets purchased out of the loan.

Repayment :32 Quarterly instalments starting from February 2014.

Rate of Interest : 12.80%

Notes to the standalone financial statements for the year ended March 31, 2021

(Rs. in Lakhs)

Particulars	As at March 31, 2021	As at March 31, 2020
iii) Indian Bank - Rupee term loan	5,241.52	5,922.93
Less: Current maturities of long term debt	(1,647.45)	(1,125.00)
Total	**3,594.07**	**4,797.93**

Pari-passu first charge by way of equitable mortgage of factory land and building of Spinning, Weaving, Knitting, Processing and Garment divisions of the company along with other banks.

Repayment : 32 Quarterly instalments starting from June 2016.

Rate of Interest : 12.80%

Particulars	As at March 31, 2021	As at March 31, 2020
iv) Indian Bank - Rupee term loan	4,174.32	4,161.02
Less: Current maturities of long term debt	(636.43)	(239.40)
Total	**3,537.89**	**3,921.62**

Pari-passu first charge by way of equitable mortgage of factory land and building of Spinning, Weaving, Knitting, Processing and Garment divisions of the company alongwith other banks.

Repayment : 32 Quarterly instalments starting from June 2018.

Rate of Interest : 12.80%

Particulars	As at March 31, 2021	As at March 31, 2020
v) DCB Bank Limited - Term loan	1,363.12	1,726.19
Less: Current maturities of long term debt	(743.52)	(416.67)
Total	**619.60**	**1,309.52**

Exclusive charge over windmills of 7.20 MW capacity located at Melkaraipatti & Kottathurai Village, Palani Taluk, Dindigul District.

Repayment : 42 Monthly instalments starting from March 2019.

Rate of Interest : 9.30%

Particulars	As at March 31, 2021	As at March 31, 2020
vi) Axis Bank - Term loan	-	2,012.50
Less: Current maturities of long term debt	-	(2,012.50)
Total	**-**	**-**

Exclusive charge on windmill unit IV & V assets of 6.55 MW capacity situated at Chinnapudur Village, Dharapuram Taluk, Tamilnadu and Kongalnagaram, Udumalpet Taluk, Tirupur District, Tamilnadu.

Repayment : 24 Quarterly instalments starting from December 2018.

Rate of Interest : 10.45%.

Notes to the standalone financial statements for the year ended March 31, 2021

(Rs. in Lakhs)

Particulars	As at March 31, 2021	As at March 31, 2020
vii) Indian overseas Bank - Term loan	2,633.11	2,681.46
Less: Current maturities of long term debt	(390.09)	(185.00)
Total	**2,243.02**	**2,496.46**

Paripassu first charge on property, plant and equipment of Spinning Mill Unit I located at Nadukandanur Pirivu, Vadamadurai, Dindigul and Paripassu first charge on fixed assets of Spinning Mill Unit II located at Velvarkottai, Trichy Highway 45, Vedasandur TK, Dindigul - 624803 alongwith other banks.

Repayment : 32 Quarterly instalments starting from August 2019.

Rate of Interest: 10.95%

Particulars	As at March 31, 2021	As at March 31, 2020
viii) Palladam Hi-Tech Weaving Park	47.84	47.84
Less: Current maturities of long term debt	-	-
Total	**47.84**	**47.84**

First charge on fixed assets acquired out of loan of Garment Unit located at Palladam Hi-Tech Weaving Park, Sukkampalayam Village, K.N.Puram (Po), Palladam.

Repayment : 120 Monthly instalments starting from April 2010.

Rate of Interest : 0.75% .

Particulars	As at March 31, 2021	As at March 31, 2020
ix) SIPCOT Soft Loan	2,554.90	2,554.90
Less: Current maturities of long term debt	-	-
Less: Government grant (Refer note (ii) below)	(904.29)	(1,083.25)
Total	**1,650.61**	**1,471.65**

(i) First charge by way of equitable mortgage over factory land and building and hypothecation of other movable assets financed by SIPCOT for the expansion project ranking paripassu with other banks and property plant and equipment of the expansion scheme of spinning units located at Velvarkottai Village, Dindigul, Weaving unit and Knitting unit at Karanampet, Coimbatore.

(ii) The Government of Tamil Nadu in its order : G.O. Ms. No. 126, dated October 20, 2009, has granted an amount equivalent to net output VAT + CST paid through expansion project to Government as Investment Promotion Soft Loan for a period of 10 years, subject to terms and conditions mentioned in the Eligibility Certificate ID/SPA/BSML/2010 dated 30 April 2013. The soft loan will carry a nominal rate of 0.1% per annum. The soft loan sanctioned is repayable on the 10th year from the date of sanction. This is considered as Government grant and accordingly the loan amount is carried at amortised cost considering an effective interest rate of 12.16%. The Government grant income is recognised proportionately in relation to the interest expense.

Notes to the standalone financial statements for the year ended March 31, 2021

(Rs. in Lakhs)

Unsecured loan

Particulars	As at March 31, 2021	As at March 31, 2020
x) Murugan Enterprise Private Limited	3,900.00	2,200.00
Total	**3,900.00**	**2,200.00**

Rate of interest : 9.00% to 10.00%. Repayment within 36 months from the date of borrowing.

Particulars	As at March 31, 2021	As at March 31, 2020
Non-Current borrowings - Total	15,754.55	18,345.81
Current maturities of long term borrowings - Total	5,382.08	5,818.98
Total	**21,136.62**	**24,164.79**

12 Other non-current liabilities

Particulars	As at March 31, 2021	As at March 31, 2020
Government grant - SIPCOT soft loan (Refer note 11.1)	703.58	904.30
Total - Other non-current liabilities	**703.58**	**904.30**

Current liabilities

13 Financial liabilities

13.1 Borrowings

Particulars	As at March 31, 2021	As at March 31, 2020
(a) Working capital loan from banks (Secured) (Refer Note 1 below)	27,942.08	35,031.43
(b) Working capital loan from banks (Unsecured/Residual) (Refer Note 2 below)	1,150.62	2,939.87
(c) Liability for bills discounted - other than banks	-	24.16
Total - Borrowings	**29,092.70**	**37,995.46**

Note : 1 - Secured loans

Particulars	As at March 31, 2021	As at March 31, 2020
i) The Karur Vysya Bank Limited	1,052.12	1,356.87

Working Capital Limit: Rs. 1,250 Lakhs

Security : Pari passu first charge on the entire current asset of Spinnng Unit I situated at Nadukandanur pirivu, Morepatty Post, Vadamadurai, Dindigul alongwith other banks. Pari passu second charge on the entire property, plant and equipment of Spinning Unit I.

Particulars	As at March 31, 2021	As at March 31, 2020
ii) Union Bank of India	4,070.72	5,164.98

Working Capital Limit: Rs. 5,250 Lakhs

Security : Paripassu first charge on the entire current asset of Spinning Unit I, II and Weaving Unit alongwith other banks. Paripassu second charge on the entire property, plant and equipment of Spinning Unit I, II and Weaving units.

Notes to the standalone financial statements for the year ended March 31, 2021

Particulars	As at March 31, 2021	As at March 31, 2020
iii) ICICI Bank Limited	1,937.04	2,315.27

Working capital limit: Rs. 2,500 Lakhs
Security : First Charge by way of Hypothecation of Raw materials, semi-finished and finished goods, consumable stores and spares and other movable properties both present and future of Spinning unit I for limit upto Rs. 2,500 Lakhs on paripassu basis with other banks.

Particulars	As at March 31, 2021	As at March 31, 2020
iv) Punjab National Bank	4,656.61	5,581.24

Working Capital Limit: Fund based limit : Rs. 5,800 Lakhs Non-fund based limit : Rs. 2,500 Lakhs
Security : Paripassu first charge on the entire current assets of Spinning Unit II, Garment and Processing Units alongwith other banks. Paripassu second charge on the entire fixed assets of Spinning Unit II, Garment and Processing Units.

Particulars	As at March 31, 2021	As at March 31, 2020
v) Indian Overseas Bank	6,908.39	10,219.03

Working Capital Limit: Fund based limit : Rs. 10,000 Lakhs Non-fund based limit : Rs. 2,500 Lakhs
Security : Paripassu first charge on the entire current assets of Spinning Unit II and Knitting Unit alongwith other banks. Paripassu second charge on the entire property, plant and equipment of Spinning Unit II and Knitting Unit.

Particulars	As at March 31, 2021	As at March 31, 2020
vi) Bank of Maharashtra	195.01	735.99

Working Capital Limit: Rs. 1,000 Lakhs
Security : Paripassu first charge on the entire current assets of Processing Unit. Paripassu second charge on the entire property, plant and equipment of Processsing Unit.

Particulars	As at March 31, 2021	As at March 31, 2020
vii) Indian Bank	3,354.07	3,755.73

Working Capital Limit: Rs. 3,700 Lakhs
Security : Paripassu first charge on the entire current assets of Spinning Unit II & Garment Unit alongwith other banks. Paripassu second charge on the entire property, plant and equipmentof Spinning Unit II & Garment Unit.

Particulars	As at March 31, 2021	As at March 31, 2020
viii) Bank of Bahrain & Kuwait B.S.C.	1944.79	1,925.59

Working Capital Limit: Rs. 2,000 Lakhs
Security : Paripassu first charge on the entire current assets of Spinning Unit I alongwith other banks. Paripassu second charge on the entire fixed assets of Spinning Unit I.

Notes to the standalone financial statements for the year ended March 31, 2021

(Rs. in Lakhs)

Particulars	As at March 31, 2021	As at March 31, 2020
ix) Indian Bank	1343.09	1,510.03

Working Capital Limit: Rs. 1,500 Lakhs.
Security : First Charge by way of Hypothecation of Raw materials, Stock-in-trade, Finished goods of the Garment Division. Second charge on the property, plant and equipment of the Garment Division.

Particulars	As at March 31, 2021	As at March 31, 2020
x) DCB Bank Limited	2480.24	2,466.70

Working Capital Limit: Rs. 2,500 Lakhs
Security : Extension of charge on windmills of 7.20 MW capacity offered as prime security for Term Loan.

Note : 2 - Unsecured / Residual loans

Particulars	As at March 31, 2021	As at March 31, 2020
ICICI Bank Limited	1,150.62	2,939.87

Working capital limits: Rs. 3,500 lakhs

13.2 Trade payables

Particulars	As at March 31, 2021	As at March 31, 2020
Total outstanding dues of micro and small enterprises (Refer Note 24)		
- For raw materials	1,648.79	788.05
- For others	90.51	21.46
Total outstanding dues of creditors other than micro and small enterprises		
- For raw materials	4,946.83	7,960.29
- For others	2,835.76	2,521.76
Total - Trade payables	**9,521.89**	**11,291.56**

13.3 Other financial liabilities

Particulars	As at March 31, 2021	As at March 31, 2020
Current maturities of long-term debt	5,382.08	5,818.98
Interest accrued on borrowings	58.32	309.93
Unpaid dividend	2.60	3.11
Security deposits received	85.13	79.79
Contractually reimbursible expenses	27.69	0.54
Payables on purchase of property, plant and equipment	34.62	24.87
Total - Other financial liabilities	**5,590.44**	**6,237.22**

Notes to the standalone financial statements for the year ended March 31, 2021

14 Provisions

(Rs. in Lakhs)

Particulars	As at March 31, 2021	As at March 31, 2020
(a) Provision for employee benefits:		
- Provision for compensated absences	47.97	-
- Provision for bonus	191.03	135.33
Total - Provisions	**239.00**	**135.33**

15 Other current liabilities

Particulars	As at March 31, 2021	As at March 31, 2020
Statutory remittances	102.96	91.88
Advances from customers	774.86	502.89
Advance received towards sale of property, plant and equipment	94.30	94.30
Government grant - SIPCOT soft loan (Refer note 11.1)	200.71	178.95
Total - Other current liabilities	**1,172.83**	**868.02**

16 Revenue from operations

1. Disaggregated Revenue Information

The Company believes that this disaggregation best depicts how the nature, amount, timing and uncertainty of revenues and cash flows are affected. Accordingly, the disaggregation by type of goods / services and by geographical location of customers is provided in the table below:

A. Revenue by products/services

Particulars	For the year ended March 31, 2021	For the year ended March 31, 2020
(a) Sale of goods/services		
a. Manufactured goods		
Yarn	46,573.50	54,058.82
Fabrics	28,993.21	28,225.70
Waste cotton	4,564.97	5,466.79
Made ups	1,732.36	75.68
Garments	449.81	729.13
b. Traded goods		
Yarn	56.21	282.61
Cotton	-	234.54
c. Income from services provided - Sizing charges, CMT charges, Knitting & Processing charges	2,705.72	2,662.80
(b) Other operating revenues	887.92	761.21
Total - Revenue from operations	**85,963.70**	**92,497.28**

The Company disaggregate the revenue based on geographical locations and it is disclosed under note 26 "Segment reporting"

Notes to the standalone financial statements for the year ended March 31, 2021

17 Other income

(Rs. in Lakhs)

	Particulars	For the year ended March 31, 2021	For the year ended March 31, 2020
(a)	Interest income	116.70	138.13
	(Refer Note 1 below)		
(b)	Other non-operating income	459.38	1,709.18
	(Refer Note 2 below)		
	Total - Other income	**576.08**	**1,847.31**

	Particulars	For the year ended March 31, 2021	For the year ended March 31, 2020
1	Interest income comprises:		
	Interest on overdue trade receivables	58.14	72.49
	Interest on security deposits	30.56	64.55
	Interest from others	28.00	1.09
	Total - Interest income	**116.70**	**138.13**
2	Other non-operating income comprises:		
	Profit on sale of property plant and equipment (Net)	454.35	1,709.18
	Miscellaneous income	5.03	-
	Total - Other non-operating income	**459.38**	**1,709.18**

18 A Cost of materials consumed

Particulars	For the year ended March 31, 2021	For the year ended March 31, 2020
Opening stock	12,163.71	13,690.83
Add: Purchases	52,526.70	64,222.97
	64,690.41	77,913.80
Less: Closing stock	(10,774.45)	(12,163.71)
Total - Cost of materials consumed	**53,915.96**	**65,750.09**

Notes to the standalone financial statements for the year ended March 31, 2021

18 B Purchase of stock-in-trade

(Rs. in Lakhs)

Particulars	For the year ended March 31, 2021	For the year ended March 31, 2020
Purchase of stock-in-trade	51.12	217.47
Total - Purcahse of stock in trade	**51.12**	**217.47**

19 Changes in inventories of finished goods, work-in-progress and stock-in-trade

Particulars	For the year ended March 31, 2021	For the year ended March 31, 2020
Inventories at the end of the year:		
Finished goods	4,843.62	10,467.95
Work-in-progress	1,772.70	1,645.35
Stock-in-trade	-	-
Total	**6,616.32**	**12,113.30**
Inventories at the beginning of the year:		
Finished goods	10,467.95	9,661.06
Work-in-progress	1,645.35	1,442.74
Stock-in-trade	-	-
Total	**12,113.30**	**11,103.80**
Net (increase) / decrease	**5,496.98**	**(1,009.50)**

20 Employee benefits expense

Particulars	For the year ended March 31, 2021	For the year ended March 31, 2020
Salaries, wages and bonus	6,916.61	7,550.58
Contributions to provident and other funds (Refer Note 25.1.a & 25.1.b)	362.77	384.72
Staff welfare expenses	633.72	838.71
Total - Employee benefits expense	**7,913.10**	**8,774.01**

21 Finance costs

Particulars	For the year ended March 31, 2021	For the year ended March 31, 2020
(a) Interest expense on financial liabilities at amortised cost:		
- Borrowings (Refer note 30)	5,394.46	6,106.24
- Operating lease liabilities	13.29	22.08
(b) Other borrowing costs	267.88	367.39
Total - Finance costs	**5,675.63**	**6,495.71**

Notes to the standalone financial statements for the year ended March 31, 2021

22 Other expenses

(Rs. in Lakhs)

Particulars	For the year ended March 31, 2021	For the year ended March 31, 2020
Consumption of stores and spare parts	99.26	41.13
Manufacturing expenses	106.47	128.93
Consumption of packing materials	713.18	823.77
Power, fuel and water charges	5,032.17	4,943.26
Repairs and maintenance - Building	52.96	81.43
Repairs and maintenance - Machinery	1,661.05	1,671.62
Repairs and maintenance - Others	224.46	255.31
Insurance	401.35	437.12
Rates and taxes	326.36	340.90
Freight and forwarding charges	1,128.47	779.32
Sales commission	749.97	763.00
Legal and professional charges	185.11	209.96
Payments to auditors (Refer note 1 below)	30.50	22.50
Corporate social responsibility expenditure	18.10	10.30
Provision for bad and doubtful debts	-	157.35
Bad debts written off	501.54	2.22
Loss on sale of investment	-	3.83
Loss on sale of property plant and equipment (Net)	73.80	-
Net Loss on foreign currency transactions and translation	104.26	118.84
Miscellaneous expenses	514.21	471.37
Total - Other expenses	**11,923.22**	**11,262.16**

Note 1 - Payments to auditors:

Particulars	For the year ended March 31, 2021	For the year ended March 31, 2020
Payments to auditors comprises		
- Statutory audit fees	16.50	16.50
- Limited review fees	14.00	6.00
Total - Payments to auditors	**30.50**	**22.50**

Notes to the standalone financial statements for the year ended March 31, 2021

Additional information to the financial statements

23 Contingent liabilities and commitments (to the extent not provided for)

(Rs. in Lakhs)

Particulars	For the year ended March 31, 2021	For the year ended March 31, 2020
i) Contingent liabilities:		
a) Central Excise demands, pending in appeal	69.61	69.61
b) TANGEDCO demands, pending in appeal	1,276.51	1,166.91
c) Corporate guarantee (on behalf of Young Brand Apparel Private Limited)	8,027.07	13,035.00
ii) Commitments:		
a) Estimated amount of contracts remaining to be executed on capital account and not provided for:Tangible assets	211.31	-

24 Disclosures required under Section 22 of the Micro, Small and Medium Enterprises Development Act, 2006

Particulars	For the year ended March 31, 2021	For the year ended March 31, 2020
i) Principal amount remaining unpaid to any supplier as at the end of the accounting year	1,739.30	809.51
ii) Interest due thereon remaining unpaid to any supplier as at the end of the accounting year	-	-
iii) The amount of interest paid along with the amounts of the payment made to the supplier beyond the appointed day	-	-
iv) The amount of interest due and payable for the period of delay in making payment (which have been paid but beyond the appointed day during the year) but without adding the interest specified under the MSMED Act	-	-
v) The amount of interest accrued and remaining unpaid at the end of the accounting year	-	-
vi) The amount of further interest due and payable even in the succeeding year, until such date when the interest dues as above are actually paid to the small enterprise, for the purpose of disallowance as a deductible expenditure under section 23	-	-

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

Notes to the standalone financial statements for the year ended March 31, 2021

25 Employee benefit plans

25.1.a Defined contribution plans - provident fund and employee state insurance

The Company makes Provident Fund and Employee state insurance scheme contributions to defined contribution plans for qualifying employees. Under the Schemes, the Company is required to contribute a specified percentage of the payroll costs to fund the benefits. The Company recognised the following contributions in the Statement of profit and loss

(Rs. in Lakhs)

Particulars	For the year ended March 31, 2021	For the year ended March 31, 2020
Provident fund	255.93	273.54
Employee state insurance	83.03	87.81

25.1.b Defined benefit plan - gratuity

In accordance with applicable Indian laws, the Company provides for gratuity, a defined benefit retirement plan (Gratuity plan). The Gratuity plan provides a lump sum payment to vested employees, at retirement or termination of employment, an amount based on the respective employee's last drawn eligible salary and the years of employment with the Company. The Company provides the gratuity benefit through annual contributions to a fund managed by the Insurer included as part of `Contribution to provident and other funds in Note 20 Employee benefits expense. Under this plan, the settlement obligation remains with the Company.

Description of Risk Exposures

Valuations are performed on certain basic set of pre-determined assumptions and other regulatory framework which may vary over time. Thus, the Company is exposed to various risks in providing the above gratuity benefit which are as follows:

a) Interest Rate Risk: The plan exposes the Company to the risk of fall in interest rates. A fall in interest rates will result in an increase in the ultimate cost of providing the above benefit and will thus result in an increase in the value of the liability (as shown in financial statements).

b) Investment Risk: The probability or likelihood of occurrence of losses relative to the expected return on any particular investment.

c) Salary Escalation Risk: The present value of the defined benefit plan is calculated with the assumption of salary increase rate of plan participants in future. Deviation in the rate of increase of salary in future for plan participants from the rate of increase in salary used to determine the present value of obligation will have a bearing on the plan's liabilty.

d) Demographic Risk: The Company has used certain mortality and attrition assumptions in valuation of the liability. The Company is exposed to the risk of actual experience turning out to be worse compared to the assumption.

e) Liquidity Risk: This is the risk that the Company is not able to meet the short-term gratuity payouts. This may arise due to non-availabilty of enough cash/cashequivalent to meet the liabilities or holding of illiquid assets not being sold in time. In respect of the plan in India, the most recent actuarial valuation of the plan assets and the present value of the defined benefit obligation were carried out as at March 31, 2021 by Ms. Priyanka Shah, Fellow of the Institute of Actuaries of India. The present value of the defined benefit obligation, and the related current service cost and past service cost, were measured using the projected unit credit method.

Notes to the standalone financial statements for the year ended March 31, 2021

The following table sets out the funded status of the gratuity scheme:

(Rs. in Lakhs)

Particulars	For the year ended March 31, 2021	For the year ended March 31, 2020
Components of employer expense		
Current service cost	77.59	115.08
Past service cost	-	-
Interest cost	1.78	31.33
Expected return on plan assets	(10.24)	(35.23)
Recognised in statement of profit and loss	69.13	111.18
Re-measurement - actuarial (gain)/loss recognised in OCI	(67.00)	(83.28)
Total expense recognised in the Statement of total comprehensive income	**2.13**	**27.90**
Other Comprehensive Income (OCI)		
Actuarial (gain)/loss due to DBO experience	(69.48)	(111.74)
Actuarial (gain)/loss due to DBO assumption changes	-	29.95
Actuarial (gain)/loss arising during period	(69.48)	(81.79)
Actual return on plan assets (greater)/less interest on plan assets	2.48	(1.49)
Actuarial (gains)/losses recognized in OCI	(67.00)	(83.28)
Defined Benefit Cost		
Service cost	77.59	115.08
Net interest on net defined benefit liability / (asset)	(8.46)	(3.90)
Actuarial (gains)/losses recognized in OCI	(67.00)	(83.28)
Defined Benefit Cost	2.13	27.90
Change in defined benefit obligation (DBO) during the year		
Present value of DBO at beginning of the year	492.62	460.74
Current service cost	77.59	115.08
Interest cost	1.78	31.33
Actuarial (gains)/losses	(69.48)	(81.79)
Benefits paid	(40.92)	(32.74)
Present value of DBO at the end of the year	**461.59**	**492.62**
Actual contribution and benefit payments for year		
Actual benefit payments	40.92	32.74
Actual contributions	25.76	142.66

Notes to the standalone financial statements for the year ended March 31, 2021

25 Disclosures under Accounting standards (Contd...)

(Rs. in Lakhs)

Particulars	For the year ended March 31, 2021	For the year ended March 31, 2020
Change in fair value of assets during the year		
Plan assets at beginning of the year	624.60	477.96
Expected return on plan assets	10.24	35.23
Actual company contributions	25.76	142.66
Actuarial gain / (loss)	(2.48)	1.49
Benefits paid	(40.92)	(32.74)
Plan assets at the end of the year	**617.20**	**624.60**
Actual return on plan assets	7.76	36.72
Current and Non-Current Asset / Liability portion		
Current Asset / (Liability)	155.61	131.98
Net asset / (liability) recognised in the Balance Sheet :		
Present value of defined benefit obligation	461.59	492.62
Fair value of plan assets	617.20	624.60
Funded status (Surplus / (Deficit))	155.61	131.98
Net asset / (liability) recognised in the Balance Sheet	**155.61**	**131.98**
Composition of the plan assets is as follows:		
Government securities	-	-
Debentures and bonds	-	-
Fixed deposits	-	-
Insurer managed funds*	100%	100%
Total	**617.20**	**624.60**
*Funds are managed by Life Insurance Corporation of India and composition of the fund as at the balance sheet date was not provided by the insurer.		
Actuarial assumptions		
Discount rate	6.80%	6.80%
Expected return on plan assets	6.80%	6.80%
Attrition rate	3% to 1%	3% to 1%
Salary escalation	5.00%	5.00%

Notes to the standalone financial statements for the year ended March 31, 2021

25 Disclosures under Accounting Standards (contd...)

Note : The discount rate is based on the prevailing market yields of Government of India securities as at the Balance Sheet date for the estimated term of the obligations.

Sensitivity Analysis

Reasonably possible changes at the reporting date to one of the relevant actuarial assumptions, holding other assumptions constant, would have affected the defined benefit obligation by the amounts shown below:

(Rs. in Lakhs)

Gratuity Plan	For the year ended March 31, 2021	For the year ended March 31, 2020
Estimate value of obligation if discount rate is taken 1% higher	415.23	415.4
Estimate value of obligation if discount rate is taken 1% lower	517.55	520.52
Estimate value of obligation if salary growth rate is taken 1% higher	518.02	521.01
Estimate value of obligation if salary growth rate is taken 1% lower	414.10	414.30
Estimate value of obligation if attrition rate is taken 1% higher	470.69	468.16
Estimate value of obligation if attrition rate is taken 1% lower	451.12	457.22

These sensitivities have been calculated to show the movement in defined benefit obligation in isolation and assuming there are no other changes in market conditions at the accounting date. There have been no changes from the previous periods in the methods and assumptions used in preparing the sensitivity analysis.

Maturity profile of defined benefit obligation:

Maturity profile, if it ensues	As at March 31, 2021	As at March 31, 2020
1	67.29	68.28
2	29.00	13.92
3	13.95	20.19
4	14.57	16.91
5	11.75	29.22
Above 5	112.88	119.64

Asset Liability Matching Strategies

The Company has purchased insurance policy, which is basically a year-on-year cash accumulation plan in which the interest rate is declared on yearly basis and is guaranteed for a period of one year. The insurance Company, as part of the policy rules, makes payment of all gratuity liability occurring during the year (subject to sufficiency of funds under the policy). The policy, thus, mitigates the liquidity risk. However, being a cash accumulation plan, the duration of assets is shorter compared to the duration of liabilities. Thus, the Company is exposed to movement in interest rate (in particular, the significant fall in interest rates, which should result in a increase in liability without corresponding increase in the asset).

Notes to the standalone financial statements for the year ended March 31, 2021

26 Segment Reporting

(a) Primary business segment information
The Company's operations relate to only one business segment, viz., Textiles. Accordingly, this is the only reportable business segment.

(b) Secondary geographic segment information

(Rs. in Lakhs)

Geographic Segment		Revenue	Segment assets	Capital expenditure incurred
Outside India	March 31, 2021	18,763.67	2,239.42	-
	March 31, 2020	14,344.47	927.82	-
India	March 31, 2021	67,200.03	91,640.65	804.65
	March 31, 2020	78,152.81	107,969.44	1,885.12
Unallocated	March 31, 2021	-	468.95	-
	March 31, 2020	-	415.95	-
Total				
	March 31, 2021	**85,963.70**	**94,349.02**	**804.65**
	March 31, 2020	**92,497.28**	**109,313.21**	**1,885.12**

Note: Segment Assets represent Assets in respective segments. Tax related assets cannot be allocated to a segment on reasonable basis have been disclosed as "Unallocable".

27 Related party transactions

a) Details of Related parties :

Description of relationship	Name of related parties
Holding company	Murugan Enterprise Private Limited
Subsidiaries	Accel Apparels Private Limited Abirami Amman Designs Private Limited Young Brand Apparel Private Limited Bannari Amman Retails Private Limited Bannari Amman Trendz Private Limited
Enterprises in which the Key management Personnel or relatives have significant influence	Anamallais Automobiles Private Limited Shiva Automobiles Private Limited Vedanayagam Oil Company Sakthi Murugan Transports Private Limited Jahnvi Motor Private Limited Anamallais Motors Private Limited
Key Management Personnel (KMP)	Sri S V Arumugam, Managing Director Sri K N V Ramani, Director Dr K R Thillainathan, Director Sri S Palaniswami, Director Sri K Sadhasivam, Director Smt S Sihamani, Director Sri N Krishnaraj, Company Secretary Sri S Seshadri, Chief Financial Officer
Relative of KMP	Smt A Umadevi Sri A Senthil

Notes to the standalone financial statements for the year ended March 31, 2021

b) Details of transactions during the year and balance outstanding as at balance sheet date: (Rs. in Lakhs)

Particulars	Related Party	For the year ended March 31, 2021	For the year ended March 31, 2020
Transactions during the year:			
Sale of yarn	Young Brand Apparel Private Limited	517.93	714.32
Sale of fabric	Young Brand Apparel Private Limited	-	209.79
Sale of garments (Net of returns)	Bannari Amman Trendz Private Limited	119.79	79.16
	Bannari Amman Retails Private Limited	(4.22)	57.08
Sale of made UPS	Anamalais Automobiles Private Limited	0.27	-
Conversion/Job work charges received	Young Brand Apparel Private Limited	391.95	279.31
Interest received	Young Brand Apparel Private Limited	58.14	72.50
	Bannari Amman Trendz Private Limited	28.00	-
Vehicle maintenance paid	Shiva Automobiles Private Limited	4.19	5.75
	Jahnvi Motor Private Limited	2.58	4.59
Processing charges received	Young Brand Apparel Private Limited	323.06	326.12
Sale of vehicle	Shiva Automobiles Private Limited	3.50	-
Purchase of vehicle	Shiva Automobiles Private Limited	8.83	-
Purchase of fuel	Vedanayagam Oil Company	0.57	3.68
Rent paid	Anamallais Automobiles Private Limited	12.06	17.85
	Sakthi Murugan Transports Private Limited	3.96	3.51
	A Umadevi	12.00	12.00
Advances given	Bannari Amman Trendz Private Limited	10.00	-
Inter corporate deposits given	Bannari Amman Trendz Private Limited	550.00	-
Inter corporate deposits recd	Murugan Enterprise Private Limited	1,700.00	2,200.00
	Anamallais Motors Private Limited	-	200.00
Inter corporate deposits repaid	Anamallais Motors Private Limited	-	200.00
Interest paid	Murugan Enterprise Private Ltd	289.37	23.88
	Anamallais Motors Private Limited	-	1.79
Remuneration of KMP	Sri S V Arumugam, Managing Director	55.00	60.00
	Sri N Krishnaraj, Company Secretary	19.16	20.21
	Sri S Seshadri, Chief Financial Officer	19.88	20.90
Sitting fees to KMP	Sri K N V Ramani, Director	1.50	1.30
	Dr K R Thillainathan, Director	0.70	0.60
	Sri S Palaniswami, Director	1.50	1.30
	Sri K Sadhasivam, Director	1.50	1.00
	Smt S Sihamani, Director	0.80	0.70
Salary to Relative of KMP	Sri A Senthil	27.50	30.00

Notes to the standalone financial statements for the year ended March 31, 2021

(Rs. in Lakhs)

Particulars	Related Party	As at March 31, 2021	As at March 31, 2020
Balances outstanding as at year end :			
Receivables	Young Brand Apparel Private Limited	1,060.46	1,476.93
	Bannari Amman Retails Private Limited	135.82	122.21
	Bannari Amman Trendz Private Limited	1,483.81	752.00
	Accel Apparels Private Limited	2.05	1.58
	Anamallais Automobiles Private Limited	3.65	2.60
	Shiva Automobiles Private Limited	1.09	-
(Payables)	Vedanayagam Oil Company	(0.11)	(0.23)
	Sakthi Murugan Transports Private Limited	(0.50)	(0.64)
	Shiva Automobiles Private Limited	-	(0.60)
	Young Brand Apparel Private Limited	-	(4.62)
	Murugan Enterprise Private Limited	(3,927.69)	(2,221.49)
	A Umadevi	(0.93)	(0.90)
Amount outstanding as at the year end		**(1,242.35)**	**126.83**

Note:

i) There is no allowance account for impaired receivables in relation to any outstanding balances, and no expense has been recognised in respect of impaired receivables due from related parties.

ii) Related party relationship is as identified by the Company on the basis of information available with the Company and relied upon by the Auditors.

iii) No amount is/has been written off or written back during the year in respect of debts due from or to related party.

28 Earnings per equity share

Particulars	For the year ended March 31, 2021	For the year ended March 31, 2020
Profit / (loss) attributable to equity shareholders (Rs. In Lakhs)	(1,055.05)	19.90
Weighted average number of equity shares (Nos.)	31,508,538	31,508,538
Par value per equity share (Rs.)	5.00	5.00
Earning/(loss) per share - Basic & Diluted (Rs.)	(3.35)	0.06

29A Income tax recognised :

Particulars	For the year ended March 31, 2021		For the year ended March 31, 2020	
	Statement of profit and loss	Other comprehensive income	Statement of profit and loss	Other comprehensive income
Current tax :				
In respect of current year/earlier years	-	-	-	-
Deferred tax :				
In respect of current year	(190.29)	20.90	3.59	25.98
Income tax expense	**(190.29)**	**20.90**	**3.59**	**25.98**

Notes to the standalone financial statements for the year ended March 31, 2021

29 B Movement in deferred tax balances :

(Rs. in Lakhs)

Particulars	Opening balance	Recognised in profit and loss	Recognised in other comprehensive income	Recognised directly in equity	Closing balance
For the year ended March 31, 2021					
Tax effect of items constituting deferred tax asset					
Provision for doubtful debts	254.14	-	-	-	254.14
Provision for compensated absences and gratuity	32.41	-	(20.90)	-	11.51
Brought forward & current year losses	96.56	190.29	-	-	286.85
Minimum alternate tax (net)	5,338.87	-	-	-	5,338.87
Others	81.77	-	-	-	81.77
Tax effect of items constituting deferred tax asset	5,803.75	190.29	(20.90)	-	5,973.14
Tax effect of items constituting deferred tax (liability)					
On difference between book balance and tax balance of fixed assets	(8,503.66)	-	-	-	(8,503.66)
Tax effect of items constituting deferred tax (liability)	(8,503.66)	-	-	-	(8,503.66)
Net Deferred tax asset/(liability)	**(2,699.91)**	**190.29**	**(20.90)**	**-**	**(2,530.52)**
For the year ended March 31, 2020					
Tax effect of items constituting deferred tax asset					
Provision for doubtful debts	205.04	49.10	-	-	254.14
Provision for compensated absences and gratuity	89.07	(30.68)	(25.98)	-	32.41
Brought forward losses	-	96.56	-	-	96.56
Minimum alternate tax (net)	5,301.45	37.42	-	-	5,338.87
Others	41.92	39.85	-	-	81.77
Tax effect of items constituting deferred tax asset	5,637.48	192.25	(25.98)	-	5,803.75
Tax effect of items constituting deferred tax (liability)					
On difference between book base and tax base of property, plant and equipment	(8,307.82)	(195.84)	-	-	(8,503.66)
Tax effect of items constituting deferred tax (liability)	(8,307.82)	(195.84)	-	-	(8,503.66)
Net Deferred tax asset/(liability)	**(2,670.34)**	**(3.59)**	**(25.98)**	**-**	**(2,699.91)**

Notes to the standalone financial statements for the year ended March 31, 2021

29C Reconciliation of income tax expense and the accounting profit multiplied by Company's domestic tax rate:

(Rs. in Lakhs)

Particulars	For the year ended March 31, 2021	For the year ended March 31, 2020
Profit / (Loss) before tax	(1,245.34)	23.49
Enacted income tax rate in India	31.20%	31.20%
Computed expected tax expense	(388.55)	7.33
Others	198.26	(3.74)
Income tax expense recognised in the statement of profit and loss	**(190.29)**	**3.59**

30 Borrowing cost capitalised under property, plant and equipment

	March 31, 2021	March 31, 2020
Borrowing cost capitalised under property, plant and equipment	Nil	Nil

31 Leases

The Company has entered into leasing arrangements in respect of lease hold land, residential/office premise. The leasing arrangements, which are generally cancellable, have lease periods ranging between 11 and 60 months in case of premises and between 30 to 90 years in case of land. They are generally renewable by mutual consent on mutually agreeable terms. The operating leases are cancellable by lessor/lessee with notice period up to three months.

Movement in right-of-use assets and lease liabilities during the year:

Right-of-use assets	For the year ended March 31, 2021	For the year ended March 31, 2020	
Particulars	**Building**	**Machinery**	**Building**
Opening balance	152.97	16.66	233.76
Additions	-	-	4.31
Depreciation	(81.01)	(16.66)	(85.10)
Closing balance	**71.96**	**-**	**152.97**

Right-of-use assets - Land

Particulars	For the year ended March 31, 2021	For the year ended March 31, 2020
Opening balance	605.69	608.09
Additions	60.62	-
Depreciation	(3.24)	(2.40)
Closing balance	**663.07**	**605.69**

Notes to the standalone financial statements for the year ended March 31, 2021

Lease liabilities

Particulars	For the year ended March 31, 2021	For the year ended March 31, 2020	
	Building	Machinery	Building
Opening balance	163.43	21.96	238.72
Additions	-	-	4.31
Interest	13.29	0.54	21.54
Lease payments	(96.44)	(22.50)	(101.14)
Closing balance	**80.28**	**-**	**163.43**
Current	61.72	-	80.28
Non-current	18.56	-	83.15

Maturity analysis of OLL

The details of the maturities of lease liabilities as at March 31, 2021 and March 31, 2020 on an undiscounted basis are as follows:

Particulars	As at March 31, 2021	As at March 31, 2020
1 year	66.55	96.44
1 to 5 years	20.28	86.83

Lease rent expense on short-term and low value lease debited to Statement of Profit and Loss

Particulars	As at March 31, 2021	As at March 31, 2020
Lease rent	18.16	35.47

Notes to the standalone financial statements for the year ended March 31, 2021

32 Financial instruments

The carrying value and fair value of financial instruments by categories as at March 31, 2021 and March 31, 2020 are as follows:

(Rs. in Lakhs)

Particulars	Carrying value		Fair value	
	As at March 31, 2021	As at March 31, 2020	As at March 31, 2021	As at March 31, 2020
Financial assets				
Amortised cost				
Loans	30.19	17.79	30.19	17.79
Trade receivable	12,905.95	16,411.88	12,905.95	16,411.88
Cash and cash equivalents	877.98	2,656.94	877.98	2,656.94
Bank balances	2.60	167.11	2.60	167.11
Other financial assets	1,287.73	1,742.09	1,287.73	1,742.09
Investment in Government securities	0.03	0.03	0.03	0.03
FVTOCI				
Investment in equity instruments	3.85	3.85	3.85	3.85
FVTPL				
Investment in equity instruments (unquoted)	22.53	2,640.49	22.53	2,640.49
Total assets	**15,130.86**	**23,640.18**	**15,130.86**	**23,640.18**
Financial liabilities				
Amortised cost				
Borrowings	50,229.34	62,160.25	50,229.34	62,160.25
Lease liabilities	80.28	163.43	80.28	163.43
Trade payables	9,521.89	11,291.56	9,521.89	11,291.56
Other financial liabilities	208.36	418.24	208.36	418.24
Total liabilities	**60,039.86**	**74,033.48**	**60,039.86**	**74,033.48**

The management assessed that fair value of cash and short-term deposits, trade receivables, trade payables and other current financial assets and liabilities approximate their carrying amounts largely due to the short-term maturities of these instruments. The fair value of the financial assets and liabilities is included 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. The following methods and assumptions were used to estimate the fair values:

i) Long-term fixed-rate receivables/borrowings are evaluated by the Company based on parameters such as interest rates, specific country risk factors, individual creditworthiness of the customer and the risk characteristics of the financed project. Based on this evaluation, allowances are taken into account for the expected losses of these receivables.

ii) Fair values of the Company's interest-bearing borrowings and loans are determined by using DCF method using discount rate that reflects the issuer's borrowing rate as at the end of the reporting period. The own non-performance risk as at March 31, 2021 was assessed to be insignificant.

.iii) The fair values of the unquoted equity shares have been estimated using a discounted cash flow model. The valuation requires management to make certain assumptions about the model inputs, including forecast cash flows, discount rate, credit risk and volatility, the probabilities of the various estimates within the range can be reasonably assessed and are used in management's estimate of fair value for these unquoted equity investments.

Notes to the standalone financial statements for the year ended March 31, 2021

33 Fair value hierarchy

Level 1 - Quoted prices (unadjusted) in active markets for identical assets or liabilities.

Level 2 – Inputs other than quoted prices included within Level 1 that are observable for the asset or liability, either directly (i.e. as prices) or indirectly (i.e. derived from prices).

Level 3 - Inputs for the assets or liabilities that are not based on observable market data (unobservable inputs).

The following table presents the fair value measurement hierarchy of financial assets and liabilities measured at fair value on recurring basis as at March 31, 2021 and March 31, 2020 :

(Rs. in Lakhs)

Particulars		Total	Fair value measurement using		
			Level 1	Level 2	level 3
Financial assets measured at fair value:					
FVTOCI financial assets designated at fair value: Date of valuation March 31, 2021					
Investment in equity instruments (quoted)					
	As at March 31, 2021	3.85	3.85	-	-
	As at March 31, 2020	3.85	3.85	-	-
Derivative financial instruments					
	As at March 31, 2021	-	-	-	-
	As at March 31, 2020	243.51	243.51	-	-
FVTPL financial assets designated at fair value: Date of valuation March 31, 2021					
Investment in equity instruments (unquoted)					
	As at March 31, 2021	22.53	-	-	22.53
	As at March 31, 2020	2640.49	-	-	2640.49

There have been no transfers among Level 1, Level 2 and Level 3 during the year.

34 Financial risk management

The Company’s principal financial liabilities, comprise loans and borrowings, trade and other payables. The main purpose of these financial liabilities is to finance the company’s operations and to provide guarantees to support its operations. The Company’s principal financial assets include loans, trade and other receivables, and cash and short-term deposits that derive directly from its operations.

The Company's activities expose it to a variety of financial risks: credit risk, liquidity risk, foreign currency risk and interest rate risk. The Company's primary focus is to foresee the unpredictability of financial markets and seek to minimize potential adverse effects on its financial performance. The primary market risk to the company is foreign exchange risk. The Company uses foreign currency borrowings to mitigate foreign exchange related risk exposures.

Notes to the standalone financial statements for the year ended March 31, 2021

The Board of Directors reviews and agrees policies for managing each of these risks, which are summarised below:

1) Credit risk

Credit risk is the risk of financial loss to the Company if a customer or counterparty to a financial instrument fails to meet its contractual obligations, and arises principally from the Company's receivables from customers and investment securities. Credit risk arises from cash held with banks and financial institutions, as well as credit exposure to clients, including outstanding accounts receivable. The maximum exposure to credit risk is equal to the carrying value of the financial assets. The objective of managing counterparty credit risk is to prevent losses in financial assets. The Company assesses the credit quality of the counterparties, taking into account their financial position, past experience and other factors.

2) Trade and other receivables

The Company's exposure to credit risk is influenced mainly by the individual characteristics of each customer. The demographics of the customer, including the default risk of the industry and country in which the customer operates, also has an influence on credit risk assessment.

The following table gives details in respect of percentage of revenues generated from top customer and top 5 customers:

(Rs. in Lakhs)

Particulars	For the year ended March 31, 2021	For the year ended March 31, 2020
Revenue from top customer	3,777.13	2,876.58
Revenue from top 5 customers	12,002.51	10,133.85

Three customers accounted for more than 10% of the revenue for the year ended March 31, 2021, however two of the customers accounted for more than 10% of the receivables as at March 31, 2021. Five customers accounted for more than 10% of the revenue for the year ended March 31, 2020, however two of the customers accounted for more than 10% of the receivables as at March 31, 2020.

3) Investments

The Company limits its exposure to credit risk by generally investing in liquid securities and only with counterparties that have a good credit rating. The company does not expect any losses from non-performance by these counter-parties, and does not have any significant concentration of exposures to specific industry sectors.

4) Liquidity risk

Liquidity risk is the risk that the Company will not be able to meet its financial obligations as they become due. The Company manages its liquidity risk through credit limits with banks. The Company's corporate treasury department is responsible for liquidity, funding as well as settlement management. In addition, processes and policies related to such risks are overseen by senior management.

The working capital position of the Company is given below:

Particulars	As at March 31, 2021	As at March 31, 2020
Cash and cash equivalents	877.98	2,656.94
Bank balances	2.60	167.11
Total	**880.58**	**2,824.05**

Notes to the standalone financial statements for the year ended March 31, 2021

The table below provides details regarding the contractual maturities of significant financial liabilities as at March 31, 2021 and March 31, 2020.

(Rs. in Lakhs)

Particulars	As at	Less than 1 year	1-2 years	2 years and above
Borrowings	March 31, 2021	39,515.32	3,533.13	7,180.89
	March 31, 2020	43,814.44	5,073.54	13,272.27
Trade payables	March 31, 2021	9,521.89	-	-
	March 31, 2020	11,291.56	-	-
Lease liabilities	March 31, 2021	80.28	-	-
	March 31, 2020	163.43	-	-
Other financial liabilities	March 31, 2021	208.36	-	-
	March 31, 2020	418.24	-	-

5) Foreign currency risk

The Company's exchange risk arises from its foreign operations, foreign currency revenues and expenses, (primarily in U.S. dollars, British pound sterling and Euros) and foreign currency borrowings (primarily in U.S. dollars, British pound sterling and Euros). A significant portion of the Company's revenues are in these foreign currencies, while a significant portion of its costs are in Indian rupees. As a result, if the value of the Indian rupee appreciates relative to these foreign currencies, the Company's revenues measured in rupees may decrease. The exchange rate between the Indian rupee and these foreign currencies has changed substantially in recent periods and may continue to fluctuate substantially in the future. The Company's management meets on a periodic basis to formulate the strategy for foreign currency risk management. Consequently, the management of the Company believes that the borrowings in foreign currency and its assets in foreign currency shall mitigate the foreign currency risk mutually to some extent.

The following table presents foreign currency risk from non-derivative financial instruments as of March 31, 2021 and March 31, 2020 :

Particulars	As at	US$	Euro	Pound/Sterling	Total
Assets					
Trade receivables	March 31, 2021	1948.88	255.86	34.68	2,239.42
	March 31, 2020	775.63	107.21	44.98	927.82
Liabilities					
Trade payable	March 31, 2021	-	-	-	-
	March 31, 2020	532.95	-	-	532.95
Borrowings	March 31, 2021	3,261.10	-	-	3,261.10
	March 31, 2020	2,848.79	-	-	2,848.79
Net assets/(liabilities)	**March 31, 2021**	**(1,312.22)**	**255.86**	**34.68**	**(1021.68)**
	March 31, 2020	**(2,606.11)**	**107.21**	**44.98**	**(2,453.92)**

Notes to the standalone financial statements for the year ended March 31, 2021

Foreign currency sensitivity analysis

The Company is mainly exposed to the currency USD on account of significant outstanding trade receivables, borrowings and trade payables in USD.

The following table details the Company's sensitivity to a 5% increase and decrease in INR against the USD. 5% is the sensitivity rate used when reporting foreign currency risk internally to key management personnel and represents management's assessment of the reasonably possible change in foreign exchange rates. The sensitivity analysis includes only outstanding foreign currency denominated monetary items and adjusts their translation at the period end for a 5% change in foreign currency rates. A positive number below indicates an increase in profit or equity where the INR strengthens 5% against the relevant currency. For a 5% weakening of the INR against the relevant currency, there would be a comparable impact on the profit or equity, and the balances below would be negative.

(Rs. in Lakhs)

Particulars	For the year ended March 31, 2021	For the year ended March 31, 2020
Impact on profit or (loss) for the year	65.61	130.31

For a 5% weakening of the INR against the relevant currency, there would be equivalent amount of impact on the profit / (loss) as mentioned in the above table.

6) Interest rate risk

Interest rate risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market interest rates. The Company's exposure to the risk of changes in market interest rates relates primarily to the Company's debt obligations with floating interest rates and investments.

Interest rate sensitivity analysis

If interest rates had been 1% higher and all other variables were held constant, the company's profit / (loss) for the year ended would have impacted in the following manner:

Particulars	For the year ended March 31, 2021	For the year ended March 31, 2020
Increase / (decrease) in the profit / (loss) for the year	(487.32)	(550.05)

If interest rates were 1% lower, the company's profit would have increased by the equivalent amount as shown in the above table.

7) Capital management

The Company's policy is to maintain a strong capital base so as to maintain investor, creditor and market confidence and to sustain future development of the business. The Company monitors the return on capital. The Company's objective when managing capital is to maintain an optimal structure so as to maximize shareholder value.

Notes to the standalone financial statements for the year ended March 31, 2021

The capital structure is as follows:

(Rs. in Lakhs)

Particulars	March 31, 2021	March 31, 2020
Total equity attributable to the equity share holders of the company	**29,663.22**	**30,672.17**
As percentage of total capital	37%	33%
Current borrowings	29,092.70	37,995.46
Non-current borrowings	21,136.64	24,164.79
Total borrowings	**50,229.34**	**62,160.25**
As a percentage of total capital	**63%**	**67%**
Total capital (borrowings and equity)	**79,892.56**	**92,832.42**

The Company is predominantly debt financed which is evident from the capital structure table.

35 Corporate social responsibility

Particulars	For the year ended March 31, 2021	For the year ended March 31, 2020
Gross amount required to be spent by the company during the year	21.49	34.08
Amount spent during the year on		
i) Construction/acquisition of any asset	-	-
ii) On purposes other than (i) above	18.10	10.30

Notes to the standalone financial statements for the year ended March 31, 2021

36 Prior year comparatives

Prior year figures have been reclassified wherever necessary to confirm current year's classification
The following reclassifications have been done in the previous year figures to confirm current year classification :

Particulars	(Rs. in Lakhs)
For the year ended 31.3.2021	
Revenue	
Made ups sales	75.68
For the year eended 31.3.2020	
Revenue	
Garments Sales	75.68
For the year ended 31.3.2021	
Non Current assets	
Right of use assets	605.69
For the year ended 31.3.2020	
Non Current assets	
Property, Plant & Equipment - Lease hold land	605.69
For the year ended 31.3.2021	
Other expenses	
Miscellaneous expenses	430.27
For the year ended 31.3.2020	
Other expenses	
Rent including lease rentals	35.47
Communication expenses	63.15
Travelling and conveyance	181.80
Printing and stationery	45.22
Quality claim	71.82
Hank yarn obligation	6.25
Business promotion expenses	21.49
Donation	5.07

For and on behalf of Board of Directors

S.V. ARUMUGAM
Chairman & Managing Director
DIN 00002458

K. SADASHIVAM
Director
DIN 00610037

N. KRISHNARAJ
Company Secretary
ACS No. 20472

S. SESHADRI
Chief Financial Officer

Coimbatore
July 23, 2021

Consolidated Financial Statements

INDEPENDENT AUDITOR'S REPORT

To The Members of Bannari Amman Spinning Mills Limited
Report on the Audit of the Consolidated Financial Statements

Opinion

We have audited the accompanying consolidated financial statements of Bannari Amman Spinning Mills Limited ("the Parent") and its subsidiaries, (the Parent and its subsidiaries together referred to as "the Group"), which comprise the Consolidated Balance Sheet as at March 31, 2021, and the Consolidated Statement of Profit and Loss (including Other Comprehensive Income), the Consolidated Cash Flow Statement and the Consolidated Statement of Changes in Equity for the year then ended, and 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, and based on the consideration of reports of the other auditors on separate financial statements of the subsidiaries referred to in the Other Matters section below, the aforesaid consolidated financial statements give the information required by the Companies Act, 2013 ("the Act") in the manner so required and give a true and fair view in conformity with the Indian Accounting Standards prescribed under section 133 of the Act read with the Companies (Indian Accounting Standards) Rules, 2015, as amended ('Ind AS'), and other accounting principles generally accepted in India, of the consolidated state of affairs of the Group as at March 31, 2021, and their consolidated loss, their consolidated total comprehensive loss, their consolidated cash flows and their consolidated changes in equity for the year ended on that date.

Basis for Opinion

We conducted our audit of the consolidated financial statements in accordance with the Standards on Auditing specified under section 143 (10) of the Act (SAs). Our responsibilities under those Standards are further described in the Auditor's Responsibility for the Audit of the Consolidated Financial Statements section of our report. We are independent of the Group, 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 consolidated 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 obtained by us and the audit evidence obtained by the other auditors in terms of their reports referred to in the sub-paragraphs (a) and (b) of the Other Matters section below, is sufficient and appropriate to provide a basis for our audit opinion on the consolidated financial statements.

Key Audit Matters

Key audit matters are those matters that, in our professional judgment, were of most significance in our audit of the consolidated financial statements of the current period. These matters were addressed in the context of our audit of the consolidated financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters. We have determined the matters described below to be the key audit matters to be communicated in our report.

Sr. No.	Key Audit Matter	Auditor's Response
	Valuation of finished goods inventory for certain items: The Parent has certain items of finished goods (garments) aggregating Rs. 1,671.53 lakhs included in total inventory of Rs. 25,914.31 lakhs as at March 31, 2021 referred to in Note 6 of the consolidated financial statements which, as per the accounting policy for valuation of inventory in Note 2.4, are valued at the lower of cost and net realizable value. Considering the nature of the such garments, the determination of the net realisable value by Management involves the an element of judgment with regard to volatility in selling price of garments, the past trends of discounts applied for necessary disposal of old garments, impact of future fashion trends and market conditions, etc. Any change in the assumptions considered by the Management for such inventories would result in an impact in the margins in the year of disposal/sales of the inventory or change in assumptions and accordingly, considering the element of judgment involved, this has been assessed as a key audit matter	**Principal audit procedure performed** We have performed the following procedures: a. Evaluated the design, implementation and tested the operating effectiveness of the internal controls over the evaluation of the reasonableness of assumptions being considered by the management in determining the net realisable value and the assessment, if any, for adjustment to cost required for such items of finished goods. b. Obtained an understanding of the significant judgements applied by the management in determination of the net realizable values of the finished goods and the relevant workings and for the sample of inventory items selected performed the following procedures: • Conducted a retrospective test of comparing the net realisable value determined by the management in the previous year with the subsequent sale value of such finished goods in the current year to evaluate if the assumptions considered were reasonable. • Compared the net realisable value determined at the year-end with any instance of sale occurring for such inventory after the year end / latest realization to assess the reasonableness of the assumptions considered by the management. c. Compared the actual costs incurred to sell such inventory after the year end based on the latest sale transaction to assess the reasonableness of the cost to sell that was estimated and considered by the management.

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

- The Parent's Board of Directors is responsible for the other information. The other information comprises the information included in the Management Discussion and Analysis, Director's Report including annexures to Director's Report and Corporate Governance, but does not include the consolidated financial statements and our auditor's report thereon.
- Our opinion on the consolidated financial statements does not cover the other information and we do not express any form of assurance conclusion thereon.
- In connection with our audit of the consolidated financial statements, our responsibility is to read the other information, compare with the financial statements of the subsidiaries, audited by the other auditors, to the extent it relates to these entities and, in doing so, place reliance on the work of the other auditors and 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. Other information so far as it relates to the subsidiaries, is traced from their financial statements audited by the other auditors.
- 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 Consolidated Financial Statements

The Parent's Board of Directors is responsible for the matters stated in section 134(5) of the Act with respect to the preparation of these consolidated financial statements that give a true and fair view of the consolidated financial position, consolidated financial performance including other comprehensive income, consolidated cash flows and consolidated changes in equity of the Group in accordance with the Ind AS and other accounting principles generally accepted in India. The respective Board of Directors of the companies included in the Group are responsible for maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding the assets of the Group 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 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 Parent, as aforesaid.

In preparing the consolidated financial statements, the respective Board of Directors of the companies included in the Group 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 Board of Directors either intends to liquidate their respective entities or to cease operations, or has no realistic alternative but to do so.

The respective Board of Directors of the companies included in the Group are also responsible for overseeing the financial reporting process of the Group.

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

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

As part of an audit in accordance with SAs, we exercise professional judgment and maintain professional skepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the consolidated financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.

- Obtain an understanding of internal 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 Parent 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 attention in our auditor's report to the related disclosures in the consolidated financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the 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 or business activities 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 entities or business activities included in the consolidated financial statements of which we are the independent auditors. For the other entities or business activities included in the consolidated financial statements, which have been audited by the other auditors, such other auditors remain responsible for the direction, supervision and performance of the audits carried out by them. We remain solely responsible for our audit opinion.

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 Parent 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.

Other Matters

(a) We did not audit the financial statements of two subsidiaries, whose financial statements reflect total assets of Rs.1,655.86 Lakhs as at 31 March, 2021, total revenues of Rs.197.47 Lakhs and net cash outflows amounting to Rs.5.07 Lakhs for the year ended on that date, as considered in the consolidated financial statements. These financial statements have been audited by other auditors whose reports have been furnished to us by the Management and our opinion on the consolidated financial statements, in so far as it relates to the amounts and disclosures included in respect of these subsidiaries, and our report in terms of subsection (3) of Section 143 of the Act, in so far as it relates to the aforesaid subsidiaries is based solely on the reports of the other auditors.

(b) We did not audit the financial statements of two subsidiaries whose financial statements reflect total assets of Rs. 10.29 Lakhs as at 31 March, 2021, total revenues of Rs.0.40 Lakhs and net cash outflows amounting to Rs.0.68 Lakhs for the year ended on that date, as considered in the consolidated financial statements. These financial statements are unaudited and have been furnished to us by the Management and our opinion on the consolidated financial statements, in so far as it relates to the amounts and disclosures included in respect of these subsidiaries, is based solely on such unaudited financial statements. In our opinion and according to the information and explanations given to us by the Management, these financial statements are not material to the Group.

Our opinion on the consolidated financial statements above and our report on Other Legal and Regulatory Requirements below, is not modified in respect of the above matters with respect to our reliance on the work done and the reports of the other auditors and the financial statements certified by the management.

Report on Other Legal and Regulatory Requirements

1. As required by Section 143(3) of the Act, based on our audit and on the consideration of the reports of the other auditors on the separate financial statements of the subsidiaries referred to in the Other Matters section above 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 of the aforesaid consolidated financial statements.

   b) In our opinion, proper books of account 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, returns and the reports of the other auditors.

   c) The Consolidated Balance Sheet, the Consolidated Statement of Profit and Loss including Other Comprehensive Income, the Consolidated Cash Flow Statement and the Consolidated Statement of Changes in Equity 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.

   d) In our opinion, the aforesaid consolidated financial statements comply with the Ind AS specified under Section 133 of the Act.

   e) On the basis of the written representations received from the directors of the Parent as on March 31, 2021 taken on record by the Board of Directors of the Company and the reports of the statutory auditors of its subsidiary companies incorporated in India, none of the directors of the Group companies incorporated in India is disqualified as on March 31, 2021 from being appointed as a director in terms of Section 164 (2) of the Act.

   f) With respect to the adequacy of the internal financial controls over financial reporting and the operating effectiveness of such controls, refer to our separate Report in "Annexure A" which is based on the auditors' reports of the Parent, subsidiary companies incorporated in India. Our report expresses an unmodified opinion on the adequacy and operating effectiveness of internal financial controls over financial reporting of those companies.

   g) With respect to the other matters to be included in the Auditor's Report in accordance with the requirements of section 197(16) of the Act, as amended,

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

   h) With respect to the other matters to be included in the Auditor's Report in accordance with Rule 11 of the Companies (Audit and Auditors) Rules, 2014,as amended in our opinion and to the best of our information and according to the explanations given to us:

      i) The consolidated financial statements disclose the impact of pending litigations on the consolidated financial position of the Group,

      ii) Provision has been made in the consolidated financial statements, as required under the applicable law or accounting standards, for material foreseeable losses, if any, on long-term contracts including derivative contracts;

      iii) There has been no delay in transferring amounts, required to be transferred, to the Investor Education and Protection Fund by the Parent and its subsidiary companies incorporated in India.

For **Deloitte Haskins & Sells LLP**
Chartered Accountants
(Firm's Registration No. 117366W/W-100018)

Balaji M. N.
(Partner)
(Membership No. 202094)
(UDIN:21202094AAAAFO6257)

Place: Bengaluru
Date: July 23, 2021

ANNEXURE "A" TO THE INDEPENDENT AUDITOR'S REPORT

(Referred to in paragraph (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")

In conjunction with our audit of the consolidated Ind AS financial statements of the Company as of and for the year ended March 31, 2021, we have audited the internal financial controls over financial reporting of Bannari Amman Spinning Mills Limited (hereinafter referred to as "Parent") and its subsidiary companies, which includes internal financial controls over financial reporting of the subsidiaries, which are companies incorporated in India, as of that date.

Management's Responsibility for Internal Financial Controls

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

Auditor's Responsibility

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

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

We believe that the audit evidence we have obtained and the audit evidence obtained by the other auditors of the subsidiary companies, which are companies incorporated in India, in terms of their reports referred to in the Other Matters paragraph below, is sufficient and appropriate to provide a basis for our audit opinion on the internal financial controls system over financial reporting of the Parent and its subsidiary companies, which are companies incorporated in India.

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 authorisations of management and directors of the company; and (3) provide reasonable assurance regarding prevention or timely detection of unauthorised acquisition, use, or disposition of the company's assets that could have a material effect on the financial statements.

Inherent Limitations of Internal Financial Controls Over Financial Reporting

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

Opinion

In our opinion to the best of our information and according to the explanations given to us and based on the consideration of the reports of the other auditors referred to in the Other Matters paragraph below, the Parent and its subsidiary companies, which are companies incorporated in India, have, in all material respects, an adequate internal financial controls system over financial reporting and such internal financial controls over financial reporting were operating effectively as at March 31, 2021, based on the criteria for internal financial control over financial reporting established by the respective companies considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting issued by the Institute of Chartered Accountants of India.

Other Matters

Our aforesaid report under Section 143(3)(i) of the Act on the adequacy and operating effectiveness of the internal financial controls over financial reporting insofar as it relates to two subsidiary companies, which are companies incorporated in India, is based solely on the corresponding reports of the auditors of such companies incorporated in India.

Our opinion is not modified in respect of the above matters.

For **Deloitte Haskins & Sells LLP**
Chartered Accountants
(Firm's Registration No. 117366W/W-100018)

Balaji M. N.
(Partner)
(Membership No. 202094)
(UDIN:21202094AAAAFO6257)

Place: Bengaluru
Date: July 23, 2021

Consolidated Balance Sheet as at March 31, 2021

(Rs. in Lakhs)

Particulars	Note No.	As at March 31, 2021	As at March 31, 2020
ASSETS			
1 **Non-current assets**			
a) Property, plant and equipment	3A	60,064.95	63,100.68
b) Capital work-in-progress	3A	1,664.01	439.02
c) Right of use assets	31	774.99	845.59
d) Other intangible assets	3B	488.01	9.37
e) Financial assets	4		
i) Investments	4.1	26.42	25.38
f) Deferred tax asset	29B	20.86	0.80
g) Other non-current assets	5	1,027.86	1,477.36
Total non-current assets		**64,067.10**	**65,898.20**
2 **Current assets**			
a) Inventories	6	25,914.31	32,655.76
b) Financial assets	7		
i) Trade receivables			
A) Trade receivables - Unsecured	7.1	13,144.46	15,843.13
B) Trade receivables - Credit impaired	7.1	856.04	814.52
ii) Cash and cash equivalents	7.2	1,746.17	3,424.40
iii) Bank balances other than (ii) above	7.2	2.60	167.11
iv) Loans	7.3	59.62	37.97
v) Other financial assets	7.4	1,401.06	1,820.38
c) Current tax assets	7.5	47.40	166.99
d) Other current assets	8	4,167.94	3,825.20
e) Assets classified as held for sale	3D	56.72	56.72
Total current assets		**47,396.32**	**58,812.18**
Total assets (1+2)		**111,463.42**	**124,710.38**
EQUITY AND LIABILITIES			
1 **Equity**			
a) Equity share capital	9	1,575.43	1,575.43
b) Other equity	10	28,619.22	29,658.21
Equity attributable to the owners of the Holding Company		**30,194.65**	**31,233.64**
Non-controlling interest		3,561.50	3,485.30
Total equity		**33,756.15**	**34,718.94**
Liabilities			
2 **Non-current liabilities**			
a) Financial liabilities	11		
i) Borrowings	11.1	18,687.39	19,616.95
ii) Lease liabilities	31	41.01	176.13
b) Deferred tax liabilities (net)	29B	3,152.88	3,274.52
c) Provisions	12.1	241.29	231.21
d) Other non-current liabilities	12.2	777.23	988.47
Total non - current liabilities		**22,899.80**	**24,287.28**
3 **Current liabilities**			
a) Financial liabilities	13		
i) Borrowings	13.1	33,734.06	42,010.52
ii) Trade payables			
A) Total outstanding dues of micro and small enterprises	13.2	1,739.30	809.51
B) Total outstanding dues of creditors other than micro and small enterprises	13.2	11,089.99	13,922.97
iii) Lease liabilities	31	87.11	80.28
iv) Other financial liabilities	13.3	6,502.43	6,520.04
b) Provisions	14	414.49	306.71
c) Other current liabilities	15	1,240.09	2,054.13
Total current liabilities		**54,807.47**	**65,704.16**
Total equity and liabilities (1+2+3)		**111,463.42**	**124,710.38**

In terms of our report attached

For **Deloitte Haskins & Sells LLP**
Chartered Accountants

BALAJI M N
Partner

Bengaluru
July 23, 2021

For and on behalf of Board of Directors

S V ARUMUGAM
Chairman & Managing Director
DIN 00002458

K SADHASIVAM
Director
DIN 00610037

N KRISHNARAJ
Company Secretary
ACS No. 20472

S SESHADRI
Chief Financial Officer

Coimbatore
July 23, 2021

Consolidated Statement of Profit and Loss for the year ended March 31, 2021

(Rs. in Lakhs)

	Particulars	Note No.	For the year ended March 31, 2021	For the year ended March 31, 2020
I	Revenue from operations	16	101,853.73	113,387.67
II	Other Income	17	518.15	1,849.73
III	**Total Revenue (I + II)**		**102,371.88**	**115,237.40**
IV	**Expenses**			
	a) Cost of materials consumed	18A	62,394.64	77,365.84
	b) Purchase of stock-in-trade	18B	129.57	230.08
	c) Changes in stock of finished goods, work-in-progress and stock in trade	19	5,778.25	(1,479.14)
	d) Employee benefit expense	20	12,263.54	14,263.96
	e) Finance costs	21	6,201.11	7,203.15
	f) Depreciation and amortisation expenses	3A & 31	3,274.38	3,262.83
	g) Other expenses	22	13,533.37	13,387.16
	Total Expenses		**103,574.86**	**114,233.88**
V	**Profit / (loss) before tax (III - IV)**		**(1,202.98)**	**1,003.52**
VI	**Tax Expense**			
	1) Deferred tax			
	a) Deferred tax	29A	(164.63)	413.03
	Total tax expense		**(164.63)**	**413.03**
VII	**Profit / (loss) for the year (V - VI)**		**(1,038.35)**	**590.49**
VIII	**Other comprehensive income/(loss)**		**75.55**	**87.96**
	A i) Items that will not be reclassified to profit or loss			
	a) Remeasurements of the defined benefit liabilities/(asset)		96.45	113.94
	ii) Income tax relating to items that will not be reclassified to profit or loss		(20.90)	(25.98)
IX	**Total comprehensive income for the year (VII + VIII)**		**(962.80)**	**678.45**
	Profits attributable to			
	Non-controlling interest		61.86	348.01
	Owners of the Company		(1,100.21)	242.48
	Other comprehensive income attributable to			
	Non-controlling interest		14.33	14.92
	Owners of the Company		61.22	73.04
	Total comprehensive income attributable to			
	Non-controlling interest		76.19	362.93
	Owners of the Company		(1,038.99)	315.52
X	**Earnings / (loss) per equity share: in Rs.**	28		
	1) Basic		(3.49)	1.87
	2) Diluted		(3.49)	1.87

In terms of our report attached

For **Deloitte Haskins & Sells LLP**
Chartered Accountants

BALAJI M N
Partner

Bengaluru
July 23, 2021

For and on behalf of Board of Directors

S V ARUMUGAM
Chairman & Managing Director
DIN 00002458

K SADHASIVAM
Director
DIN 00610037

N KRISHNARAJ
Company Secretary

S SESHADRI
Chief Financial Officer

Coimbatore
July 23, 2021

Consolidated Statement of changes in equity for the year ended March 31, 2021

(Rs. in Lakhs)

a) Equity share capital	Amount
Balance at the April 1, 2019	1,575.43
Balance at the March 31, 2020	**1,575.43**
Balance as at April 1, 2020	1,575.43
Balance as at March 31, 2021	**1,575.43**

b) Other equity

(Rs. in Lakhs)

Particulars	Securities premium account	General reserve	Retained earnings (Refer Note No. 10)	Items of Other Comprehensive Income			Equity attributable to the owners of the Holding Company	Non-Controlling Interest	Total other equity
				Remeasurements of the defined benefit liabilities/ (asset)	Equity instruments through other comprehensive income	Other items of other Comprehensive Income			
Balance as at April 1, 2019	**7,930.76**	**16,295.22**	**5,009.32**	**(80.53)**	**3.48**	**499.72**	**29,657.97**	**3,122.38**	**32,780.35**
Profit / (loss) for the year	-	-	242.48	-	-	-	242.48	348.01	590.49
Impact on account of initial application of Ind AS 116 (Refer Note 31)	-	-	(11.08)	-	-	-	(11.08)	-	(11.08)
Cash dividends	-	-	(252.07)	-	-	-	(252.07)	-	(252.07)
Tax on dividends	-	-	(52.13)	-	-	-	(52.13)	-	(52.13)
Other comprehensive income (net of taxes)	-	-	-	73.04	-	-	73.04	14.92	87.96
Balance as at March 31, 2020	**7,930.76**	**16,295.22**	**4,936.52**	**(7.49)**	**3.48**	**499.72**	**29,658.21**	**3,485.31**	**33,143.52**
Balance as at April 1, 2020	**7,930.76**	**16,295.22**	**4,936.52**	**(7.49)**	**3.48**	**499.72**	**29,658.21**	**3,485.31**	**33,143.52**
Loss for the year	-	-	(1,100.21)	-	-	-	(1,100.21)	61.86	(1,038.35)
Other comprehensive income (net of taxes)	-	-	-	61.22	-	-	61.22	14.33	75.55
Balance as at March 31, 2021	**7,930.76**	**16,295.22**	**3,836.31**	**53.73**	**3.48**	**499.72**	**28,619.22**	**3,561.50**	**32,180.72**

In terms of our report attached

For **Deloitte Haskins & Sells LLP**
Chartered Accountants

BALAJI M N
Partner

Bengaluru
July 23, 2021

For and on behalf of Board of Directors

S V ARUMUGAM
Chairman & Managing Director
DIN 00002458

K SADHASIVAM
Director
DIN 00610037

N KRISHNARAJ
Company Secretary
ACS No. 20472

S SESHADRI
Chief Financial Officer

Coimbatore
July 23, 2021

Consolidated Cash Flow Statement

(Rs. in Lakhs)

Particulars	For the year ended March 31, 2021		For the year ended March 31, 2020	
A. CASH FLOW FROM OPERATING ACTIVITIES				
Profit / (loss) before tax		**(1,202.98)**		**1,003.52**
Adjustments for:				
Depreciation and amortization expenses	3,274.38		3,262.83	
Profit / (loss) on sale of property, plant and equipment	(380.55)		(1,709.18)	
Profit / (loss) on sale of investments	-		3.83	
Finance costs	6,201.11		7,203.15	
Interest income	(44.60)		(97.17)	
Allowance for doubtful trade receivables and bad debts written off	501.54		159.57	
Net unrealised exchange (gain)	(57.48)		(243.51)	
		9,494.40		8,579.52
Operating profit before working capital changes		8,291.42		9,583.04
Changes in working capital:				
Adjustments for increase / (decrease) in operating assets:				
Financial Assets				
Trade receivables	2,213.09		2,141.71	
Loans	(21.65)		9.97	
Other financial assets	637.97		220.48	
Non-financial assets				
Inventories	6,741.45		(856.65)	
Other non-financial assets	203.21		628.69	
Adjustments for increase / (decrease) in operating liabilities:				
Financial liabilities				
Trade payables	(1,903.19)		3,501.68	
Other financial liabilities	216.24		(445.91)	
Non-financial liabilities				
Provisions	117.86		(79.91)	
Other non-financial liabilities	(846.31)		(589.44)	
		7,358.67		4,530.62
		15,650.09		**14,113.66**
Net income tax paid		121.62		(171.79)
Net cash flow from operating activities (A)		**15,771.71**		**13,941.87**
B. CASH FLOW FROM INVESTING ACTIVITIES				
Capital expenditure on property plant and equipment, including capital advances	(2,520.56)		(2,591.98)	
Margin money deposits	164.00		98.00	
Sale of other investments	(1.04)		58.66	
Proceeds from sale of property, plant and equipment	1,099.80		3,043.04	
Interest received	61.06		83.47	
Net cash flow generated / (used in) investing activities (B)		**(1,196.74)**		**691.19**

Consolidated Cash Flow Statement Contd.,

(Rs. in Lakhs)

Particulars	For the year ended March 31, 2021		For the year ended March 31, 2020	
C. CASH FLOW FROM FINANCING ACTIVITIES				
Proceeds from non-current borrowings	1,700.00		2,200.00	
Repayment of non-current borrowings	(2,613.57)		(4,225.04)	
Increase / (decrease) in working capital borrowings	(8,276.46)		(2,367.26)	
Payment of dividend including tax thereon	-		(304.20)	
Repayment of operating lease liabilities	(188.91)		(117.91)	
Interest paid on lease liabilities	(32.63)		(32.62)	
Finance costs paid	(6,841.63)		(7,421.78)	
Net cash flow (used in) financing activities (C)		**(16,253.20)**		**(12,268.81)**
Net increase / (decrease) in cash and cash equivalents (A+B+C)		**(1,678.23)**		**2,364.25**
Add: Cash and cash equivalents at the beginning of the year		3,424.40		1,060.15
Cash and cash equivalents at the end of the year *		**1,746.17**		**3,424.40**
* Comprises:				
a) Cash on hand	5.23		8.16	
b) Cheques/drafts on hand	4.00		3.50	
c) Balances with banks:				
i) In current accounts	1,106.03		818.00	
ii) In deposit accounts	630.91		2,594.74	
Total		**1,746.17**		**3,424.40**

See accompanying notes to the consolidated financial statements

In terms of our report attached

For **Deloitte Haskins & Sells LLP**
Chartered Accountants

BALAJI M N
Partner

Bengaluru
July 23, 2021

For and on behalf of Board of Directors

S V ARUMUGAM
Chairman & Managing Director
DIN 00002458

K SADHASIVAM
Director
DIN 00610037

N KRISHNARAJ
Company Secretary
ACS No. 20472

S SESHADRI
Chief Financial Officer

Coimbatore
July 23, 2021

Notes to the consolidated financial statements for the year ended March 31,2021

Note No.	Particulars
1.	**Corporate Information** Bannari Amman Spinning Mills Limited (the "Company" / "Holding Company") is a integrated textile company engaged in the manufacture of cotton yarn, knitted & woven fabrics, pocessing of fabrics, finished garments, home textiles and wind power generation. The company was incorporated in the year 1989 and issued shares to the public in the year 2006. In addition the company has investment in subsidiaries which have been collectively referred to as "Group".
2.	**Significant Accounting Policies** This note provides a list of the significant accounting policies adopted in the preparation of these financial statements. These policies have been consistently applied to all the years presented, unless otherwise stated.
2.1	**(a) Basis of accounting and preparation of financial statements** **(i) Compliance with Ind AS** The consolidated financial statements comply in all material aspects with Indian Accounting Standards (Ind AS) notified under Section 133 of the Companies Act, 2013 (the Act) (Companies (Indian Accounting Standards) Rules, 2015) and other relevant provisions of the Act. The group has consistently applied accounting policies to all periods. **(ii) Historical cost convention** The financial statements have been prepared on a historical cost basis, except for the following: (a) Certain property plant and equipment, financial assets and liabilities that are measured at fair value and (b) defined benefit plans – plan assets measured at fair value (c) assets held for sale – measured at fair value less cost to sell **(b) Principles of consolidation and equity accounting** (i) Subsidiaries Subsidiaries are all entities (including structured entities) over which the group has control. The group controls an entity when the group is exposed to, or has rights to, variable returns from its involvement with the entity and has the ability to affect those returns through its power to direct the relevant activities of the entity. Subsidiaries are fully consolidated from the date on which control is transferred to the group. They are deconsolidated from the date that control ceases. The acquisition method of accounting is used to account for business combinations by the group. The group combines the financial statements of the parent and its subsidiaries line by line adding together like items of assets, liabilities, equity, income and expenses. Intercompany transactions, balances and unrealised gains on transactions between group companies are eliminated.

Notes to the consolidated financial statements for the year ended March 31,2021

Note No.	Particulars
	Unrealised losses are also eliminated unless the transaction provides evidence of an impairment of the transferred asset. Accounting policies of subsidiaries have been changed where necessary to ensure consistency with the policies adopted by the group. Non-controlling interests in the results and equity of subsidiaries are shown separately in the consolidated statement of profit and loss, consolidated statement of changes in equity and balance sheet respectively. The carrying amount of equity accounted investments are tested for impairment. The consolidated Ind AS financial statements of the Group include subsidiaries/joint ventures which are incorporated in India in the table below:

Name of the entity	As at March 31,2021	As at March 31,2020
Young Brand Apparel Private Limited	51.33%	51.33%
Accel Apparels Private Limited	100.00%	100.00%
Abirami Amman Designs Private Limited	100.00%	100.00%
Bannari Amman Trendz Private Limited	100.00%	100.00%
Bannari Amman Retails Private Limited	100.00%	100.00%

Note No.	Particulars
2.2	**Segment reporting** Operating segments are reported in a manner consistent with the internal reporting provided to the chief operating decision maker. The board of directors of the Holding Company assesses the financial performance and position of the Company, and makes strategic decisions. The board of directors, has been identified as being the chief operating decision maker.
2.3	**Use of estimates** In the application of the group's accounting policies, the directors of the Holding Company are required to make judgements, estimates and assumptions about the carrying amounts of assets and liabilities that are not readily apparent from other sources. The estimates and associated assumptions are based on historical experience and other factors that are considered to be relevant. Actual results may differ from these estimates. The estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognised in the period in which the estimate is revised if the revision affects only that period, or in the period of the revision and future periods if the revision affects both current and future periods. The following are the key assumptions concerning the future, and other key sources of estimation uncertainty at the end of the reporting period that may have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year.

Notes to the consolidated financial statements for the year ended March 31,2021

Note No.	Particulars
	a) Useful lives of property, plant and equipment The group reviews the useful life of property, plant and equipment at the end of each reporting period. This assessment may result in change in the depreciation expense in future periods. Useful life in years : Factory building - 30, Building (non factory) - 60, Plant and machinery (main) - 30, Plant and machinery (others) - 15, Office equipments - 5, Furniture & fittings - 10, Vehicles - 8.
	b) Deferred tax assets The carrying amount of deferred tax asset is reviewed at each reporting period and is reduced to the extent that it is no longer probable that sufficient taxable profits will be available to allow all or part of the asset to be recovered.
	c) Employee benefits The cost of defined benefit plans are determined using actuarial valuations. The actuarial valuation involves making assumptions about discount rates, expected rates of return on assets, future salary increases, mortality rates and future pension increases. Due to the long-term nature of these plans, such estimates are subject to significant uncertainty.
	d) Impact of Covid-19 The outbreak of COVID-19 pandemic and the resultant lockdown measures enforced by the Central and State Governments has affected the Group's full year financial performance though the operations have significantly improved in the second half of the financial year 2020-21. The Group has considered the possible effects that may result from the pandemic relating to COVID-19 on the carrying amounts of Property, plant and equipment, Intangibles, Inventories, Receivables and Other assets. In developing the assumptions relating to the possible future uncertainties in the global economic conditions because of this pandemic, the Group, as at the date of approval of these financial results has used internal and external sources on the expected future performance of the Group. The Group has evaluated its liquidity position, recoverability and based on current estimates expects the carrying amount of these assets will be recovered. The impact of COVID-19 on the Group's financial results may differ from that estimated as at the date of approval of these financial results.
2.4	**Inventories** Inventories are valued at lower of cost and net realisable value. Cost of raw materials, Packing materials, Stores and Spares and consumables are valued at Cost. Value of finished goods and work-in-progress are determined on weighted average cost basis and include appropriate share of overheads.
2.5	**Cash and cash equivalents** Cash and cash equivalents comprise cash on hand and demand deposits with banks other than deposits pledged with government authorities and margin money deposits. Cash and cash equivalent in the Balance Sheet comprise cash at banks and on hand and short-term deposits with an original maturity of three months or less, which are subject to insignificant risk of changes in value. Bank borrowings are generally considered to be financing activities. However, where bank overdrafts which are repayable on demand form an integral part of an entity’s cash management, bank overdrafts are included as a component of cash and cash equivalents. A characteristic of such banking arrangements is that the bank balance often fluctuates from being positive to overdrawn.
2.6	**Cash flow statement** Cash flows are reported using the indirect method, whereby profit / (loss) before extraordinary items 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. The cash flows from operating, investing and financing activities of the group are segregated based on the available information.

Notes to the consolidated financial statements for the year ended March 31,2021

Note No.	Particulars
2.7	**Taxes on income** **a) Current tax** The tax currently payable is based on taxable profit for the year. Taxable profit differs from `profit / (loss) before tax' as reported in the standalone statement of profit and loss because of items of income or expense that are taxable or deductible in other years and items that are never taxable or deductible. The Group's current tax is calculated using tax rates that have been enacted and are applicable as at the end of the reporting period. In the absence of adequate taxable profits, the group is required to pay Minimum Alternate Tax (MAT) on the book profits, as adjusted for certain provisions. **b) Deferred tax** Deferred tax is recognised on temporary differences between the carrying amounts of assets and liabilities in the financial statements and the corresponding tax bases used in the computation of taxable profit. Deferred tax liabilities are generally recognised for all taxable temporary differences. Deferred tax assets are generally recognised for all deductible temporary differences to the extent that it is probable that taxable profits will be available against which those deductible temporary differences can be utilised. Such deferred tax assets and liabilities are not recognised if the temporary difference arises from the initial recognition of assets and liabilities in a transaction that affects neither the taxable profit nor the accounting profit. MAT paid in accordance with the tax laws, if any, which gives future economic benefits in the form of adjustment to future income tax liability, is considered as an asset if there is convincing evidence that the group will pay normal tax. Accordingly, MAT is recognised as a deferred tax asset in the Balance sheet when it is highly probable that future economic benefit associated with it will flow to the group. The carrying amount of deferred tax assets is reviewed at the end of each reporting period and reduced to the extent that it is no longer probable that sufficient taxable profits will be available to allow all or part of the asset to be recovered. Deferred tax liabilities and assets are measured at the tax rates that are expected to apply in the period in which the liability is settled or the asset realised, based on tax rates (and tax laws) that have been enacted or substantively enacted by the end of the reporting period. The measurement of deferred tax liabilities and assets reflects the tax consequences that would follow from the manner in which the group expects, at the end of the reporting period, to recover or settle the carrying amount of its assets and liabilities. **c) Current and deferred tax for the year** Current and deferred tax are recognised in the Statement of profit and loss, except when they relate to items that are recognised in other comprehensive income or directly in equity, in which case, the current and deferred tax are also recognised in other comprehensive income or directly in equity respectively.

Notes to the consolidated financial statements for the year ended March 31,2021

Note No.	Particulars
2.8	**a) Property, plant and equipment** The cost of property, plant and equipment comprises its purchase price net of any trade discounts and rebates, any import duties and other taxes (other than those subsequently recoverable from the tax authorities), any directly attributable expenditure on making the asset ready for its intended use, including relevant borrowing costs for qualifying assets and any expected costs of decommissioning. Expenditure incurred after the property, plant and equipment have been put into operation, such as repairs and maintenance, are charged to the Statement of Profit and Loss in the period in which the costs are incurred. Major shut-down and overhaul expenditure is capitalised as the activities undertaken improves the economic benefits expected to arise from the asset. An item of property, plant and equipment is derecognized upon disposal or when no future economic benefits are expected to arise from the continued use of the asset. Any gain or loss arising on the disposal or retirement of an item of property, plant and equipment is determined as the difference between the sales proceeds and the carrying amount of the asset and is recognized in Statement of Profit and Loss. Property, plant and equipment except freehold land held for use in the production, supply or administrative purposes, are stated in the balance sheet at cost less accumulated depreciation and accumulated impairment losses, if any. Freehold land and leasehold land where the lease is convertible to freehold land under lease agreements at future dates at no additional cost, are not depreciated. Assets held under finance leases are depreciated over their expected useful lives on the same basis as owned assets. However, when there is no reasonable certainty that ownership will be obtained by the end of the lease term, assets are depreciated over the shorter of the lease term and their useful lives. **b) Capital work-in-progress** Projects under which assets are not ready for their intended use and other capital work-in-progress are carried at cost , comprising direct cost and related incidental expenses. Depreciation commences when the assets are ready for their intended use. Depreciable amount for assets is the cost of an asset, or other amount substituted for cost, less its estimated residual value. Depreciation is recognized so as to write off the cost of assets (other than freehold land and properties under construction) less their residual values over their useful lives, using straight-line method as per the useful life prescribed in Schedule II to the Companies Act, 2013 The group reviews the residual value, useful lives and depreciation method annually and, if expectations differ from previous estimates, the change is accounted for as a change in accounting estimate on a prospective basis. **c) Depreciation and Amortisation** Depreciation on assets (other than freehold land) has been provided on the straight-line method as per the useful life prescribed in Schedule II to the Companies Act,2013 except in respect of Windmill for which 30 years is considered based on technical advice, taking into account the nature of the asset, the estimated usage of the asset, the operating conditions of the asset, past history of replacement, anticipated technological changes, manufacturers warranties and maintenance support, etc., Depreciation is provided pro-rata from the date of Capitalisation. The estimated useful lives, residual values and depreciation method are reviewed at the end of each reporting period.

Notes to the consolidated financial statements for the year ended March 31,2021

Note No.	Particulars
2.9	**Leases**
	The Group's lease asset classes primarily consist of leases for land and buildings. The Group, at the inception of a contract, assesses whether the contract is a lease or not lease. A contract is, or contains, a lease if the contract conveys the right to control the use of an identified asset for a time in exchange for a consideration.
	The Group recognises a right-of-use asset and a lease liability at the lease commencement date. 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.
	The right-of-use asset is subsequently depreciated using the straight-line method from the commencement date to the end of the lease term.
	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 Group's incremental borrowing rate. 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 Group's estimate of the amount expected to be payable under a residual value guarantee, or if the Group changes its assessment of whether it will exercise a purchase, extension or termination option. 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 profit or loss if the carrying amount of the right-of-use asset has been reduced to zero.
2.10	**Revenue recognition**
	(i) Sale of goods
	Revenue from sale of goods is recognised when control of the goods is transferred to the Customers. Revenue from the sale of goods is measured at the fair value of the consideration received or receivable, net of returns and allowances, trade discounts and volume rebates.
	(ii) Time and material
	Revenue from time and material contracts are recognised as and when services are rendered to the customer. These are based on the efforts spent and rates agreed with the customer. Revenue from the end of the last invoicing to the reporting date is recognised as unbilled revenue.
	(iii) Dividend and interest income
	Dividend income from investments is recognised when the shareholder's right to receive payment has been established (provided that it is probable that the economic benefits will flow to the group and the amount of income can be measured reliably).

Notes to the consolidated financial statements for the year ended March 31,2021

Note No.	Particulars
	Interest income from a financial asset is recognised when it is probable that the economic benefits will flow to the group and the amount of income can be measured reliably. Interest income is accrued on a time basis, by reference to the principal outstanding and at the effective interest rate applicable, which is the rate that exactly discounts estimated future cash receipts through the expected life of the financial asset to that asset's net carrying amount on initial recognition.
	(iv) Other operating revenue
	Income incidental to exports such as duty drawback, Merchandise Exports from India Scheme (MEIS), income from import entitlement and premium on sale of such entitlement are recognised when there is a reasonability of collection.
2.11	**Employee benefits**
	Employee benefits include provident fund, employee state insurance, gratuity fund and compensated absences.
	a) Retirement benefit costs and termination benefits
	Payments to defined contribution Retirement Benefit Plans are recognised as an expense when employees have rendered service entitling them to the contributions.
	For defined benefit Retirement Benefit Plans, the cost of providing benefits is determined using the projected unit credit method, with actuarial valuations being carried out at the end of each annual reporting period. Remeasurement, comprising actuarial gains and losses, the effect of the changes to the asset ceiling (if applicable) and the return on plan assets (excluding net interest), is reflected in the balance sheet with a charge or credit recognised in other comprehensive income in the period in which they occur. Remeasurement recognised in other comprehensive income is reflected immediately in retained earnings and is not reclassified to profit or loss. Past service cost is recognised in profit or loss in the period of a plan amendment. Net interest is calculated by applying the discount rate at the beginning of the period to the net defined benefit liability or asset.
	b) Defined benefit costs are categorised as follows :
	- service cost (including current service cost, past service cost, as well as gains and losses on curtailments and settlements);
	- net interest expense or income ; and
	- remeasurement
	For defined benefit plan, in the form of gratuity fund, the cost of providing benefits is determined using the Projected Unit Credit method, with actuarial valuations being carried out at each Balance Sheet" date. Actuarial gains and losses are recognised in the Statement of Profit and Loss in the period in which they occur. The retirement benefit obligation recognised in the Balance Sheet represents the present value of the defined benefit obligation as adjusted for unrecognised past service cost, as reduced by the fair value of scheme assets. Any asset resulting from this calculation is limited to past service cost, plus the present value of available refunds and reductions in future contributions to the scheme. The gratuity fund is maintained with Life Insurance Corporation of India.

Notes to the consolidated financial statements for the year ended March 31,2021

Note No.	Particulars
	The group presents the first two components of defined benefit costs in profit or loss in the line item 'Employee benefits expenses'. Curtailment gains and losses are accounted for as past service costs.The retirement benefit obligation recognised in the balance sheet represents the actual deficit or surplus in the group's defined benefit plan. Any surplus resulting from this calculation is limited to the present value of any economic benefits available in the form of refunds from the plans or reductions in future contributions to the plans.A liability for a termination benefit is recognised at the earlier of when the entity can no longer withdraw the offer of the termination benefit and when the entity recognises any related restructuring costs.
	c) Short-term and other long term employee benefits
	A liability is recognised for benefits accruing to employees in respect of wages and salaries, annual leave and sick leave in the period the related service is rendered at the undiscounted amount of the benefits expected to be paid in exchange for that service.
	Liabilities recognised in respect of short term employee benefits are measured at the undiscounted amount of the benefits expected to be paid in exchange for the related service.
	Liabilities recognised in respect of other long term employee benefits are measured at the present value of the estimated future cash outflows expected to be made by the group in respect of services provided by employees up to the reporting date.
2.12	**Foreign currency transactions and translations**
	(i) Functional and presentation currency
	Items included in the financial statements of the group are measured using the currency of the primary economic environment in which the group operates ('the functional currency'). The financial statements are presented in Indian rupee (INR), which is the group's functional and presentation currency.
	(ii) Transactions and balances
	Transactions in foreign currency are translated into the respective functional currencies using the exchange rates prevailing at the dates of the respective transactions. Foreign exchange gains and losses resulting from the settlement of such transactions and from the translation at the exchange rates prevailing at reporting date of monetary assets and liabilities denominated in foreign currencies are recognized in the statement of profit and loss and reported within foreign exchange gains/ (losses). Also refer note 2.1(1).
	Non-monetary assets and liabilities are measured in terms of historical cost in foreign currencies are not retranslated. Foreign currency gains and losses are reported on a net basis. This includes changes in the fair value of foreign exchange derivative instruments, which are accounted at fair value through profit or loss.

Notes to the consolidated financial statements for the year ended March 31,2021

Note No.	Particulars
2.13	**Borrowings and borrowing cost** Borrowings are recognised initially at fair value, net of transaction costs incurred. Borrowings are subsequently stated at amortised cost. Any difference between the proceeds (net of transaction costs) and the redemption value is recognised in the income statement over the period of the borrowings using the effective interest rate method. Borrowings are classified as current liabilities unless the group has an unconditional right to defer settlement of the liability for at least 12 months after the reporting date. Borrowing costs directly attributable to the acquisition, construction or production of qualifying assets, which are assets that necessarily take a substantial period of time to get ready for their intended use or sale, are added to the cost of those assets, until such time as the assets are substantially ready for their intended use or sale. Interest income earned on the temporary investment of specific borrowings pending their expenditure on qualifying assets is deducted from the borrowing costs eligible for capitalisation. All other borrowing costs are recognised in statement of profit and loss in the period in which they are incurred.
2.14	**Earnings per share** Basic earnings per share is computed by dividing the profit / (loss) after tax by the weighted average number of equity shares outstanding during the year. Diluted earnings per share is computed by dividing the profit / (loss) after tax as adjusted for dividend, interest and other charges to expense or income relating to the dilutive potential equity shares, by the weighted average number of equity shares considered for deriving basic earnings per share and the weighted average number of equity shares which could have been issued on the conversion of all dilutive potential equity shares.
2.15	**Provisions and contingencies** A provision is recognised when the group has a present obligation as a result of past events and it is probable that an outflow of resources will be required to settle the obligation in respect of which a reliable estimate can be made. Provisions (excluding retirement benefits) are not discounted to their present value and are determined based on the best estimate required to settle the obligation at the Balance Sheet date. These are reviewed at each Balance Sheet date and adjusted to reflect the current best estimates. Contingent liabilities are disclosed in the Notes.
2.16	**Financial instruments** All financial instruments are recognised initially at fair value. Transaction costs that are attributable to the acquisition of the financial asset (other than financial assets recorded at fair value through profit or loss) are included in the fair value of the financial assets. Purchase or sales of financial assets that require delivery of assets within a time frame established by regulation or convention in the market place (regular way trade) are recognised on trade date. While, financial liabilities like loans and borrowings and payables are recognised net of directly attributable transaction costs.

Notes to the consolidated financial statements for the year ended March 31,2021

Note No.	Particulars
	For the purpose of subsequent measurement, financial instruments of the group are classified in the following categories: non-derivative financial assets comprising amortised cost, equity instruments at FVTOCI or fair value through profit and loss account (FVTPL) and financial liabilities at amortised cost or FVTPL.
	The classification of financial instruments depends on the objective of the business model for which it is held. Management determines the classification of its financial instruments at initial recognition.
	a) Non-derivative financial assets
	i) Financial assets at amortised cost
	A financial asset shall be measured at amortised cost if both of the following conditions are met:
	(a) the financial asset is held within a business model whose objective is to hold financial assets in order to collect contractual cash flows and
	(b) the contractual terms of the financial asset give rise on specified dates to cash flows that are solely payments of principal and interest (SPPI) on the principal amount outstanding.
	They are presented as current assets, except for those maturing later than 12 months after the reporting date which are presented as non-current assets. Financial assets are measured initially at fair value plus transaction costs and subsequently carried at amortized cost using the effective interest method, less any impairment loss.
	The effective interest method is a method of calculating the amortised cost of a debt instrument and of allocating interest income over the relevant period. The effective interest rate is the rate that exactly discounts estimated future cash receipts (including all fees and points paid or received that form an integral part of the effective interest rate, transaction costs and other premiums or discounts) through the expected life of the debt instrument, or where appropriate, a shorter period, to the gross carrying amount on initial recognition.
	Financial assets at amortised cost are represented by trade receivables, security deposits, cash and cash equivalents, employee and other advances and eligible current and non-current assets. Income is recognised on an effective interest basis for debt instruments other than those financial assets classified as at FVTPL. Interest income is recognised in profit or loss and is included in the "Other Income" line item.
	ii) Equity instruments at FVTOCI
	All equity instruments are measured at fair value. Equity instruments held for trading is classified as FVTPL. For all other equity instruments, the group may make an irrevocable election to present subsequent changes in the fair value in OCI. The group makes such election on an instrument-by instrument basis. If the group decides to classify an equity instrument as at FVTOCI, then all fair value changes on the instrument, excluding dividend are recognised in OCI which is not subsequently reclassified to statement of profit and loss.

Note No.	Particulars
	iii) Financial assets at FVTPL FVTPL is a residual category for financial assets. Any financial asset which does not meet the criteria for categorization as at amortised cost or as FVTOCI, is classified as FVTPL. In addition the group may elect to designate the financial asset, which otherwise meets amortised cost or FVOCI criteria, as FVTPL if doing so eliminates or significantly reduces a measurement or recognition inconsistency. Financial assets at FVTPL are measured at fair value at the end of each reporting period, with any gains or losses arising on remeasurement recognised in profit or loss. The net gain or loss recognised in profit or loss incorporates any dividend or interest earned on the financial asset and is included in the 'Other income' line item. Dividend on financial assets at FVTPL is recognised when the Company's right to receive the dividends is established, it is probable that the economic benefits associated with the dividend will flow to the entity, the dividend does not represent a recovery of part of cost of the investment and the amount of dividend can be measured reliably. **iv) Derecognition of financial assets** The group derecognises a financial asset when the contractual rights to the cash flows from the asset expire, or when it transfers the financial asset and substantially all the risks and rewards of ownership of the asset to another party. If the group neither transfers nor retains substantially all the risks and rewards of ownership and continues to control the transferred asset, the group recognises its retained interest in the asset and an associated liability for amounts it may have to pay. If the group retains substantially all the risks and rewards of ownership of a transferred financial asset, the group continues to recognise the financial asset and also recognises a collateralised borrowing for the proceeds received. On derecognition of a financial asset in its entirety, the difference between the asset's carrying amount and the sum of the consideration received and receivable and the cumulative gain or loss that had been recognised in other comprehensive income and accumulated in equity is recognised in profit or loss if such gain or loss would have otherwise been recognised in profit or loss on disposal of that financial asset. On derecognition of a financial asset other than in its entirety (e.g. when the group retains an option to repurchase part of a transferred asset), the group allocates the previous carrying amount of the financial asset between the part it continues to recognise under continuing involvement, and the part it no longer recognises on the basis of the relative fair values of those parts on the date of the transfer. The difference between the carrying amount allocated to the part that is no longer recognised and the sum of the consideration received for the part no longer recognised and any cumulative gain or loss allocated to it that had been recognised in other comprehensive income is recognised in profit or loss if such gain or loss would have otherwise been recognised in profit or loss on disposal of that financial asset. A cumulative gain or loss that had been recognised in other comprehensive income is allocated between the part that continues to be recognised and the part that is no longer recognised on the basis of the relative fair values of those parts.

Notes to the consolidated financial statements for the year ended March 31,2021

Note No.	Particulars
	b) Non-derivative financial liabilities
	i) Financial liabilities at amortised cost
	Financial liabilities at amortised cost represented by borrowings, trade and other payables are initially recognized at fair value, and subsequently carried at amortized cost using the effective interest rate method.
	ii) Financial liabilities at FVTPL
	Financial liabilities at FVTPL are stated at fair value, with any gains or losses arising on remeasurement recognised in profit or loss. The net gain or loss recognised in profit or loss incorporates any interest paid on the financial liability and is included in the 'Finance costs' line item. The group derecognises financial liabilities when, and only when, the group's obligations are discharged, cancelled or they expire. The difference between the carrying amount of the financial liability derecognised and the consideration paid and payable is recognised in Statement of Profit and Loss.
	For financial liabilities that are denominated in a foreign currency and are measured at amortised cost at the end of each reporting period, the foreign exchange gains and losses are determined based on the amortised cost of the instruments and are recognised in the statement of profit and loss. The fair value of financial liabilities denominated in a foreign currency is determined in that foreign currency and translated at the spot rate at the end of the reporting period. For financial liabilities that are measured as at FVTPL, the foreign exchange component forms part of the fair value gains or losses and is recognised in profit or loss.
	iii) Derecognition of non-derivative financial liabilities
	The group derecognises financial liabilities when, and only when, the group's obligations are discharged, cancelled or have expired. An exchange between with a lender of debt instruments with substantially different terms is accounted for as an extinguishment of the original financial liability and the recognition of a new financial liability. Similarly, a substantial modification of the terms of an existing financial liability (whether or not attributable to the financial difficulty of the debtor) is accounted for as an extinguishment of the original financial liability and the recognition of a new financial liability. The difference between the carrying amount of the financial liability derecognised and the consideration paid and payable is recognised in profit or loss.
2.17	**Impairment**
	a) Financial Assets
	In accordance with Ind AS 109, the group applies expected credit loss (ECL) model for measurement and recognition of impairment loss. The group follows 'simplified approach' for recognition of impairment loss allowance on trade receivable. The application of simplified approach does not require the group to track changes in credit risk. Rather, it recognises impairment loss allowance based on lifetime ECLs at each reporting date, right from its initial recognition. Lifetime ECLs are the expected credit losses resulting from all possible default events over the expected life of a financial instrument. The 12-month ECL is a portion of the lifetime ECL which results from default events that are possible within 12-months after the reporting date.

Notes to the consolidated financial statements for the year ended March 31,2021

Note No.	Particulars
	ECL is the difference between all contractual cash flows that are due to the group in accordance with the contract and all the cash flows that the entity expects to receive (i.e. all shortfalls), discounted at the original EIR. When estimating the cash flows, an entity is required to consider:
	i) All contractual terms of the financial instrument (including prepayment, extension etc.) over the expected life of the financial instrument. However, in rare cases when the expected life of the financial instrument cannot be estimated reliably, then the entity is required to use the remaining contractual term of the financial instrument.
	ii) Cash flows from the sale of collateral held or other credit enhancements that are integral to the contractual terms.
	As practical expedient, the group uses a provision matrix to determine impairment loss on portfolio of its trade receivable. The provision matrix is based on its historically observed default rates over the expected life of the trade receivable and is adjusted for forward-looking estimates. At every reporting date, the historically observed default rates are updated and changes in forward-looking estimates are analysed. ECL impairment loss allowance (or reversal) recognised during the year is recognised as income/expense in the statement of profit and loss. The balance sheet presentation for various financial instruments is described below.
	Financial assets measured at a mortised cost,contractual revenue receivable: ECL is presented as an allowance, i.e. as an integral part of the measurement of those assets in the balance sheet. The allowance reduces the net carrying amount. Until the asset meets write off criteria, the group does not reduce impairment allowance from the gross carrying amount.
	b) Non-financial assets
	The group assesses at each reporting date whether there is any objective evidence that a non financial asset or a group of non financial assets is impaired. If any such indication exists, the group estimates the amount of impairment loss.
	An impairment loss is calculated as the difference between an asset's carrying amount and recoverable amount. Losses are recognised in profit or loss and reflected in an allowance account. When the group considers that there are no realistic prospects of recovery of the asset, the relevant amounts are written off. If the amount of impairment loss subsequently decreases and the decrease can be related objectively to an event occurring after the impairment was recognised, then the previously recognised impairment loss is reversed through profit or loss.
	The recoverable amount of an asset or cash-generating unit (as defined below) is the greater of its value in use and its fair value less costs to sell. In assessing value in use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset. For the purpose of impairment testing, assets are grouped together into the smallest group of assets that generates cash inflows from continuing use that are largely independent of the cash inflows of other assets or groups of assets (the "cash-generating unit").

Notes to the consolidated financial statements for the year ended March 31,2021

Note No.	Particulars
2.18	**Government grants** Grants from the government are recognised when there is reasonable assurance that: i) the group will comply with the conditions attached to them; and ii) the grant will be received. Government grants related to revenue are recognised on a systematic basis in the statement of profit and loss over the periods necessary to match them with the related costs which they are intended to compensate. Such grants are deducted in reporting the related expense. When the grant relates to an asset, it is recognized as income over the expected useful life of the asset. Where the group receives non-monetary grants, the asset is accounted for on the basis of its acquisition cost. In case a non-monetary asset is given free of cost it is recognised at a fair value. When loan or similar assistance are provided by government or related institutions, with an interest rate below the current applicable market rate, the effect of this favourable interest is recognized as government rate. The loan or assistance is initially recognized and measured at fair value and the government grant is measured as the difference between the initial carrying value of the loan and the proceeds received.
2.19	**Operating cycle** Based on the nature of products / activities of the group and the normal time between acquisition of assets and their realisation in cash or cash equivalents, the group has determined its operating cycle as 12 months for the purpose of classification of its assets and liabilities as current and non-current.

Notes to the consolidated financial statements for the year ended March 31,2021

3A Property, plant and equipment and capital work-in-progress

(Rs. in Lakhs)

Carrying Amount of	As at March 31, 2021	As at March 31, 2020
Own land	7,809.19	7,814.26
Building - own	11,914.12	12,439.29
Building on leasehold land	1,345.92	1,372.19
Plant and machinery	38,487.56	40,886.88
Office equipment		132.08
171.85		
Furniture and fittings	318.04	362.67
Vehicles	56.25	51.75
Tools and implements	1.79	1.79
Total	**60,064.95**	**63,100.68**
Capital work-in-progress	1,664.01	439.02
Total	**61,728.96**	**63,539.70**

Assets	Rate of depreciation (%)
Factory building	3.17
Building (non factory)	1.58
Plant & machinery (main)	3.17
Plant & machinery (others)	6.33
Office equipments	19.00
Furniture and fittings	9.50
Vehicles	11.88

(Rs. in Lakhs)

Description of Assets	Own land	Building - own	Building on leasehold land	Plant and machinery	Office equipment	Furniture and fittings	Vehicles	Tools and implements	Total
I. Gross									
Balance as at April 1, 2019	**7,851.51**	**14,215.72**	**1,490.79**	**49,771.23**	**508.31**	**478.27**	**108.26**	**1.89**	**74,425.98**
Additions	-	476.44	51.51	1,640.94	67.20	49.21	-	-	2,285.30
Disposals	(37.25)	(476.67)	-	(3,139.94)	(0.02)	-	-	-	(3,653.88)
Balance as at March 31, 2020	**7,814.26**	**14,215.49**	**1,542.30**	**48,272.23**	**575.49**	**527.48**	**108.26**	**1.89**	**73,057.40**
Additions	-	19.99	24.29	735.04	34.69	25.81	7.09	-	846.91
Disposals	(5.07)	-	-	(1,771.22)	-	-	(7.59)	-	(1,783.88)
Balance as at March 31, 2021	**7,809.19**	**14,235.48**	**1,566.59**	**47,236.05**	**610.18**	**553.29**	**107.76**	**1.89**	**72,120.43**
II. Accumulated depreciation/amortisation									
Balance as at April 1, 2019	**-**	**1,428.65**	**120.68**	**7,137.44**	**309.30**	**105.74**	**41.76**	**0.10**	**9,143.67**
Depreciation / amortisation expenses for the year	-	523.53	49.43	2,391.93	94.36	59.07	14.75	-	3,133.07
Disposals	-	(175.98)	-	(2,144.02)	(0.02)	-	-	-	(2,320.02)
Balance as at March 31, 2020	**-**	**1,776.20**	**170.11**	**7,385.35**	**403.64**	**164.81**	**56.51**	**0.10**	**9,956.72**
Depreciation / amortisation expenses for the year	-	545.16	50.56	2,422.43	74.46	70.44	0.34	-	3,163.39
Disposals	-	-	-	(1,059.29)	-	-	(5.34)	-	(1,064.63)
Balance as at March 31, 2021	**-**	**2,321.36**	**220.67**	**8,748.49**	**478.10**	**235.25**	**51.51**	**0.10**	**12,055.48**
Net (I-II)									
Balance as at March 31, 2020	**7,814.26**	**12,439.29**	**1,372.19**	**40,886.88**	**171.85**	**362.67**	**51.75**	**1.79**	**63,100.68**
Balance as at March 31, 2021	**7,809.19**	**11,914.12**	**1,345.92**	**38,487.56**	**132.08**	**318.04**	**56.25**	**1.79**	**60,064.95**

Amount Pertaining to the lease hold land and building comprised in the property, plant and equipment schedule represented by 2,52,841 equity shares of Rs.10/- each of Section 8 Company and Leave and license agreement.

Notes forming part of consolidated financial statements for the year ended March 31,2021

3B Intangible assets

(Rs. in Lakhs)

Description of Assets	Computer software	Brand	Total
I. Gross			
Balance as at April 1, 2019	**22.28**	**-**	**22.28**
Additions	-	-	-
Disposals	-	-	-
Balance as at March 31, 2020	**22.28**	**-**	**22.28**
Additions	-	481.88	481.88
Disposals	-	-	-
Balance as at March 31, 2021	**22.28**	**481.88**	**504.16**
II. Accumulated amortisation			
Balance as at April 1, 2019	**8.89**		**8.89**
Depreciation / amortisation expenses for the year	4.02	-	4.02
Disposals	-	-	-
Balance as at March 31, 2020	**12.91**	**-**	**12.91**
Depreciation / amortisation expenses for the year	3.24	-	3.24
Disposals	-	-	-
Balance as at March 31, 2021	**16.15**	**-**	**16.15**
Net (I-II)			
Balance as at March 31, 2020	**9.37**	**-**	**9.37**
Balance as at March 31, 2021	**6.13**	**481.88**	**488.01**

3C Depreciation and amortisation expenses

Particulars	For the year ended March 31, 2021	For the year ended March 31, 2020
Tangible assets	3,162.82	3,133.07
Intangible assets	3.24	4.02
Depreciation on Right-of-use assets (Refer Note 31)	108.32	125.74
	3,274.38	**3,262.83**

3D The Holding Company entered into an agreement to sell dated March 30, 2011 with Shiva Tex Yarn Limited for the sale of part of land situated at Velvarkottai, Dindigul and Kodangipalayam, Karanampet, Coimbatore, valued at Rs.56,72,085/-. Accordingly the said amount is disclosed as assets held for sale.

Notes forming part of consolidated financial statements for the year ended March 31,2021

Non - current Assets

4 Financial Assets

4.1 Investments

(Rs. in Lakhs)

Particulars	As at March 31, 2021	As at March 31, 2020
I. Quoted investments (fully paid) carried at fair value		
Investments in equity instruments - Others		
i) 250 (As at March 31, 2020 - 250) equity shares of Rs.10/- each in Bannari Amman Sugars Limited	3.83	3.83
ii) 34 (As at March 31, 2020 - 34) equity shares of Rs.10/- each in Moil Limited	0.03	0.03
Total quoted investments	**3.86**	**3.86**
II. Unquoted investments (fully paid) carried at fair value		
i) Investments - Others		
i) 6,443 (As at March 31, 2020 - 6,443) Preference shares of Shiva Automobiles Private Limited of Rs. 100 each	5.10	5.10
ii) 15,000 (As at March 31, 2020 - 15,000) Equity shares of Rs.10/- each in OPG Metal Power Private Limited	1.50	1.50
iii) 1,41,800 (As at March 31, 2020 - 1,32,700) Equity shares of Rs.10/- each in OPG Power Generation Private Limited	15.93	14.89
ii). Investments in Government securities	-	-
Kisan Vikas Patra	0.03	0.03
Total Unquoted Investments	**22.56**	**21.52**
Total Investments	**26.42**	**25.38**
Aggregate amount of quoted investments	3.86	3.86
Aggregate market value of quoted investments	3.86	3.86
Aggregate amount of unquoted investments	22.56	21.52
Aggregate market value of unquoted investments	22.56	21.52

5 Other non-current assets

Particulars	As at March 31, 2021	As at March 31, 2020
Security deposits paid	527.02	997.93
Capital advances	6.19	1.23
Other advances	47.74	206.02
Advance tax and tax deducted at source (Net)	446.91	272.18
Total - Other non-current assets	**1,027.86**	**1,477.36**

Notes forming part of consolidated financial statements for the year ended March 31,2021

Current assets

6 Inventories

(At lower of cost and net realisable value)

(Rs. in Lakhs)

Particulars	As at March 31, 2021	As at March 31, 2020
Raw materials	15,237.77	16,370.84
Work-in-progress	2,124.75	1,900.67
Finished goods	7,161.43	13,183.42
Stock-in-trade	541.06	521.39
Stores and spares	849.30	679.44
Total - Inventories	**25,914.31**	**32,655.76**
Raw Materials expensed	**62,394.64**	**77,365.84**

7 Financial assets

7.1 Trade receivables

Particulars	As at March 31, 2021	As at March 31, 2020
A) Trade receivable considered good - Unsecured	14,000.50	16,657.65
B) Trade receivable - Credit impaired	856.04	814.52
	14,856.54	17,472.17
Less: Allowance for doubtful trade receivables	(856.04)	(814.52)
Total - Trade receivables	**14,000.50**	**16,657.65**

The Group uses a provision matrix to determine impairment loss on portfolio of its trade receivable. The provision matrix is based on its historically observed default rates over the expected life of the trade receivable and is adjusted for forward-looking estimates. At every reporting date, the historical observed default rates are updated and changes in forward-looking estimates are analysed. The Company estimates the following matrix at the reporting date.

	Ageing		
	1-90 days	91-180 days	> 180 days
Domestic customers Default rate	-	-	15.00%
PY	2.71%	9.55%	15.00%

Movement in expected credit loss allowance

Particulars	For the year ended March 31, 2021	For the year ended March 31, 2020
Balance at the beginning of the year	814.52	657.17
Movement in expected credit loss on trade receivables calculated at lifetime expected credit losses	41.52	157.35
Balance at the end of the year	**856.04**	**814.52**

Notes forming part of consolidated financial statements for the year ended March 31,2021

7.2 Cash and cash equivalents

(Rs. in Lakhs)

Particulars	As at March 31, 2021	As at March 31, 2020
a) Cash on hand	5.23	8.16
b) Cheques/drafts on hand	4.00	3.50
c) Balances with banks :		
i) In current accounts	1,106.03	818.00
ii) In deposit accounts	630.91	2,594.74
iii) In earmarked accounts		
- Margin money deposits	-	164.00
- Unpaid dividend accounts	2.60	3.11
Total - Cash and cash equivalents	**1,748.77**	**3,591.51**
Of the above, balances that meet the definition of cash and cash equivalents as per Ind AS 7 Cash Flow Statements	1,746.17	3,424.40

7.3 Loans
(Unsecured and considered good, unless stated otherwise)

Particulars	As at March 31, 2021	As at March 31, 2020
Employee advance	59.62	37.97
Total - Loans	**59.62**	**37.97**

7.4 Other financial assets
(Unsecured and considered good, unless stated otherwise)

Particulars	As at March 31, 2021	As at March 31, 2020
Accruals:		
- Interest accrued on fixed deposits with banks	-	16.46
- TUF subsidy receivable	775.92	540.81
- Incentive/grant receivable	531.00	531.00
- Unbilled revenue (Refer Note (i) below)	66.51	488.60
Rights issue expenses	27.63	-
Derivative financial instruments	-	243.51
Total - Other financial assets	**1,401.06**	**1,820.38**

Notes forming part of consolidated financial statements for the year ended March 31,2021

Note (i) Movement in unbilled revenue (Rs. in Lakhs)

Particulars	As at March 31, 2021	As at March 31, 2020
Opening Balance	488.60	422.09
Add: Revenue recognised during the year	-	66.51
Less: Reversal / adjustments during the year	422.09	-
Closing Balance	**66.51**	**488.60**

7.5 Current tax assets

Particulars	As at March 31, 2021	As at March 31, 2020
Current tax assets (Advance tax & TDS for the year)	47.40	166.99
Total - Current tax assets	**47.40**	**166.99**

8 Other current assets
(Unsecured and considered good, unless stated otherwise)

Particulars	As at March 31, 2021	As at March 31, 2020
Prepaid expenses	440.43	511.38
Balances with government authorities:		
- Duty drawback/Export incentive receivable	1,040.59	988.06
- GST receivable	1,199.95	1,208.67
- ESI liquidated damage	7.58	7.58
Gratuity	155.61	131.98
Advance to suppliers	1,323.78	977.53
Total - Other current assets	**4,167.94**	**3,825.20**

Notes forming part of consolidated financial statements for the year ended March 31,2021

9 Equity Share Capital

Particulars	As at March 31, 2021		As at March 31, 2020	
	Number of shares	Amount in Lakhs	Number of shares	Amount in Lakhs
(a) Authorised :				
(i) Equity share capital				
Equity shares of Rs.5/- each (PY Rs.10/- each)	100,000,000	1,600.00	16,000,000	1,600.00
(ii) Preference share capital				
Cumulative preference shares of Rs.100/- each	50,000	50.00	50,000	50.00
Total	**100,050,000**	**1,650.00**	**16,050,000**	**1,650.00**
(b) Issued, subscribed and fully paid-up :				
(i) Equity share capital				
Equity shares of Rs.5/- each (PY Rs.10/- each)	31,508,538	1,575.43	15,754,269	1,575.43
Total - Equity share capital	**31,508,538**	**1,575.43**	**15,754,269**	**1,575.43**

(i) Reconciliation of the number of shares and amount outstanding at the beginning and at the end of the reporting period :

Particulars	As at March 31, 2021		As at March 31, 2020	
	Number of shares	Amount in Lakhs	Number of shares	Amount in Lakhs
Equity shares of Rs. 10/- each				
At the beginning of the year	15,754,269	1,575.43	15,754,269	1,575.43
Add: Increase in number of shares due to split of face value from Rs.10/- per share to Rs.5/- per share during the year	15,754,269	-	-	-
Outstanding at the end of the year	**31,508,538**	**1,575.43**	**15,754,269**	**1,575.43**

(ii) Terms / rights attached to the equity shares :

The company has splitted the face value of equity share from Rs.10/- per share to Rs.5/- per share thereby increase of equivalent number of existing shares.

The Company has issued only one class of equity share having a face value of Rs. 10/- per share. The holder of each equity share is entitled to one vote per share. In the event of liquidation of the Company, the holders of equity shares will be entitled to receive remaining assets of the Company, after distribution to all preferential creditors and other creditors, in the order of priority. The distribution will be in proportion to the number of equity shares held by shareholders. The company declares and pays dividend in Indian Rupees. The dividend proposed by Board of Directors is subject to the approval of Shareholders in the ensuing Annual General Meeting.

Notes forming part of consolidated financial statements for the year ended March 31,2021

(iii) Distributions made and proposed :

Dividend recognized as distributions to equity shareholders for the year ended March 31, 2020 was NIL as the Board of Directors at its meeting held on August 13, 2020 had recommended no dividend.

Further, for the year ended March 31, 2021, the Board of Directors at its meeting held on May 31, 2021 have not proposed any dividend.

(iv) Details of shareholders holding more than 5% of the share capital:

Equity Shares

Name of the Shareholder	As at March 31, 2021		As at March 31, 2020	
	Number of shares held	% of holding	Number of shares held	% of holding
Murugan Enterprise Private Limited	17,166,466	54.48%	7,803,733	49.53%
Gagandeep Credit Capital Private Limited	1,974,950	6.27%	987,475	6.27%

(v) Details of shares held by the holding company:

Particulars	As at March 31, 2021
	Number of shares
Out of the equity shares issued by the company	
- Murugan Enterprise Private Limited, the holding company	17,166,466

Notes forming part of consolidated financial statements for the year ended March 31,2021

10 Other equity

(Rs. in Lakhs)

Particulars	As at March 31, 2021	As at March 31, 2020
1. Securities premium account		
Amounts received on issue of shares in excess of the par value has been classified as securities premium.		
Opening balance	7,930.76	7,930.76
Closing balance	**7,930.76**	**7,930.76**
2. General reserve		
This represents appropriation of profit by the group.		
Opening balance	16,295.22	16,295.22
Closing balance	**16,295.22**	**16,295.22**
3. Retained earnings		
Retained earnings comprise of the group's prior years undistributed earnings after taxes or accumulated losses.		
Opening balance	4,936.52	5,009.32
Add : Profit / (loss) for the current year	(1,100.21)	242.48
Less : Cash dividends	-	(252.07)
Less : Tax on dividends	-	(52.13)
Impact on account of initial application of Ind AS 116 (Refer Note 31)	-	(11.08)
Closing balance	**3,836.31**	**4,936.52**
4. Other Comprehensive Income		
Other items of other comprehensive income consist of fair value changes on FVTOCI financial assets and financial liabilities and remeasurement of net defined benefit liability/asset.		
Opening balance	495.71	422.67
Add : Movement during the year	61.22	73.04
Closing balance	**556.93**	**495.71**
Total - Other equity (1+2+3+4)	**28,619.22**	**29,658.21**

Notes forming part of consolidated financial statements for the year ended March 31,2021

Non-current liabilities

11 Financial liabilities

11.1 Borrowings

(Rs. in Lakhs)

Particulars	As at March 31, 2021	As at March 31, 2020
(a) Term loans - Secured (Refer Notes (i) to (xiii) below)		
- From banks	13,088.93	15,897.45
- From others	1,698.46	1,519.50
(b) Borrowings from others - Unsecured (Refer Note (xiv) below)	3,900.00	2,200.00
Total - Borrowings	**18,687.39**	**19,616.95**

The Company vide its letter dated November 27, 2020 requested its Bankers for One Time Restructuring of Term Loans under the Resolution framework for COVID 19 related stress in line with RBI circular number RBI/2020-21/16/DOR.No.BP.BC/3/21.04.048/2020-21 dated August 06, 2020. The mentioned Resolution Plan was approved by the Bankers on June 24, 2021 in terms of which a moratorium has been allowed to an extent of Rs.5245.77 lakhs relating to Financial year 2021-22 for a period of 1 year and 1 month. Considering this being a non-adjusting subsequent event no adjustment has been made in books of accounts for this effect.

Notes

Details of terms of repayment and security provided in respect of secured term loans :

Particulars	As at March 31, 2021	As at March 31, 2020
i) ICICI Bank Limited- Rupee term loan 2	375.00	1,054.85
ICICI Bank Limited- Rupee term loan 3	957.50	1,915.00
Less: Current maturities of long term debt	(1,332.50)	(1,590.41)
Total	**-**	**1,379.44**

Security:

Term Loan 2: First Pari passu charge on the entire property, plant and equipment of Spinning Unit I located at Vadamadurai, Dindigul alongwith other banks and exclusive charge on the specific plant & machinery of weaving unit.

Term loan 3: First charge on the entire property, plant and equipment of Spinning Mill Unit I situated at Dindigul on pari passu basis alongwith other banks and exclusive charge on the windmills (Land, Building, Plant & Machinery) of the Company with an aggregate installed capacity of 16.2 MW located at Chinnaputhur village, Tirupur District and Irukkandurai Village, Tirunelveli District.

Repayment : Term Loan 2: 16 quarterly instalments starting from July 2017. Term Loan 3: 16 quarterly instalments starting from June 2018.

Rate of Interest : Term Loan 2: 4.43%. Term loan 3: 10%

Particulars	As at March 31, 2021	As at March 31, 2020
ii) Indian Bank - Rupee Term Loan	793.60	971.35
Less: Current maturities of long term debt	(632.09)	(250.00)
Total	**161.51**	**721.35**

Pari-passu first charge by way of equitable mortgage over factory land and building at SIPCOT Perundurai and exclusive charge on fixed assets purchased out of the loan.

Repayment :32 Quarterly instalments starting from February 2014.

Rate of Interest : 12.80%

Notes forming part of consolidated financial statements for the year ended March 31,2021

(Rs. in Lakhs)

Particulars	As at March 31, 2021	As at March 31, 2020
iii) Indian Bank - Rupee term loan	5,241.52	5,922.93
Less: Current maturities of long term debt	(1,647.45)	(1,125.00)
Total	**3,594.07**	**4,797.93**

Pari-passu first charge by way of equitable mortgage of factory land and building of Spinning, Weaving, Knitting, Processing and Garment divisions of the company alongwith other banks.

Repayment : 32 Quarterly instalments starting from June 2016.

Rate of Interest : 12.80%

Particulars	As at March 31, 2021	As at March 31, 2020
iv) Indian Bank - Rupee term loan	4,174.32	4,161.02
Less: Current maturities of long term debt	(636.43)	(239.40)
Total	**3,537.89**	**3,921.62**

Pari-passu first charge by way of equitable mortgage of factory land and building of Spinning, Weaving, Knitting, Processing and Garment divisions of the company alongwith other banks.

Repayment : 32 Quarterly instalments starting from June 2018.

Rate of Interest : 12.80%

Particulars	As at March 31, 2021	As at March 31, 2020
v) DCB Bank Limited - Term loan	1,363.12	1,726.19
Less: Current maturities of long term debt	(743.52)	(416.67)
Total	**619.60**	**1,309.52**

Exclusive charge over windmills of 7.20 MW capacity located at Melkaraipatti & Kottathurai Village, Palani Taluk, Dindigul District.

Repayment : 42 Monthly instalments starting from March 2019.

Rate of Interest : 9.30%

Particulars	As at March 31, 2021	As at March 31, 2020
vi) Axis Bank - Term loan	-	2,012.50
Less: Current maturities of long term debt	-	(2,012.50)
Total	**-**	**-**

Exclusive charge on windmill unit IV & V assets of 6.55 MW capacity situated at Chinnapudur Village, Dharapuram Taluk, Tamilnadu and Kongalnagaram, Udumalpet Taluk, Tirupur District, Tamilnadu.

Repayment : 24 Quarterly instalments starting from December 2018.

Rate of Interest : 10.45%.

Notes forming part of consolidated financial statements for the year ended March 31,2021

(Rs. in Lakhs)

Particulars	As at March 31, 2021	As at March 31, 2020
vii) Indian overseas Bank - Term loan	2,633.11	2,681.46
Less: Current maturities of long term debt	(390.09)	(185.00)
Total	**2,243.02**	**2,496.46**

Paripassu first charge on property, plant and equipment of Spinning Mill Unit I located at Nadukandanur Pirivu, Vadamadurai, Dindigul and Paripassu first charge on fixed assets of Spinning Mill Unit II located at Velvarkottai, Trichy Highway 45, Vedasandur TK, Dindigul - 624803 alongwith other banks.
Repayment : 32 Quarterly instalments starting from August 2019.
Rate of Interest: 10.95%

Particulars	As at March 31, 2021	As at March 31, 2020
viii) Punjab National Bank - Rupee Term Loan	914.32	967.45
Less: Current maturities of long term debt	(228.30)	(133.00)
Total	**686.02**	**834.45**

First charge on Property, plant and equipment of Young Brand Apparel Private Limited, including equitable mortgage over factory land and building and hypothecation of other property plant and equipment acquired out the loan. After the initial holiday period of 24 months, repayable in 84 equal quarterly installments commencing from June 2017, last installment due in March 2024.
Rate of interest : 13.50%.

Particulars	As at March 31, 2021	As at March 31, 2020
ix) Punjab National Bank - Corporate Rupee Term Loan	59.45	150.00
Less: Current maturities of long term debt	(59.45)	(116.70)
Total	**-**	**33.30**

First charge on Property plant and equipment of Young Brand Apparel Private Limited, including equitable mortgage over factory land and building. After the initial holiday period of 12 months, repayable in 60 equal monthly instalments commencing from december 2015, last instalment due in December 2020.
Rate of interest is 13.50% as at the year end.

Particulars	As at March 31, 2021	As at March 31, 2020
x) Punjab National Bank - Rupee Term Loan	1,317.96	403.40
Less: Current maturities of long term debt	(165.14)	-
Total	**1,152.82**	**403.40**

First charge on Property plant and equipment of Young Brand Apparel Private Limited, including equitable mortgage over factory land and building and hypothecation of other property plant and equipment acquired out the loan. After the initial holiday period of 24 months, repayable in 84 equal monthly instalments commencing from July 2021.
Rate of interest is 12.75% as at the year end.

Notes forming part of consolidated financial statements for the year ended March 31,2021

(Rs. in Lakhs)

Particulars	As at March 31, 2021	As at March 31, 2020
xi) Punjab National Bank - Working Capital Term Loan (under GECL)	1,094.00	-
Less: Current maturities of long term debt	-	-
Total	**1,094.00**	**-**

Extension of charge over entire present and future current assets of Young Brand Apparel Private Limited. Hypothecation of fixed assets created out of term loan. Exclusive charge on the entire Fixed assets (all non Current assets) existing and future. After the initial holiday period of 12 months, repayable in 48 equal monthly instalments commencing from April 2022, last instalment due in March 2026.

Rate of interest is 8.35% as at the year end.

Particulars	As at March 31, 2021	As at March 31, 2020
xii) Palladam Hi-Tech Weaving Park	47.84	47.84
Less: Current maturities of long term debt	-	-
Total	**47.84**	**47.84**

First charge on fixed assets acquired out of loan of Garment Unit located at Palladam Hi-Tech Weaving Park, Sukkampalayam Village, K.N.Puram (Po), Palladam.

Repayment : 120 Monthly instalments starting from April 2010.

Rate of Interest : 0.75% .

Particulars	As at March 31, 2021	As at March 31, 2020
xiii) SIPCOT Soft Loan	2,554.90	2,554.90
Less: Current maturities of long term debt	-	-
Less: Government grant (Refer note (ii) below)	(904.29)	(1,083.25)
Total	**1,650.61**	**1,471.65**

(i) First charge by way of equitable mortgage over factory land and building and hypothecation of other movable assets financed by SIPCOT for the expansion project ranking paripassu with other banks and property plant and equipment of the expansion scheme of spinning units located at Velvarkottai Village, Dindigul, Weaving unit and Knitting unit at Karanampet, Coimbatore.

(ii) The Government of Tamil Nadu in its order : G.O. Ms. No. 126, dated October 20, 2009, has granted an amount equivalent to net output VAT + CST paid through expansion project to Government as Investment Promotion Soft Loan for a period of 10 years, subject to terms and conditions mentioned in the Eligibility Certificate ID/SPA/BSML/2010 dated 30 April 2013. The soft loan will carry a nominal rate of 0.1% per annum. The soft loan sanctioned is repayable on the 10th year from the date of sanction. This is considered as Government grant and accordingly the loan amount is carried at amortised cost considering an effective interest rate of 12.16%. The Government grant income is recognised proportionately in relation to the interest expense.

Notes forming part of consolidated financial statements for the year ended March 31,2021

Unsecued loan

(Rs. in Lakhs)

Particulars	As at March 31, 2021	As at March 31, 2020
xiv) Murugan Enterprise Private Limited	3,900.00	2,200.00
Total	**3,900.00**	**2,200.00**

Rate of interest : 9.00% to 10.00%. Repayment within 36 months from the date of borrowing.

Particulars	As at March 31, 2021	As at March 31, 2020
Non-Current borrowings - Total	18,687.39	19,616.95
Current maturities of long term borrowings - Total	5,834.97	6,068.68
Total	**24,522.35**	**25,685.63**

12.1 Provisions

Particulars	As at March 31, 2021	As at March 31, 2020
Provision for employee benefits:		
Provision for Gratuity (Refer note 26.1.b)	241.29	231.21
Total - Provisions	**241.29**	**231.21**

12.2 Other non-current liabilities

Particulars	As at March 31, 2021	As at March 31, 2020
Government grant - SIPCOT soft loan (Refer note 11.1)	703.58	904.30
Grant from Technology Upgradation fund scheme	73.65	84.17
Total - Other non-current liabilities	**777.23**	**988.47**

Current liabilities

13 Financial liabilities

13.1Borrowings

Particulars	As at March 31, 2021	As at March 31, 2020
(a) Working capital loan from banks (Secured) (Refer Note 1 below)	32,583.44	39,046.49
(b) Working capital loan from banks (Unsecured/Residual) (Refer Note 2 below)	1,150.62	2,939.87
(c) Liability for bills discounted - other than banks	-	24.16
Total - Borrowings	**33,734.06**	**42,010.52**

Notes forming part of consolidated financial statements for the year ended March 31,2021

Note : 1 - Secured loans

(Rs. in Lakhs)

Particulars	As at March 31, 2021	As at March 31, 2020
i) The Karur Vysya Bank Limited	1,052.12	1,356.87

Working Capital Limit: Rs. 1,250 Lakhs
Security : Pari passu first charge on entire current asset of Spinnng Unit I situated at Nadukandanur pirivu, Morepatty Post, Vadamadurai, Dindigul alongwith other banks. Pari passu second charge on entire property, plant and equipment of Spinning Unit I.

Particulars	As at March 31, 2021	As at March 31, 2020
ii) Union Bank of India	4,070.72	5,164.98

Working Capital Limit: Rs. 5,250 Lakhs
Security : Paripassu first charge on the entire current asset of Spinning Unit I, II and Weaving Unit alongwith other banks. Paripassu second charge on the entire property, plant and equipment of Spinning Unit I, II and Weaving units.

Particulars	As at March 31, 2021	As at March 31, 2020
iii) ICICI Bank Limited	1,937.04	2,315.27

Working Capital limit: Rs. 2,500 Lakhs
Security : First Charge by way of Hypothecation of Raw materials, semi-finished and finished goods, consumable stores and spares and other movable properties both present and future of Spinning unit I for limit upto Rs. 2,500 Lakhs on paripassu basis with other banks.

Particulars	As at March 31, 2021	As at March 31, 2020
iv) Punjab National Bank	4,656.61	5,581.24

Working Capital Limit: Fund based limit : Rs. 5,800 Lakhs Non-fund based limit : Rs. 2,500 Lakhs
Security : Paripassu first charge on the entire current assets of Spinning Unit II, Garment and Processing Units alongwith other banks. Paripassu second charge on the entire fixed assets of Spinning Unit II, Garment and Processing Units.

Particulars	As at March 31, 2021	As at March 31, 2020
v) Indian Overseas Bank	6,908.39	10,219.03

Working Capital Limit: Fund based limit : Rs. 10,000 Lakhs Non-fund based limit : Rs. 2,500 Lakhs
Security : Paripassu first charge on the entire current assets of Spinning Unit II and Knitting Unit alongwith other banks. Paripassu second charge on the entire property, plant and equipment of Spinning Unit II and Knitting Unit.

Notes forming part of consolidated financial statements for the year ended March 31,2021

(Rs. in Lakhs)

Particulars	As at March 31, 2021	As at March 31, 2020
vi) Bank of Maharashtra	195.01	735.99

Working Capital Limit: Rs. 1,000 Lakhs
Security : Paripassu first charge on the entire current assets of Processing Unit. Paripassu second charge on the entire property, plant and equipment of Processsing Unit.

Particulars	As at March 31, 2021	As at March 31, 2020
vii) Indian Bank	3,354.07	3,755.73

Working Capital Limit: Rs. 3,700 Lakhs
Security : Paripassu first charge on the entire current assets of Spinning Unit II & Garment Unit alongwith other banks. Paripassu second charge on the entire property, plant and equipmentof Spinning Unit II & Garment Unit.

Particulars	As at March 31, 2021	As at March 31, 2020
viii) Bank of Bahrain & Kuwait B.S.C.	1944.79	1,925.59

Working Capital Limit: Rs. 2,000 Lakhs
Security : Paripassu first charge on the entire current assets of Spinning Unit I alongwith other banks. Paripassu second charge on the entire fixed assets of Spinning Unit I.

Particulars	As at March 31, 2021	As at March 31, 2020
ix) Indian Bank	1343.09	1,510.03

Working Capital Limit: Rs. 1,500 Lakhs.
Security : First Charge by way of Hypothecation of Raw materials, Stock-in-trade, Finished goods of the Garment Division. Second charge on the property, plant and equipment of the Garment Division.

Particulars	As at March 31, 2021	As at March 31, 2020
x) DCB Bank Limited	2480.24	2,466.70

Working Capital Limit: Rs. 2,500 Lakhs

Security : Extension of charge on windmills of 7.20 MW capacity offered as prime security for Term Loan.

Particulars	As at March 31, 2021	As at March 31, 2020
xi) Punjab National Bank	4,641.36	4,015.06

Working Capital limit : Rs. 7,700 Lakhs. Security : First Charge by way of Hypothecation of Raw materials, Stock in-process, Finished goods, stores ands spares and receivables of Young Brand Apparel Private Limited. Second charge on the assets secured on term loans. Rate of Interest : LIBOR plus 3.5% p.a Short Term Loan : 12.90% (Fixed)

Notes forming part of consolidated financial statements for the year ended March 31,2021

Note : 2 - Unsecured / Residual loans

(Rs. in Lakhs)

Particulars	As at March 31, 2021	As at March 31, 2020
ICICI Bank Limited	1,150.62	2,939.87

Working capital limits: Rs. 3,500 lakhs

13.2 Trade payables

Particulars	As at March 31, 2021	As at March 31, 2020
Total outstanding dues of micro and small enterprises (Refer Note 24)		
- For raw materials	1,648.79	788.05
- For others	90.51	21.46
Total outstanding dues of creditors other than micro and small enterprises		
- For raw materials	6,836.38	10,008.31
- For others	4,253.61	3,914.66
Total - Trade payables	**12,829.29**	**14,732.48**

13.3 Other financial liabilities

Particulars	As at March 31, 2021	As at March 31, 2020
Current maturities of long-term debt	5,834.97	6,068.68
Interest accrued on borrowings	83.97	343.05
Unpaid dividend	2.60	3.11
Security deposits received	85.13	79.79
Contractually reimbursible expenses	27.69	0.54
Payables on purchase of property, plant and equipment	34.62	24.87
Other financial liabilities	433.45	-
Total - Other financial liabilities	**6,502.43**	**6,520.04**

14 Provisions

Particulars	As at March 31, 2021	As at March 31, 2020
(a) Provision for employee benefits:		
-Provision for compensated absences	153.21	120.66
-Provision for Gratuity (Refer No.25.1.b)	70.25	50.72
-Provision for bonus	191.03	135.33
Total - Provisions	**414.49**	**306.71**

Notes forming part of consolidated financial statements for the year ended March 31,2021

15 Other current liabilities

(Rs. in Lakhs)

Particulars	As at March 31, 2021	As at March 31, 2020
Statutory remittances	139.68	130.09
Advances from customers	805.41	1,051.76
Advance received towards sale of property, plant and equipment	94.30	693.33
Government grant - SIPCOT soft loan (Refer note 11.1)	200.71	178.95
Total - Other current liabilities	**1,240.09**	**2,054.13**

16 Revenue from operations

1. Disaggregated Revenue Information

The Company believes that this disaggregation best depicts how the nature, amount, timing and uncertainty of revenues and cash flows are affected. Accordingly, the disaggregation by type of goods / services and by geographical location of customers is provided in the table below:

A. Revenue by products/services

	Particulars	For the year ended March 31, 2021	For the year ended March 31, 2020
(a)	Sale of goods/services		
	a. Manufactured goods		
	Yarn	46,022.59	53,394.62
	Fabrics	28,993.21	28,070.84
	Waste cotton	4,639.10	5,537.59
	Made ups	1,732.36	75.68
	Garments	16,865.88	22,295.52
	Less: Discount	-	(144.41)
	b. Traded goods		
	Yarn	56.21	282.61
	Cotton	-	234.54
	c. Income from services provided - Sizing charges, CMT charges, Knitting & Processing charges	2,116.81	2,193.86
(b)	Other operating revenues	1,427.57	1,446.82
	Total - Revenue from operations	**101,853.73**	**113,387.67**

The Company disaggregate the revenue based on geographic locations and it is disclosed under note 26 "Segment reporting".

Notes forming part of consolidated financial statements for the year ended March 31,2021

17 Other income

(Rs. in Lakhs)

	Particulars	For the year ended March 31, 2021	For the year ended March 31, 2020
(a)	Interest income (Refer Note 1 below)	44.60	97.17
(b)	Other non-operating income (Refer Note 2 below)	473.55	1,752.56
	Total - Other income	**518.15**	**1,849.73**

Note

	Particulars	For the year ended March 31, 2021	For the year ended March 31, 2020
1	Interest income comprises:		
	Interest from financial assets at amortised cost	14.04	32.62
	Interest on security deposits	30.56	64.55
	Total - Interest income	**44.60**	**97.17**
2	Other non-operating income comprises:		
	Profit on sale of property plant and equipment (Net)	454.35	1,709.18
	Revenue grant and incentives	10.52	10.52
	Gain on early termination of leases	2.15	-
	Miscellaneous income	6.53	32.86
	Total - Other non-operating income	**473.55**	**1,752.56**

18A Cost of materials consumed

Particulars	For the year ended March 31, 2021	For the year ended March 31, 2020
Opening stock	16,370.84	16,875.59
Add: Purchases	61,261.57	76,861.09
	77,632.41	93,736.68
Less: Closing stock	(15,237.77)	(16,370.84)
Total - Cost of materials consumed	**62,394.64**	**77,365.84**

Notes forming part of consolidated financial statements for the year ended March 31,2021

18B Purchase of stock-in-trade

(Rs. in Lakhs)

Particulars	For the year ended March 31, 2021	For the year ended March 31, 2020
Purchase of stock-in-trade	129.57	230.08
Total - Purcahse of stock in trade	**129.57**	**230.08**

19 Changes in inventories of finished goods, work-in-progress and stock-in-trade

Particulars	For the year ended March 31, 2021	For the year ended March 31, 2020
Inventories at the end of the year:		
Finished goods	7,161.43	13,183.42
Work-in-progress	2,124.75	1,900.67
Stock-in-trade	541.06	521.40
Total	**9,827.24**	**15,605.49**
Inventories at the beginning of the year:		
Finished goods	13,183.42	11,826.97
Work-in-progress	1,900.67	1,841.73
Stock-in-trade	521.40	457.65
Total	**15,605.49**	**14,126.35**
Net (increase) / decrease	**5,778.25**	**(1,479.14)**

20 Employee benefits expense

Particulars	For the year ended March 31, 2021	For the year ended March 31, 2020
Salaries, wages and bonus	10,539.07	12,122.92
Contributions to provident and other funds (Refer Note 25.1.a & 25.1.b)	585.93	631.04
Staff welfare expenses	1,138.54	1,510.00
Total - Employee benefits expense	**12,263.54**	**14,263.96**

Notes forming part of consolidated financial statements for the year ended March 31,2021

21 Finance costs

(Rs. in Lakhs)

	Particulars	For the year ended March 31, 2021	For the year ended March 31, 2020
(a)	Interest expense on financial liabilities at amortised cost:		
	- Borrowings (Refer note 30)	5,910.58	6,803.13
	- Operating lease liabilities	22.65	32.63
(b)	Other borrowing costs	267.88	367.39
	Total - Finance costs	**6,201.11**	**7,203.15**

22 Other expenses

Particulars	For the year ended March 31, 2021	For the year ended March 31, 2020
Consumption of stores and spare parts	263.47	299.70
Manufacturing expenses	126.87	413.50
Consumption of packing materials	713.18	823.77
Power, fuel and water charges	5,240.11	5,157.12
Repairs and maintenance - Building	86.95	122.05
Repairs and maintenance - Machinery	1,673.09	1,692.67
Repairs and maintenance - Others	244.16	267.28
Insurance	520.41	547.66
Rates and taxes	341.17	365.86
Freight and forwarding charges	1,249.83	942.96
Sales commission	749.97	763.00
Legal and professional charges	257.22	289.95
Payments to auditors (Refer note 1 below)	40.00	32.50
Corporate social responsibility expenditure	18.10	10.30
Provision for bad and doubtful debts	-	157.35
Bad debts written off	501.54	2.22
Loss on sale of investment	-	3.83
Loss on sale of property plant and equipment (Net)	73.80	-
Net loss on foreign currency transactions and translation	104.26	118.84
Miscellaneous expenses	1,329.24	1,376.60
Total - Other expenses	**13,533.37**	**13,387.16**

Notes forming part of consolidated financial statements for the year ended March 31,2021

Note 1 - Payments to auditors:

(Rs. in Lakhs)

Particulars	For the year ended March 31, 2021	For the year ended March 31, 2020
Payments to auditors comprises		
- Statutory audit fees	30.00	26.00
- For taxation matters	-	0.50
- Limited review fees	10.00	6.00
Total - Payments to auditors	**40.00**	**32.50**

Additional information to the financial statements

23 Contingent liabilities and commitments (to the extent not provided for)

Particulars	As at March 31, 2021	As at March 31, 2020
i) Contingent liabilities:		
a) Central Excise demands, pending in appeal	69.61	69.61
b) TANGEDCO demands, pending in appeal	1,276.51	1,166.91
c) Corporate guarantee on behalf of young brand Apparal Private Limited	8,027.07	13,035.00
d) Demand of Service tax on the amounts paid to Foreign Service Providers is under dispute and an appeal has been filed before the Honourable Madras High Court, Chennai.	75.08	75.08
e) Infrastructure and amenities charges levied by Department of Town and Country Planning, for which the Company has jointly made appeal to Honourable High Court along with industrial units in the location and the Honourable High Court has given a stay order.	79.60	79.60
ii) Commitments:		
a) Estimated amount of contracts remaining to be executed on capital account and not provided for:		
Tangible assets	211.31	-

Notes forming part of consolidated financial statements for the year ended March 31,2021

24 Disclosures required under Section 22 of the Micro, Small and Medium Enterprises Development Act, 2006

(Rs. in Lakhs)

Particulars	As at March 31, 2021	As at March 31, 2020
i) Principal amount remaining unpaid to any supplier as at the end of the accounting year	1,739.30	809.51
ii) Interest due thereon remaining unpaid to any supplier as at the end of the accounting year	-	-
iii) The amount of interest paid along with the amounts of the payment made to the supplier beyond the appointed day	-	-
iv) The amount of interest due and payable for the period of delay in making payment (which have been paid but beyond the appointed day during the year) but without adding the interest specified under the MSMED Act	-	-
v) The amount of interest accrued and remaining unpaid at the end of the accounting year	-	-
vi) The amount of further interest due and payable even in the succeeding year, until such date when the interest dues as above are actually paid to the small enterprise, for the purpose of disallowance as a deductible expenditure under section 23	-	-

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

25 Employee benefit plans

25.1.a Defined contribution plans - provident fund and employee state insurance

The Group makes Provident Fund and Employee state insurance scheme contributions to defined contribution plans for qualifying employees. Under the Schemes, the Group is required to contribute a specified percentage of the payroll costs to fund the benefits. The Group recognised the following contributions in the Statement of profit and loss :

Particulars	For the year ended March 31, 2021	For the year ended March 31, 2020
Provident fund	478.51	435.64
Employee state insurance	83.03	87.81

Notes forming part of consolidated financial statements for the year ended March 31,2021

25.1.b Defined benefit plan - gratuity

In accordance with applicable Indian laws, the Company provides for gratuity, a defined benefit retirement plan (Gratuity plan). The Gratuity plan provides a lump sum payment to vested employees, at retirement or termination of employment, an amount based on the respective employee's last drawn eligible salary and the years of employment with the Company. The Company provides the gratuity benefit through annual contributions to a fund managed by the Insurer included as part of 'Contribution to provident and other funds' in Note 20 Employee benefits expense. Under this plan, the settlement obligation remains with the Company.

Description of Risk Exposures

Valuations are performed on certain basic set of pre-determined assumptions and other regulatory framework which may vary over time. Thus, the Company is exposed to various risks in providing the above gratuity benefit which are as follows:

a) **Interest Rate Risk:** The plan exposes the Company to the risk of fall in interest rates. A fall in interest rates will result in an increase in the ultimate cost of providing the above benefit and will thus result in an increase in the value of the liability (as shown in financial statements).

b) **Investment Risk:** The probability or likelihood of occurrence of losses relative to the expected return on any particular investment.

c) **Salary Escalation Risk:** The present value of the defined benefit plan is calculated with the assumption of salary increase rate of plan participants in future. Deviation in the rate of increase of salary in future for plan participants from the rate of increase in salary used to determine the present value of obligation will have a bearing on the plan's liabilty.

d) **Demographic Risk:** The Company has used certain mortality and attrition assumptions in valuation of the liability. The Company is exposed to the risk of actual experience turning out to be worse compared to the assumption.

e) **Liquidity Risk:** This is the risk that the Company is not able to meet the short-term gratuity payouts. This may arise due to non-availabilty of enough cash/cashequivalent to meet the liabilities or holding of illiquid assets not being sold in time. In respect of the plan in India, the most recent actuarial valuation of the plan assets and the present value of the defined benefit obligation were carried out as at March 31, 2021 by Ms.Priyanka Shah, Fellow of the Institute of Actuaries of India. The present value of the defined benefit obligation, and the related current service cost and past service cost, were measured using the projected unit credit method.

Notes forming part of consolidated financial statements for the year ended March 31,2021

The following table sets out the funded status of the gratuity scheme:

(Rs. in Lakhs)

Particulars	For the year ended March 31, 2021	For the year ended March 31, 2020
Components of employer expense		
Current service cost	142.80	185.04
Past service cost	-	-
Interest cost	15.99	45.59
Expected return on plan assets	(10.24)	(35.23)
Recognised in statement of profit and loss	148.55	195.40
Re-measurement - actuarial (gain)/loss recognised in OCI	(96.45)	(113.94)
Total expense recognised in the Statement of total comprehensive income	**52.10**	**81.46**
Other Comprehensive Income (OCI)		
Actuarial (gain)/loss due to DBO experience	(107.45)	(173.52)
Actuarial (gain)/loss due to DBO assumption changes	8.52	61.07
Actuarial (gain)/loss arising during period	(98.93)	(112.45)
Actual return on plan assets (greater)/less interest on plan assets	2.48	(1.49)
Actuarial (gains)/losses recognized in OCI	(96.45)	(113.94)
Defined Benefit Cost		
Service cost	142.80	185.04
Net interest on net defined benefit liability / (asset)	5.75	10.36
Actuarial (gains)/losses recognized in OCI	(96.45)	(113.94)
Defined Benefit Cost	**52.10**	**81.46**
Change in defined benefit obligation (DBO) during the year		
Present value of DBO at beginning of the year	774.56	724.14
Current service cost	142.80	185.04
Interest cost	15.99	45.59
Actuarial (gains) / losses	(98.93)	(112.45)
Benefits paid	(61.28)	(67.76)
Present value of DBO at the end of the year	**773.14**	**774.56**
Actual contribution and benefit payments for year		
Actual benefit payments	61.28	67.76
Actual contributions	25.76	142.66

Notes forming part of consolidated financial statements for the year ended March 31,2021

The following table sets out the funded status of the gratuity scheme:

(Rs. in Lakhs)

Particulars	For the year ended March 31, 2021	For the year ended March 31, 2020
Change in fair value of assets during the year		
Plan assets at beginning of the year	624.61	477.96
Expected return on plan assets	10.24	35.23
Actual company contributions	25.76	142.66
Actuarial gain / (loss)	(2.48)	1.49
Benefits paid	(40.92)	(32.73)
Plan assets at the end of the year	**617.21**	**624.61**
Actual return on plan assets	7.76	36.72
Current and Non-Current Asset / Liability portion		
Current Asset	155.61	131.98
Current (Liability)	(70.25)	(50.72)
Non Current Asset / (Liability)	(241.29)	(231.21)
Net Asset / (Liability)	(155.93)	(149.95)
Net asset / (liability) recognised in the Balance Sheet :		
Present value of defined benefit obligation	773.14	774.56
Fair value of plan assets	617.21	624.61
Funded status (Surplus / (Deficit))	**(155.93)**	**(149.95)**
Net asset / (liability) recognised in the Balance Sheet	**(155.93)**	**(149.95)**
Composition of the plan assets is as follows:		
Government securities	-	-
Debentures and bonds	-	-
Fixed deposits	-	-
Insurer managed funds*	100%	100%
Total	**617.21**	**624.61**

*Funds are managed by Life Insurance Corporation of India and composition of the fund as at the balance sheet date was not provided by the insurer.

Notes forming part of consolidated financial statements for the year ended March 31,2021

(Rs. in Lakhs)

Particulars	For the year ended March 31, 2021	For the year ended March 31, 2020
Actuarial assumptions		
Discount rate	6.80%	6.80%
Expected return on plan assets	6.80%	6.80%
Attrition rate	3% to 1%	3% to 1%
Salary escalation	5% to 9%	5% to 9%

The discount rate is based on the prevailing market yields of Government of India securities as at the Balance Sheet date for the estimated term of the obligations.

Sensitivity Analysis

Reasonably possible changes at the reporting date to one of the relevant actuarial assumptions, holding other assumptions constant, would have affected the defined benefit obligation by the amounts shown below:

Gratuity Plan	As at March 31, 2021	As at March 31, 2020
Estimate value of obligation if discount rate is taken 1% higher	713.29	685.05
Estimate value of obligation if discount rate is taken 1% lower	844.06	816.16
Estimate value of obligation if salary growth rate is taken 1% higher	842.31	814.65
Estimate value of obligation if salary growth rate is taken 1% lower	713.97	685.55
Estimate value of obligation if attrition rate is taken 1% higher	470.69	737.75
Estimate value of obligation if attrition rate is taken 1% lower	451.12	752.86

These sensitivities have been calculated to show the movement in defined benefit obligation in isolation and assuming there are no other changes in market conditions at the accounting date. There have been no changes from the previous periods in the methods and assumptions used in preparing the sensitivity analysis.

Maturity profile of defined benefit obligation:

Maturity profile, if it ensues	As at March 31, 2021	As at March 31, 2020
1	138.76	135.40
2	73.90	52.68
3	40.04	46.85
4	43.68	31.22
5	61.61	40.38
Above 5	112.88	148.08

Notes forming part of consolidated financial statements for the year ended March 31,2021

Asset Liability Matching Strategies

The Company has purchased insurance policy, which is basically a year-on-year cash accumulation plan in which the interest rate is declared on yearly basis and is guaranteed for a period of one year. The insurance Company, as part of the policy rules, makes payment of all gratuity liability occurring during the year (subject to sufficiency of funds under the policy). The policy, thus, mitigates the liquidity risk. However, being a cash accumulation plan, the duration of assets is shorter compared to the duration of liabilities. Thus, the Company is exposed to movement in interest rate (in particular, the significant fall in interest rates, which should result in a increase in liability without corresponding increase in the asset).

26 Segment Reporting

(a) Primary business segment information

The Group's operations relate to only one business segment, viz., Textiles. Accordingly, this is the only reportable business segment.

(b) Secondary geographic segment information

(Rs. in Lakhs)

Geographic Segment		Revenues	Segment assets	Capital expenditure incurred
Outside India				
	March 31, 2021	31,711.16	4,927.28	-
	March 31, 2020	32,797.20	2,507.51	81.36
India				
	March 31, 2021	70,142.57	106,041.83	846.91
	March 31, 2020	80,590.47	121,763.70	2,203.94
Unallocated				
	March 31, 2021	-	494.31	-
	March 31, 2020	-	439.17	-
Total				
	March 31, 2021	**101,853.73**	**111,463.42**	**846.91**
	March 31, 2020	**113,387.67**	**124,710.38**	**2,285.30**

Note: Segment Assets represent Assets in respective segments. Tax related assets cannot be allocated to a segment on reasonable basis have been disclosed as "Unallocable"

Notes forming part of consolidated financial statements for the year ended March 31,2021

27 Related party transactions

A. Details of related parties:

Description of relationship	Name of related parties
Holding company	Murugan Enterprise Private Limited
Enterprises in which the Key management Personnel or relatives have significant influence	Anamallais Automobiles Private Limited Shiva Automobiles Private Limited Vedanayagam Oil Company Sakthi Murugan Transports Private Limited Jahnvi Motor Private Limited Anamallais Motors Private Limited
Key Management Personnel (KMP)	Sri S V Arumugam, Managing Director Sri K N V Ramani, Director Dr K R Thillainathan, Director Sri S Palaniswami, Director Sri K Sadhasivam, Director Smt S Sihamani, Director Sri N Krishnaraj, Company Secretary Sri S Seshadri, Chief Financial Officer
Relative of KMP	Smt A Umadevi Sri A Senthil

Notes forming part of consolidated financial statements for the year ended March 31,2021

B.Details of transactions during the year and balance outstanding as at the balance sheet date:

(Rs. in Lakhs)

Particulars	Related Party	For the year ended March 31, 2021	For the year ended March 31, 2020
Transactions during the year:			
Sale of made ups	Annamallais Automobiles Private Limited	0.27	-
Vehicle maintenance paid	Shiva Automobiles Private Limited	4.19	5.75
	Jahnvi Motor Private Limited	2.58	4.59
Sale of vehicle	Shiva Automobiles Private Limited	3.50	-
Purchase of vehicle	Shiva Automobiles Private Limited	8.83	-
Purchase of fuel	Vedanayagam Oil Company	0.57	3.68
Rent paid	Anamallais Automobiles Private Limited	12.06	17.85
	Sakthi Murugan Transports Private Limited	3.96	3.51
	A Umadevi	12.00	12.00
Inter corporate deposits recd	Murugan Enterprise Private Limited	1,700.00	2,200.00
	Anamallais Motors Private Limited	-	200.00
Inter corporate deposits repaid	Anamallais Motors Private Limited	-	200.00
Interest paid	Murugan Enterprise Private Limited	289.37	23.88
	Anamallais Motors Private Limited	-	1.79
Remuneration of KMP	Sri S V Arumugam, Managing Director	55.00	60.00
	Sri N Krishnaraj, Company Secretary	19.16	20.21
	Sri S Seshadri, Chief Financial Officer	19.88	20.90
Sitting fees to KMP	Sri K N V Ramani, Director	1.50	1.30
	Dr K R Thillainathan, Director	0.70	0.60
	Sri S Palaniswami, Director	1.50	1.30
	Sri K Sadhasivam, Director	1.50	1.00
	Smt S Sihamani, Director	0.80	0.70
Salary to Relative of KMP	Sri A Senthil	27.50	30.00

Notes forming part of consolidated financial statements for the year ended March 31,2021

(Rs. in Lakhs)

Particualrs	Related party	As at March 31, 2021	As at March 31, 2020
Balances outstanding as at year end :			
Receivables	Anamallais Automobiles Private Limited	3.65	2.60
	Shiva Automobiles Private Limited	1.09	-
(Payables)	Vedanayagam Oil Company	(0.11)	(0.23)
	Sakthi Murugan Transports Private Limited	(0.50)	(0.64)
	Shiva Automobiles Private Limited	-	(0.60)
	Murugan Enterprise Private Limited	(3,927.69)	(2,221.49)
	A Umadevi	(0.93)	(0.90)
Amount outstanding as at the year end		**(3,924.49)**	**(2,221.26)**

Note:

I. There is no allowance account for impaired receivables in relation to any outstanding balances, and no expense has been recognised in respect of impaired receivables due from related parties.

ii. Related party relationship is as identified by the Company on the basis of information available with the Company and relied upon by the Auditors.

iii. No amount is/has been written off or written back during the year in respect of debts due from or to related party.

28 Earnings per equity share

Particulars	For the year ended March 31, 2021	For the year ended March 31, 2020
Profit / (loss) attributable to equity shareholders (Rs. In Lakhs)	(1,100.21)	590.49
Weighted average number of equity shares (Nos.)	31,508,538	31,50,85.38
Par value per equity share (Rs.)	5.00	5.00
Earning / (loss) per share - Basic & Diluted (Rs.)	(3.49)	1.87

29 A Income tax recognised

Particulars	For the year ended March 31, 2021		For the year ended March 31, 2020	
	Statement of profit and loss	Other comprehensive income	Statement of profit and loss	Other comprehensive income
Current tax :				
In respect of current year	-	-	-	-
Deferred tax :				
In respect of current year	(164.63)	20.90	413.03	25.98
Income tax expense	**(164.63)**	**20.90**	**413.03**	**25.98**

Notes forming part of consolidated financial statements for the year ended March 31,2021

29B Movement in deferred tax balances

(Rs. in Lakhs)

Particulars	Opening balance	Recognised in profit and loss	Recognised in other comprehensive income	Recognised directly in equity	Closing balance
For the year ended March 31, 2021					
a) Holding Comoany					
Tax effect of items constituting deferred tax asset					
Provision for doubtful debts	254.14	-	-	-	254.14
Provision for compensated absences and gratuity	32.41	-	(20.90)	-	11.51
Brought forward & current year losses	96.56	190.29	-	-	286.85
Minimum alternate tax (net)	5,338.87	-	-	-	5,338.87
Others	81.77	-	-	-	81.77
Tax effect of items constituting deferred tax asset	5,803.75	190.29	(20.90)	-	5,973.14
Tax effect of items constituting deferred tax (liability)					
On difference between book balance and tax balance of property plant and equipment	(8,503.66)	-	-	-	(8,503.66)
Deferred tax on gain on acquistion of control	(223.47)	-	-	-	(223.47)
Tax effect of items constituting deferred tax (liability)	(8,727.13)	-	-	-	(8,727.13)
Net Deferred tax asset/(liability)	**(2,923.38)**	**190.29**	**(20.90)**		**(2,753.99)**
b) Subsidiary Company (Young Brand Apparel Private Limited)					
Tax effect of items constituting deferred tax asset					
Unabsorbed depreciation	367.64	(63.79)	-	-	303.85
Brought forward business loss	-	-	-	-	-
On account of difference in treatment of expenditure	128.65	48.98	-	-	177.63
MAT credit entitlement	0.07	-		-	0.07
Tax effect of items constituting deferred tax asset	496.36	(14.81)	-	-	481.55
Tax effect of items constituting deferred tax (liability)					
On difference between book balance and tax balance of property, plant and equipment	(847.50)	(32.94)	-	-	(880.44)
Tax effect of items constituting deferred tax (liability)	(847.50)	(32.94)	-	-	(880.44)
Net deferred tax asset/(liability)	**(351.14)**	**(47.75)**	**-**	**-**	**(398.89)**

Notes forming part of consolidated financial statements for the year ended March 31,2021

(Rs. in Lakhs)

29B Movement in deferred tax balances

Particulars	Opening balance	Recognised in profit and loss	Recognised in other comprehensive income	Recognised directly in equity	Closing balance
For the year ended March 31, 2020					
a) Holding Company					
Tax effect of items constituting deferred tax asset					
Provision for doubtful debts	205.04	49.10	-	-	254.14
Provision for compensated absences, gratuity and others	89.07	(30.68)	(25.98)	-	32.41
Brought forward losses	-	96.56			96.56
Minimum alternate tax (net)	5,301.45	37.42	-	-	5,338.87
Others	41.92	39.85	-	-	81.77
Tax effect of items constituting deferred tax asset	5,637.48	192.25	(25.98)	-	5,803.75
Tax effect of items constituting deferred tax (liability)					
On difference between book base and tax base of property, plant and equipment	(8,307.82)	(195.84)	-	-	(8,503.66)
Deferred tax on gain on acquistion of control	(223.47)	-	-	-	(223.47)
Tax effect of items constituting deferred tax (liability)	(8,531.29)	(195.84)	-	-	(8,727.13)
Net Deferred tax asset/(liability)	**(2,893.81)**	**(3.59)**	**(25.98)**	**-**	**(2,923.38)**
b) Subsidiary Company (Young Brand Apparel Private Limited)					
Tax effect of items constituting deferred tax asset					
Unabsorbed depreciation	886.17	(518.53)	-	-	367.64
Brought forward business loss	14.28	(14.28)	-	-	-
On account of difference in treatment of expenditure	103.08	25.57	-	-	128.65
MAT credit entitlement	119.56	(119.49)	-	-	0.07
Tax effect of items constituting deferred tax asset	1,123.09	(626.73)	-	-	496.36
Tax effect of items constituting deferred tax (liability)					
On difference between book balance and tax balance of property, plant and equipment	(1,064.79)	217.29	-	-	(847.50)
Tax effect of items constituting deferred tax (liability)	(1,064.79)	217.29	-	-	(847.50)
Net deferred tax asset/(liability)	**58.30**	**(409.44)**	**-**	**-**	**(351.14)**

Notes forming part of consolidated financial statements for the year ended March 31,2021

29 C Reconciliation of income tax expense and the accounting profit multiplied by Company's domestic tax rate:

(Rs. in Lakhs)

Particulars	For the year ended March 31, 2021	For the year ended March 31, 2020
Profit / (loss) before tax	**(1,202.98)**	**1,003.52**
Enacted income tax rate in India	31.20%	31.20%
Computed expected tax expense	(375.33)	313.04
Write off/(back) of minimum alternate tax	-	81.72
Others	210.70	18.27
Income tax expense recognised in the statement of profit and loss	**(164.63)**	**413.03**

30 Borrowing cost capitalised under property, plant and equipment	Nil	Nil

31 Leases

The Group has entered into leasing arrangements in respect of leasehold land, residential/office premises/machineries. The leasing arrangements, which are generally cancellable, have lease periods ranging between 11 and 60 months in case of premises and in case of land it ranges between 30 to 90 years. They are generally renewable by mutual consent on mutually agreeable terms. The operating leases are cancellable by lessor/lessee with notice period up to three months.

Movement in right-of-use assets and lease liabilities during the year:

Right-of-use assets	For the year ended March 31, 2021	For the year ended March 31, 2020	
Particulars	**Building**	**Machinery**	**Building**
Opening balance	239.90	16.66	315.79
Additions	-	-	30.83
Depreciation	(105.08)	(16.66)	(106.72)
Deletions	(22.90)	-	-
Closing balance	**111.92**	**-**	**239.90**

Notes forming part of consolidated financial statements for the year ended March 31,2021

Right-of-use assets - Land

(Rs. in Lakhs)

Particulars	For the year ended March 31, 2021	For the year ended March 31, 2020
Opening balance	605.69	608.09
Additions	60.62	-
Depreciation	(3.24)	(2.40)
Closing balance	**663.07**	**605.69**

Lease liabilities

Particulars	For the year ended March 31, 2021	For the year ended March 31, 2020	
	Building	Machinery	Building
As at the date of transition, i.e., 01 April 2019	256.41	21.96	321.54
Additions	-	-	30.83
Interest	22.65	0.54	32.09
Lease payments	(125.89)	(22.50)	(128.05)
Deletions	(25.05)	-	-
Closing balance	**128.12**	**-**	**256.41**
Current	87.11	-	80.28
Non-current	41.01	-	176.13

Maturity analysis of OLL

The details of the maturities of lease liabilities as at March 31, 2021 and March 31, 2020 on an undiscounted basis are as follows:

Particulars	As at March 31, 2021	As at March 31, 2020
1 year	86.10	123.74
1 to 5 years	61.64	174.01

Lease rent expense on short-term and low value lease debited to Statement of Profit and Loss

Particulars	For the year ended March 31, 2021	For the year ended March 31, 2020
Lease rent	52.25	68.39

Notes forming part of consolidated financial statements for the year ended March 31,2021

32 Financial instruments

The carrying value and fair value of financial instruments by categories as at March 31, 2021 and March 31, 2020 is as follows:

(Rs. in Lakhs)

Particulars	Carrying value		Fair value	
	As at March 31, 2021	As at March 31, 2020	As at March 31, 2021	As at March 31, 2020
Financial assets				
Amortised cost				
Loans	59.62	37.97	59.62	37.97
Trade receivable	14,000.50	16,657.65	14,000.50	16,657.65
Cash and cash equivalents	1,746.17	3,424.40	1,746.17	3,424.40
Bank balances	2.60	167.11	2.60	167.11
Other financial assets	1,401.06	1,820.38	1,401.06	1,820.38
Investment in Government securities	0.03	0.03	0.03	0.03
FVTOCI				
Investment in equity instruments	3.86	3.86	3.86	3.86
FVTPL				
Investment in equity instruments (unquoted)	22.53	21.49	22.53	21.49
Total assets	**17,236.37**	**22,132.89**	**17,236.37**	**22,132.89**
Financial liabilities				
Amortised cost				
Borrowings	58,256.42	67,696.15	58,256.42	67,696.15
Lease liabilities	128.12	256.41	128.12	256.41
Trade payables	12,829.29	14,732.48	12,829.29	14,732.48
Other financial liabilities	667.46	451.36	667.46	451.36
Total liabilities	**71,881.29**	**83,136.40**	**71,881.28**	**83,136.40**

The management assessed that fair value of cash and short-term deposits, trade receivables, trade payables and other current financial assets and liabilities approximate their carrying amounts largely due to the short-term maturities of these instruments. The fair value of the financial assets and liabilities is included 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.

The following methods and assumptions were used to estimate the fair values:

i) Long-term fixed-rate receivables/borrowings are evaluated by the Company based on parameters such as interest rates, specific country risk factors, individual creditworthiness of the customer and the risk characteristics of the financed project. Based on this evaluation, allowances are taken into account for the expected losses of these receivables.

ii) Fair values of the Company's interest-bearing borrowings and loans are determined by using DCF method using discount rate that reflects the issuer's borrowing rate as at the end of the reporting period. The own non-performance risk as at March 31, 2021 was assessed to be insignificant.

iii) The fair values of the unquoted equity shares have been estimated using a discounted cash flow model. The valuation requires management to make certain assumptions about the model inputs, including forecast cash flows, discount rate, credit risk and volatility, the probabilities of the various estimates within the range can be reasonably assessed and are used in management's estimate of fair value for these unquoted equity investments.

Notes forming part of consolidated financial statements for the year ended March 31,2021

33 Fair value hierarchy

Level 1 - Quoted prices (unadjusted) in active markets for identical assets or liabilities.

Level 2 – Inputs other than quoted prices included within Level 1 that are observable for the asset or liability, either directly (i.e. as prices) or indirectly (i.e. derived from prices).

Level 3 - Inputs for the assets or liabilities that are not based on observable market data (unobservable inputs).

The following table presents the fair value measurement hierarchy of financial assets and liabilities measured at fair value on recurring basis as at March 31, 2021 and March 31, 2020 :

(Rs. in Lakhs)

Particulars		Total	Fair value measurement using		
			Level 1	Level 2	level 3
Financial assets measured at fair value:					
FVTOCI financial assets designated at fair value:					
Investment in equity instruments (quoted)					
	As at March 31, 2021	3.86	3.86	-	-
	As at March 31, 2020	3.86	3.86	-	-
Derivative financial instruments					
	As at March 31, 2021	-	-	-	-
	As at March 31, 2020	243.51	243.51	-	-
FVTPL financial assets designated at fair value:					
Investment in equity instruments (unquoted)					
	As at March 31, 2021	22.53	-	-	22.53
	As at March 31, 2020	21.49	-	-	21.49

There have been no transfers among Level 1, Level 2 and Level 3 during the year.

34 Financial risk management

The Company’s principal financial liabilities, comprise loans and borrowings, trade and other payables. The main purpose of these financial liabilities is to finance the company’s operations and to provide guarantees to support its operations. The Company’s principal financial assets include loans, trade and other receivables, and cash and short-term deposits that derive directly from its operations.

The Company's activities expose it to a variety of financial risks: credit risk, liquidity risk, foreign currency risk and interest rate risk. The Company's primary focus is to foresee the unpredictability of financial markets and seek to minimize potential adverse effects on its financial performance. The primary market risk to the company is foreign exchange risk. The Company uses foreign currency borrowings to mitigate foreign exchange related risk exposures.

Notes forming part of consolidated financial statements for the year ended March 31,2021

The Board of Directors reviews and agrees policies for managing each of these risks, which are summarised below:

1) Credit risk

Credit risk is the risk of financial loss to the Company if a customer or counter party to a financial instrument fails to meet its contractual obligations, and arises principally from the Company's receivables from customers and investment securities. Credit risk arises from cash held with banks and financial institutions, as well as credit exposure to clients, including outstanding accounts receivable. The maximum exposure to credit risk is equal to the carrying value of the financial assets. The objective of managing counter party credit risk is to prevent losses in financial assets. The Company assesses the credit quality of the counter parties, taking into account their financial position, past experience and other factors.

2) Trade and other receivables

The Company's exposure to credit risk is influenced mainly by the individual characteristics of each customer. The demographics of the customer, including the default risk of the industry and country in which the customer operates, also has an influence on credit risk assessment. The following table gives details in respect of percentage of revenues generated from top customer and top 5 customers:

(Rs. in Lakhs)

Particulars	**For the year ended March 31, 2021**	**For the year ended March 31, 2020**
Revenue from top customer	6,431.29	7,830.82
Revenue from top 5 customers	19,506.52	22,954.83

Two customers accounted for more than 10% of the revenue for the year ended March 31, 2021, however one of the customers accounted for more than 10% of the receivables as at March 31, 2021. Two customers accounted for more than 10% of the revenue for the year March 31, 2020, however three of the customers accounted for more than 10% of the receivables for the year ended March 31, 2020.

3) Investments

The Company limits its exposure to credit risk by generally investing in liquid securities and only with counterparties that have a good credit rating. The company does not expect any losses from non-performance by these counter-parties, and does not have any significant concentration of exposures to specific industry sectors.

4) Liquidity risk

Liquidity risk is the risk that the Company will not be able to meet its financial obligations as they become due. The Company manages its liquidity risk through credit limits with banks. The Company's corporate treasury department is responsible for liquidity, funding as well as settlement management. In addition, processes and policies related to such risks are overseen by senior management.

The working capital position of the Company is given below:

Particulars	**As at March 31, 2021**	**As at March 31, 2020**
Cash and cash equivalents	1,746.17	3,424.40
Bank balances	2.60	167.11
Total	**1,748.77**	**3,591.51**

Notes forming part of consolidated financial statements for the year ended March 31,2021

The table below provides details regarding the contractual maturities of significant financial liabilities as at March 31, 2021 and March 31, 2020.

(Rs. in Lakhs)

Particulars	As at	Less than 1 year	1-2 years	2 years and above
Borrowings	March 31, 2021	44,609.57	4,233.09	9,413.76
	March 31, 2020	48,079.21	5,501.54	14,115.40
Trade payables	March 31, 2021	12,829.29	-	-
	March 31, 2020	14,732.48	-	-
Lease liabilities	March 31, 2021	128.12	-	-
	March 31, 2020	256.41	-	-
Other financial liabilities	March 31, 2021	667.46	-	-
	March 31, 2020	451.36	-	

5) Foreign currency risk

The Company's exchange risk arises from its foreign operations, foreign currency revenues and expenses, (primarily in U.S. dollar, British pound sterling and Euro) and foreign currency borrowings (primarily in U.S. dollar, British pound sterling and Euro). A significant portion of the Company's revenues are in these foreign currencies, while a significant portion of its costs are in Indian rupees. As a result, if the value of the Indian rupee appreciates relative to these foreign currencies, the Company's revenues measured in rupees may decrease. The exchange rate between the Indian rupee and these foreign currencies has changed substantially in recent periods and may continue to fluctuate substantially in the future. The Company's management meets on a periodic basis to formulate the strategy for foreign currency risk management. Consequently, the management of the Company believes that the borrowings in foreign currency and its assets in foreign currency shall mitigate the foreign currency risk mutually to some extent.

The following table presents foreign currency risk from non-derivative financial instruments as of March 31, 2021 and March 31, 2020 :

Particulars	As at	US$	Euro	Pound/sterling	Total
Assets					
Trade receivables	March 31, 2021	4636.74	255.86	34.68	4,927.28
	March 31, 2020	2,355.32	107.21	44.98	2,507.51
Cash and cash equivalents	March 31, 2021	0.33	0.02	0.03	0.38
	March 31, 2020	0.80	0.02	0.03	0.85
Liabilities					
Trade payable	March 31, 2021	246.11	-	-	246.11
	March 31, 2020	820.27	-	-	820.27
Borrowings	March 31, 2021	7,519.77	-	-	7,519.77
	March 31, 2020	6,597.76	-	-	6,597.76
Net assets/(liabilities)	**March 31, 2021**	**(3,128.81)**	**255.88**	**34.71**	**(2,838.22)**
	March 31, 2020	**(5,061.91)**	**107.23**	**45.01**	**(4,909.67)**

Notes forming part of consolidated financial statements for the year ended March 31,2021

Foreign currency sensitivity analysis

The Company is mainly exposed to the currency USD on account of significant outstanding trade receivables, borrowings and trade payables in USD.

The following table details the Company's sensitivity to a 5% increase and decrease in INR against the USD. 5% is the sensitivity rate used when reporting foreign currency risk internally to key management personnel and represents management's assessment of the reasonably possible change in foreign exchange rates. The sensitivity analysis includes only outstanding foreign currency denominated monetary items and adjusts their translation at the period end for a 5% change in foreign currency rates. A positive number below indicates an increase in profit or equity where the INR strengthens 5% against the relevant currency. For a 5% weakening of the INR against the relevant currency, there would be a comparable impact on the profit or equity, and the balances below would be negative.

(Rs. in Lakhs)

Particulars	For the year ended March 31, 2021	For the year ended March 31, 2020
Impact on profit or (loss) for the year	156.44	253.10

For a 5% weakening of the INR against the relevant currency, there would be equivalent amount of impact on the profit / (loss) as mentioned in the above table.

6) Interest rate risk

Interest rate risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market interest rates. The Company’s exposure to the risk of changes in market interest rates relates primarily to the Company’s debt obligations with floating interest rates and investments.

Interest rate sensitivity analysis

If interest rates had been 1% higher and all other variables were held constant, the company's profit / (loss) for the year ended would have impacted in the following manner:

Particulars	For the year ended March 31, 2021	For the year ended March 31, 2020
Increase / (decrease) in the profit / (loss) for the year	(594.46)	(615.00)

If interest rates were 1% lower, the company's profit would have increased by the equivalent amount as shown in the above table.

Notes forming part of consolidated financial statements for the year ended March 31,2021

7) Capital management

The Company's policy is to maintain a strong capital base so as to maintain investor, creditor and market confidence and to sustain future development of the business. The Company monitors the return on capital. The Company's objective when managing capital is to maintain an optimal structure so as to maximize shareholder value.

The capital structure is as follows:

(Rs. in Lakhs)

Particulars	March 31, 2021	March 31, 2020
Total equity attributable to the equity share holders of the company	**33,756.15**	**34,718.94**
As percentage of total capital	37%	34%
Current borrowings	33,734.06	42,010.52
Non-current borrowings	24,522.36	25,685.63
Total borrowings	**58,256.42**	**67,696.15**
As a percentage of total capital	**63%**	**66%**
Total capital (borrowings and equity)	**92,012.57**	**102,415.09**

The Company is predominantly debt financed which is evident from the capital structure table.

35 Corporate social responsibility

Particulars	For the year ended March 31, 2021	For the year ended March 31, 2020
Gross amount required to be spent by the company during the year	21.49	34.08
Amount spent during the year on		
i) Construction/acquisition of any asset	-	-
ii) On purposes other than (i) above	18.10	10.30

Notes forming part of consolidated financial statements for the year ended March 31,2021

36 Additional information as required by Paragraph 2 of the general instructions for reparation of consolidated Ind AS financial statements to Schedule III to the Companies Act, 2013

Name of the entity	Net Assets i.e., total assets minus total liabilities		Share in profit or loss		Share in other comprehensive income		Share in total comprehensive income	
	As % of consolidated net assets	Amount in Lakhs	As % of consolidated profit or loss	Amount in Lakhs	As % of consolidated other comprehensive income	Amount in Lakhs	As % of consolidated total comprehensive income	Amount in Lakhs
Holding Company								
Bannari Amman Spinning Mills Limited (including consolidation adjustments)	78.68%	26,558.51	110.89%	(1,151.56)	61.02%	46.10	114.82%	(1,105.46)
Indian -Subsidiaries								
Young Brand Apparel Private Limited	21.68%	7,318.06	(12.24%)	127.11	38.98%	29.45	(16.26%)	156.56
Accel Apparels Private Limited	(0.01%)	(1.71)	0.05%	(0.52)	0.00%	-	0.05%	(0.52)
Abirami Amman Designs Private Limited (Formerly Abirami Amman Mills Private Limited)	0.03%	9.28	0.02%	(0.16)	0.00%	-	0.02%	(0.16)
Bannari Amman Trendz Private Limited	(0.24%)	(82.37)	1.86%	(19.27)	0.00%	-	2.00%	(19.27)
Bannari Amman Retails Private Limited	(0.14%)	(45.62)	(0.58%)	6.05	0.00%	-	(0.63%)	6.05
Total	**100.00%**	**33,756.15**	**100.00%**	**(1,038.35)**	**100.00%**	**75.55**	**100.00%**	**(962.80)**

Notes forming part of consolidated financial statements for the year ended March 31,2021

37 Prior year comparatives

Prior year figures have been reclassified wherever necessary to confirm current year's classification The following reclassifications have been done in the previous year figures to confirm current year classification :

Particulars	(Rs. in Lakhs)
For the year ended 31.3.2021	
Revenue	
Made ups sales	75.68
For the year ended 31.3.2020	
Revenue	
Garments sales	75.68
For the year ended 31.3.2021	
Non Current assets	
Right of use assets	605.69
For the year ended 31.3.2020	
Non Current assets	
Property, plant & equipment - Lease hold land	605.69
For the year ended 31.3.2021	
Other expenses	
Miscellaneous expenses	801.44
For the year ended 31.3.2020	
Other expenses	
Rent including lease rentals	68.39
Communication expenses	101.65
Travelling and conveyance	419.21
Printing and stationery	46.32
Quality claim	71.82
Hank yarn obligation	6.25
Business promotion expenses	82.73
Donation	5.07

For and on behalf of Board of Directors

S V ARUMUGAM
Chairman & Managing Director
DIN 00002458

K SADHASIVAM
Director
DIN 00610037

N KRISHNARAJ
Company Secretary
ACS No. 20472

S SESHADRI
Chief Financial Officer

Coimbatore
July 23, 2021

Financial Performance - Yearwise

(Rs. in Lakhs)

Financial Year	Equity Share Capital	Reserves & Surplus	Turnover *	Profit Before Depreciation	Depre-ciation	Profit Before Tax	Dividend on Equity Shares (%)
1994-1995	350.05	0.32	8.60	1.21	0.90	0.32	-
1995-1996 (18 months)	350.05	42.16	3171.12	185.77	143.93	41.84	-
1996-1997	350.05	104.84	4936.08	769.28	668.09	101.19	10
1997-1998	350.05	181.02	5270.53	494.61	379.92	114.69	10
1998-1999	350.05	592.27	6137.82	792.70	342.60	450.10	10
2000-2001 (18 months)	350.05	1464.27	9942.63	1702.90	537.03	1165.87	15
2001-2002	350.05	1736.63	6365.46	736.57	333.64	402.93	10
2002-2003	350.05	2085.64	6361.65	1183.80	340.02	843.78	10
2003-2004	350.05	2685.39	7533.23	1206.95	322.97	883.99	20
2004-2005	875.13	3601.48	7487.43	1789.41	321.42	1467.99	20
2005-2006	1575.43	13569.54	8670.07	2044.41	470.86	1573.55	20
2006-2007	1575.43	14903.05	11033.07	2563.34	848.69	1714.65	20
2007-2008	1575.43	14657.28	20933.17	3122.39	1493.26	1629.12	20
2008-2009	1575.43	14454.79	29095.40	3139.29	2180.84	958.44	10
2009-2010	1575.43	15683.92	35427.40	4799.92	2565.30	2234.62	15
2010-2011	1575.43	19196.90	58645.01	12108.40	5389.09	6719.31	20
2011-2012	1575.43	17559.28	43660.96	326.46	3722.63	-3396.16	-
2012-2013	1575.43	19922.46	54928.79	7648.08	3575.65	4072.42	20
2013-2014	1575.43	22710.63	71654.61	8105.12	3500.16	4604.96	20
2014-2015	1575.43	23764.29	68539.95	4580.63	2666.24	1914.38	15
2015-2016	1575.43	26535.02	77347.89	5652.94	2880.73	2772.21	16
2016-2017	1575.43	27318.00	86703.47	4402.52	2957.47	1445.05	18
2017-2018	1575.43	27713.08	93164.67	3586.83	2823.26	763.57	16
2018-2019	1575.43	29334.00	101642.61	4912.48	3005.32	1907.16	16
2019-2020	1575.43	29096.74	93506.78	2854.65	2831.16	23.49	-
2020-2021	1575.43	28087.79	80466.72	1563.77	2809.11	(1245.34)	-

* Turnover = Net Sales + Closing Stock - Opening Stock

* Excludes interdivision transfers

31st ANNUAL REPORT

BANNARI AMMAN SPINNING MILLS LTD
252, Mettupalayam Road,
Coimbatore - 641 043. Tamil Nadu, India.
CIN : L17111TZ1989PLC002476

: 0422 - 2435555
: shares@bannarimills.com
: bannarimills.com