

RAJAPALAYAM MILLS LIMITED

Regd. Office : Rajapalayam Mills Premises, P.A.C. Ramasamy Raja Salai,
Post Box No. 1, Rajapalayam, Tamil Nadu, Pin : 626 117.

CIN : L17111TN1936PLC002298
PAN : AAACR8897F
GSTIN : 33AAACR8897F1Z1



Telephone : 91 4563 235666 (5 lines)
Fax : 91 4563 236520
E-mail : rajacot@ramcotex.com
rajacot@bsnl.in
Website : www.rajapalayammills.co.in

Date : 23-07-2022

M/s. BSE Limited,
Floor 25, "P.J.Towers",
Dalal Street,
Mumbai - 400 001.

Scrip Code: 532503

Dear Sir,

Sub: Submission of Annual Report for the year ended 31-03-2022

Pursuant to Regulation 34 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, we are submitting herewith the Annual Report of the Company for the year ended 31st March, 2022.

Kindly take the same on record.

Thanking you,

Yours faithfully,

For RAJAPALAYAM MILLS LIMITED

A. ARULPRANAVAM
SECRETARY

RAJAPALAYAM MILLS LIMITED

RAJAPALAYAM

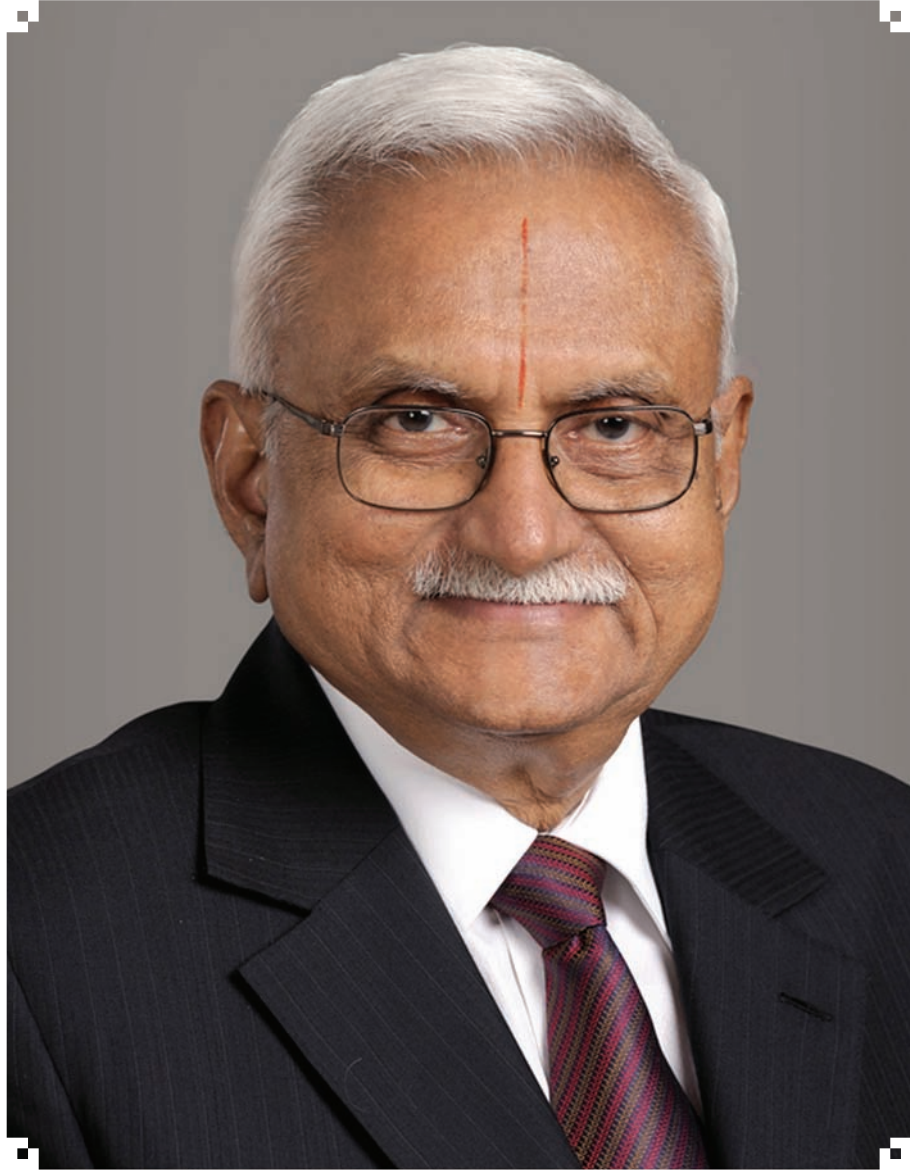


Annual Report and Accounts for the year ended 31st March 2022

FOUNDER



SHRI P.A.C. RAMASAMY RAJA



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



Board of Directors

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

Smt. R. SUDARSANAM
Managing Director (upto 31-05-2022)

Smt. P.V. NIRMALA RAJU, B.E., M.A.,
Managing Director (from 01-06-2022)

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

Shri N.K. RAMASUWAMI RAJA, B.Sc.,

Shri A.V. DHARMAKRISHNAN, B.Com, ACA.,

Justice Shri P.P.S. JANARTHANA RAJA, B.L.,

Shri V. SANTHANARAMAN, B.Com, C.A.I.I.B.,

Shri K.B. NAGENDRA MURTHY, M.Com, C.A.I.I.B.,

Smt. SOUNDARA KUMAR, B.Sc., C.A.I.I.B.,

Shri P.V. ABINAV RAMASUBRAMANIAM RAJA, B.Sc., (Incl. Engg.)

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

Chief Financial Officer

Shri B. Gnanagurusamy

Secretary

Shri A. Arulpranavam

Registered Office

Rajapalayam Mills Premises,
Post Box No.1, P.A.C. Ramasamy Raja Salai,
Rajapalayam - 626 117.

Tamil Nadu.

E-mail : rajacot@ramcotex.com

Phone No.: 04563-235666

Fax No.: 04563-236520

Website

www.rajapalayammills.co.in

Corporate Identification Number

L17111TN1936PLC002298

Bankers

Axis Bank Limited

Bank of Bahrain & Kuwait

Citi Bank Limited

CTBC Bank Limited

Export Import Bank of India Limited

HDFC Bank Limited

ICICI Bank Limited

IDFC First Bank Limited

IndusInd Bank Limited

Kotak Mahindra Bank Limited

RBL Bank Limited

Tamilnad Mercantile Bank Limited

The Federal Bank Limited

Auditors

M/s. N.A. Jayaraman & Co.,
Chartered Accountants,
9, Cedar Wood, 11, 4th Main Road,
Raja Annamalaipuram,
Chennai - 600 028.

M/s. SRSV & Associates,
Chartered Accountants,
F2, 1st Floor, B Block,
Sivam Padmalaya,
28/25, Neelakanta Metha Street,
T. Nagar, Chennai - 600 017.

Secretarial Auditor

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

Cost Auditor

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



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NOTICE



NOTICE TO THE MEMBERS

Notice is hereby given that the 86th Annual General Meeting of the Company will be held at 11:00 A.M. on Saturday, the 20th August, 2022. This Annual General Meeting is being conducted through Video Conferencing / Other Audio Visual Means, the details of which are provided in the Notes to this Notice. The following are the businesses that would be transacted at this Annual General Meeting.

ORDINARY BUSINESS - ORDINARY RESOLUTION

1. To consider and pass the following Resolution, as an ORDINARY RESOLUTION:
"RESOLVED THAT the Company's Separate and Consolidated Audited Financial Statements for the year ended 31st March, 2022, and the Reports of the Board of Directors and Auditors thereon be and are hereby considered and adopted."
2. To consider and pass the following Resolution, as an ORDINARY RESOLUTION:
"RESOLVED THAT a Dividend of ₹ 1/- per Share be and is hereby declared for the year ended 31st March, 2022 and the same be paid to those Shareholders whose name appear in the Register of Members and Register of Beneficial owners as on 13th August, 2022."
3. To consider and pass the following Resolution, as an ORDINARY RESOLUTION:
"RESOLVED THAT Shri A.V. Dharmakrishnan (DIN: 00693181), who retires by rotation, be and is hereby re-appointed as Director of the Company."

ORDINARY BUSINESS - SPECIAL RESOLUTION

4. To consider and pass the following Resolution, as a SPECIAL RESOLUTION:
"RESOLVED THAT Shri S.S. Ramachandra Raja (DIN: 00331491), who retires by rotation, be and is hereby re-appointed as a Director of the Company.
RESOLVED FURTHER THAT pursuant to Regulation 17(1A) of SEBI (LODR) Regulations, 2015 and other applicable statutory provisions, Shri S.S. Ramachandra Raja, Non-Executive Director of the Company, aged 86 years, shall continue to occupy the position of Non-Executive Director from this Annual General Meeting till the Annual General Meeting at which he becomes liable to retire by rotation under Section 152(6)(c) of the Companies Act, 2013."

ORDINARY BUSINESS - ORDINARY RESOLUTION

5. To consider and pass the following Resolution, as an ORDINARY RESOLUTION:
"RESOLVED THAT in terms of Section 139, 142 and other applicable provisions of the Companies Act, 2013 and the Companies (Audit and Auditors) Rules, 2014, M/s. N.A. Jayaraman & Co., Chartered Accountants holding Firm Registration No. 001310S and M/s. SRSV & Associates,



NOTICE

Chartered Accountants holding Firm Registration No. 015041S be and are hereby jointly re-appointed as Statutory Auditors of the Company for the second term of 5 consecutive financial years commencing from the financial year 2022-23 and to hold office from the conclusion of 86th Annual General Meeting till the conclusion of 91st Annual General Meeting to be held in the year 2027.

RESOLVED FURTHER THAT each of the Auditors shall be paid for the financial year 2022-23 a remuneration of ₹ 3,50,000/- (Rupees Three Lakhs Fifty Thousand Only) per year plus applicable taxes and out-of-pocket expenses.

RESOLVED FURTHER THAT for the financial years 2023-24 to 2026-27, the Board of Directors are authorised to fix the remuneration based on the recommendation of the Audit Committee."

SPECIAL BUSINESS - SPECIAL RESOLUTION

6. To consider and pass the following Resolution, as a SPECIAL RESOLUTION:

"RESOLVED THAT pursuant to Section 196, 197 and 203 read with Schedule V and other applicable provisions of the Companies Act, 2013 and the Rules made thereunder, SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, Articles of Associations of the Company, approval of the Company be and is hereby accorded to the appointment of Smt. P.V. Nirmala Raju (DIN:00474960) as Managing Director of the Company for a period of 5 years with effect from 01-06-2022, at a remuneration equivalent to 5% of the net profits of the Company.

RESOLVED FURTHER THAT when the Company has no profits or its profits are inadequate, in any financial year, not being more than three such financial years over the entire tenure of five years, she shall be paid a remuneration of ₹ 240 lakhs per annum along with the following perquisites:

- (i) Contribution to provident fund, superannuation fund or annuity fund to the extent these either singly or put together are not taxable under the Income tax Act, 1961;
- (ii) Gratuity payable at a rate not exceeding half a month's salary for each completed year of service; and
- (iii) Encashment of leave at the end of the tenure; and
- (iv) Other perquisites as allowed under Section IV of Schedule V of the Companies Act, 2013.

RESOLVED FURTHER that the Nomination and Remuneration Committee be and is hereby authorized to fix the components, quantum and periodicity of the remuneration payable to the Managing Director subject to the aforementioned limits.

NOTICE



RESOLVED FURTHER that the remuneration aforesaid shall be exclusive of any fee paid for attending Meetings of the Board or any Committee thereof or for any other purpose, whatsoever as may be decided by the Board as provided in Section 197(5) of the Companies Act, 2013."

SPECIAL BUSINESS - ORDINARY RESOLUTION

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

"RESOLVED THAT pursuant to the provisions of Section 148 and other applicable provisions, if any, of the Companies Act, 2013 and Rule 14 of Companies (Audit and Auditors) Rules, 2014, the remuneration of ₹ 1,75,000/- (Rupees One Lakh Seventy Five Thousand Only) plus applicable taxes and Out-of-pocket expenses payable to Shri M. Kannan, Cost Accountant (Firm Registration No. 102185) appointed as the Cost Auditor of the Company by the Board of Directors, for the financial year 2022-23 for auditing the Cost Records relating to manufacture of textile products, be and is hereby ratified and confirmed."

By Order of the Board,
For RAJAPALAYAM MILLS LIMITED,

P.R. VENKETRAMA RAJA
CHAIRMAN

RAJAPALAYAM,
25th May, 2022.

NOTES:

1. Statement pursuant to Section 102 of the Companies Act, 2013, setting out the material facts concerning each item of Special Business is annexed hereto.
2. The Company has chosen to conduct this Annual General Meeting in through Video Conferencing. The Annual General Meeting would be conducted in accordance with the:
 - (i) General Circular No: 02/2022 dated 5th May, 2022, issued by Ministry of Corporate Affairs, Government of India;
 - (ii) Circular No: SEBI/HO/CFD/CMD2/CIR/P/2022/62 dated 13th May, 2022, issued by Securities and Exchange Board of India (SEBI); and
 - (iii) such other instructions that may be issued by Statutory Authorities.
3. The Company would be providing the Central Depository Services (India) Limited's (CDSL) system for the members to cast their vote through remote e-Voting and participate in the Annual General Meeting through Video Conference.
4. Proxies are not being sent to shareholders, as the meeting is being conducted through Video Conference.



NOTICE

5. The Company is also releasing a Public Notice by way of advertisement being published in English in Business Line (All editions) and in Tamil in Dinamani (Madurai editions), containing the following information:
- Convening of Annual General Meeting through Video Conference in compliance with applicable provisions of the Companies Act, 2013 (“Act”).
 - Date and Time of the Annual General Meeting.
 - Availability of Notice of the Meeting on the website of the Company and the stock exchange, viz. BSE Limited, where the Company's shares are listed and at <http://www.evotingindia.com>.
 - Reference to the link of the Company’s website, providing access to the full annual report.
 - Requesting the members who have not registered their E-Mail addresses with the Company, to get the same registered with the Company.
6. The cut-off date will be Saturday the 13th August, 2022 for determining the eligibility to vote by remote e-Voting or in the Annual General Meeting.
7. Pursuant to Rule 8 of Investor Education and Protection Fund (Accounting, Audit, Transfer and Refund) Rules, 2016, the Company has uploaded the details of unclaimed / unpaid dividends lying with the Company on the website of the Company (www.rajapalayammills.co.in), as also on the website of the Ministry of Corporate Affairs. The dividends remaining unpaid for a period of over seven years will be transferred to the Investor Education and Protection Fund of the Central Government. Hence, the Members who have not claimed their dividend relating to the earlier years may write to the Company for claiming the amount before it is so transferred to the Fund.

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

FINANCIAL YEAR ENDED	DATE OF DECLARATION OF DIVIDEND	LAST DATE FOR CLAIMING UNPAID DIVIDEND	DUE DATE FOR TRANSFER TO IEP FUND
31-03-2015 Dividend	12-08-2015	11-08-2022	10-09-2022
31-03-2016 Interim Dividend	16-03-2016	15-03-2023	14-04-2023
31-03-2017 Dividend	10-08-2017	09-08-2024	08-09-2024
31-03-2018 Dividend	10-08-2018	09-08-2025	08-09-2025
31-03-2019 Dividend	14-08-2019	13-08-2026	12-09-2026
31-03-2020 Dividend	15-09-2020	14-09-2027	14-10-2027
31-03-2021 Dividend	25-08-2021	24-08-2028	23-09-2028



NOTICE

8. In accordance with Section 124(5) of the Companies Act, 2013 the Company has transferred the unclaimed / unpaid dividends lying with the Company for a period of over seven years, to the Investor Education and Protection Fund (the IEPF) established by the Central Government.
9. In accordance with Section 124(6) of the Companies Act, 2013 read with Investor Education and Protection Fund authority (Accounting, Audit, Transfer and Refund) Rules, 2016, the shares in respect of which dividend has not been paid or claimed for seven consecutive years or more have been transferred by the Company to IEPF. The shareholders / their legal heirs are entitled to claim the said shares and the dividend so transferred from the IEPF by making an online application. The procedure is available at **www.iepf.gov.in**.
10. Despatching of physical copies of the financial statements (including Board's report, Auditor's report or other documents required to be attached therewith), has been dispensed with. Such statements are being sent only by email to the members and to all other persons so entitled. The Annual Report will also be made available on the Company's Website - **www.rajapalayammills.co.in** and at the websites of the BSE Limited, where the Company's shares are listed.
11. The Company has fixed Saturday, 13th August, 2022 as the 'Record Date' for determining entitlement of members to receive dividend for the financial year ended 31st March, 2022, if approved at the AGM.
12. As per Income Tax Act, 1961, dividend income is taxable in the hands of shareholders w.e.f. April 1, 2020 and the Company is required to deduct tax at source from dividend paid to shareholders at the prescribed rates. For the prescribed rates for various categories, the shareholders are requested to refer to the Income Tax Act, 1961 and amendments thereof. The shareholders are requested to update their PAN with the Company (in case of shares held in physical mode) and with the depositories (in case of shares held in demat mode).

A Resident individual shareholder with PAN and who is not liable to pay Income Tax can submit a yearly declaration in Form No. 15G/15H, to avail the benefit of non-deduction of tax at source by email to **investorgrievance@ramcotex.com** on or before 5th August, 2022. Shareholders are requested to note that in case their PAN is not registered, the tax will be deducted at a higher rate of 20%.

Non-resident shareholders can avail beneficial rates under tax treaty between India and their country of residence, subject to providing necessary documents i.e. No Permanent Establishment and Beneficial Ownership Declaration, Tax Residency Certificate, Form 10F, any other document which may be required to avail the tax treaty benefits by sending an email to **investorgrievance@ramcotex.com** The aforesaid declarations and documents need to be submitted by the shareholders on or before 5th August, 2022.



NOTICE

13. Voting through electronic means:

- A. In compliance with provisions of Section 108 of the Companies Act, 2013 and Rule 20 of the Companies (Management and Administration) Rules, 2014, and Regulation 44 of SEBI (LODR) Regulations, 2015, the Company is providing to its members, the remote e-Voting facility to exercise their right to vote at the 86th Annual General Meeting (AGM) and the business may be transacted through such voting, through e-Voting Services provided by CDSL.
- B. The facility for remote e-Voting shall remain open from 9.00 AM on Wednesday, the 17th August, 2022 to 5.00 PM on Friday, the 19th August, 2022. During this period, the members of the Company, holding shares either in physical form or in dematerialised form, as on the cut-off date, viz. Saturday, the 13th August, 2022, may opt for remote e-Voting. Remote e-Voting shall not be allowed beyond 5.00 PM on Friday, the 19th August, 2022.
- C. In terms of SEBI Circular No. SEBI/HO/CFD/CMD/ CIR/P/2020/242 dated 9th December, 2020 on e-Voting facility provided by Listed Companies, Individual shareholders holding securities in demat mode are allowed to vote through their demat account maintained with Depositories and Depository Participants (DP). Shareholders are advised to update their mobile number and email Id in their demat accounts in order to access e-Voting facility.
- D. Pursuant to said SEBI Circular, Login method for e-Voting and joining the AGM through VC for Individual shareholders holding securities in Demat mode are given below:

Type of shareholders	Login Method
Individual Shareholders holding securities in Demat mode with CDSL Depository	<p>1) Users who have opted for CDSL Easi / Easiest facility, can login through their existing user id and password. Option will be made available to reach e-Voting page without any further authentication. The URL for users to login to Easi / Easiest are https://web.cdslindia.com/myeasi/home/login or visit www.cdslindia.com and click on Login icon and select New System Myeasi.</p> <p>2) After successful login the Easi / Easiest user will be able to see the e-Voting option for eligible companies where the evoting is in progress as per the information provided by company. On clicking the evoting option, the user will be able to see e-Voting page of the e-Voting service provider for casting the vote during the remote e-Voting period or joining the AGM through VC & voting during the meeting. Additionally, there is also links provided to access the system of all e-Voting Service Providers</p>

NOTICE



Type of shareholders	Login Method
	<p>i.e. CDSL / NSDL, so that the user can visit the e-Voting service providers' website directly.</p> <p>3) If the user is not registered for Easi / Easiest, option to register is available at https://web.cdslindia.com/myeasi/Registration/EasiRegistration</p> <p>4) Alternatively, the user can directly access e-Voting page by providing Demat Account Number and PAN No. from a e-Voting link available on 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 able to see the e-Voting option where the evoting is in progress and also able to directly access the system of all e-Voting Service Providers.</p>
<p>Individual Shareholders holding securities in demat mode with NSDL Depository</p>	<p>1) If you are already registered for NSDL IDeAS facility, please visit the e-Services website of NSDL. Open web browser by typing the following URL: https://eservices.nsdl.com either on a Personal Computer or on a mobile. Once the home page of e-Services is launched, click on the "Beneficial Owner" icon under "Login" which is available under 'IDeAS' section. A new screen will open. You will have to enter your User ID and Password. After successful authentication, you will be able to see e-Voting services. Click on "Access to e-Voting" under e-Voting services and you will be able to see e-Voting page. Click on 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 the AGM through VC & voting during the meeting.</p> <p>2) If the user is not registered for IDeAS e-Services, option to register is available at https://eservices.nsdl.com. Select "Register Online for IDeAS "Portal or click at https://eservices.nsdl.com/SecureWeb/IdeasDirectReg.jsp</p> <p>3) Visit the e-Voting website of NSDL. Open web browser by typing the following URL: https://www.evoting.nsdl.com/ either on a Personal Computer or on a mobile. Once the home page of e-Voting system is launched, click on the icon "Login" which is</p>



NOTICE

Type of shareholders	Login Method
	<p>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 holding 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 the AGM through VC & voting during the meeting.</p>
<p>Individual Shareholders (holding securities in demat mode) login through their DPs</p>	<p>You can also login using the login credentials of your demat account through your DP registered with NSDL / CDSL for e-Voting facility. After Successful login, you will be able to see e-Voting option. Once you click on e-Voting option, you will be redirected to 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 the AGM through VC & voting during the meeting.</p>

Important note: Members who are unable to retrieve User ID/ Password are advised to use Forget User ID and Forget Password option available at above mentioned website.

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

Login type	Helpdesk details
<p>Individual Shareholders holding securities in Demat mode with CDSL</p>	<p>Members facing any technical issue in login can contact CDSL helpdesk by sending a request at helpdesk.evoting@cdslindia.com or contact at Toll free no.: 1800 22 55 33</p>
<p>Individual Shareholders holding securities in Demat mode with NSDL</p>	<p>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 22 44 30</p>

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

1. The shareholders should log on to the e-Voting website **www.evotingindia.com**
2. To Click on "Shareholders" tab.
3. Now enter your User ID as given below:
 - For CDSL: 16 Digits beneficiary ID,
 - For NSDL: 8 Character DP ID followed by 8 Digits Client ID,
 - Shareholders holding shares in Physical Form should enter Folio Number registered with the Company.
4. Next enter the Image Verification as displayed and Click on Login.
5. If you are holding shares in demat form and had logged on to **www.evotingindia.com** and voted on an earlier e-Voting of any company, then your existing password is to be used.
6. If you are a first-time user follow the steps given below:

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

PAN	<p>Enter your 10 digit alpha-numeric PAN issued by Income Tax Department (Applicable for both demat shareholders as well as physical shareholders) Shareholders who have not updated their PAN with the Company / DP are requested to use the first two letters of their name and the 8 digits of the Folio No. in the PAN field.</p> <p>In case the Folio No is less than 8 digits, enter the applicable number of 0's before the Folio No. to make it 8 digits after the first two characters of the name in CAPITAL letters. Eg. If your name is GUHAN.S with folio number 1 then enter GU00000001 in the PAN Field.</p>
Dividend Bank Details or Date of Birth (DOB)	<p>Enter the Dividend Bank Details or Date of Birth (in dd/mm/yyyy format) as recorded in your demat account or in the Company records in order to login. If both the details are not recorded with the depository or company, please enter the member ID / folio number in the Dividend Bank details field as mentioned in instruction F.</p>



NOTICE

- G. Shareholders holding Shares in physical form will then directly reach the Company selection screen. However, members holding Shares in demat form will now reach 'Password Creation' menu wherein they are required to mandatorily enter their login password in the new password field. Kindly note that this password is to be also used by the demat holders for voting for resolutions of any other Company on which they are eligible to vote, provided that Company opts for e-Voting through CDSL platform. It is strongly recommended not to Share your password with any other person and take utmost care to keep your password confidential.
- H. For Shareholders holding Shares in physical form, the details can be used only for e-Voting on the resolutions contained in this Notice.
- I. Click on the relevant EVSN for RAJAPALAYAM MILLS LIMITED on which you choose to vote.
- J. On the voting page, you will see "RESOLUTION DESCRIPTION" and against the same the option "YES/NO" for voting. Select the option YES or No as desired. The option YES implies that you assent to the Resolution and option NO implies that you dissent to the Resolution.
- K. Click on the "RESOLUTIONS FILE LINK" if you wish to view the entire Resolutions.
- L. After selecting the resolution you have decided to vote on, click on "SUBMIT". A confirmation box will be displayed. If you wish to confirm your vote, click on "OK", else to change your vote, click on "CANCEL" and accordingly modify your vote.
- M. Once you "CONFIRM" your vote on the resolution, you will not be allowed to modify your vote.
- N. You can also take out print of the votes cast by clicking on "Click here to Print" option on the Voting page.
- O. If demat account holder has forgotten the login password then Enter the User ID and Captcha Code and click on Forgot Password & enter the details as prompted by the system.
- P. There is also an optional provision to upload Board Resolution / Power of Attorney if any uploaded, which will be made available to scrutinizer for verification.
- Q. Facility for Non-Individual Shareholders and Custodians - Remote Voting
- i. Non-Individual shareholders (i.e. other than Individuals, HUF, NRI, etc.) and Custodians are required to log on to **www.evotingindia.com** and register themselves in the "Corporates" module.
 - ii. A scanned copy of the Registration Form bearing the stamp and sign of the entity should be emailed to **helpdesk.evoting@cdslindia.com**.

NOTICE



- iii. After receiving the login details, a Compliance User should be created using the admin login and password. The Compliance User would be able to link the account(s) for which they wish to vote on.
 - iv. The list of accounts linked in the login will be mapped automatically and can be delinked in case of any wrong mapping **helpdesk.evoting@cdslindia.com**.
 - v. It is mandatory that scanned copy of the Board Resolution and Power of Attorney (POA) which they have issued in favour of the Custodian, if any, should be uploaded in PDF format in the system for the scrutinizer to verify the same.
 - vi. Alternatively Non Individual shareholders are required to send the relevant Board Resolution/ Authority letter, etc. together with attested specimen signature of the duly authorized signatory who are authorized to vote, to the Scrutinizer at **canajco@gmail.com** and to the Company at the email address viz. **investorgrievance@ramcotex.com**, if they have voted from individual tab & not uploaded same in the CDSL e-voting system for the scrutinizer to verify the same.
- R. If you have any queries or issues regarding attending the meeting and e-Voting from CDSL e-Voting system, you can write to **helpdesk.evoting@cdslindia.com** or contact at toll free no. 1800 22 55 33.
14. Instructions for shareholders attending the AGM through VC & e-Voting during meeting are as under:
- A. The procedure for attending meeting & e-Voting on the day of the AGM is same as the instructions mentioned above for Remote e-Voting.
 - B. The Members can join the AGM in the VC mode upto 15 minutes before and after the scheduled time of the commencement of the Meeting by following the procedure mentioned in this Notice. The facility of participation at the AGM through VC will be made available to at least 1,000 members on first come first served basis. This will not include Members holding 2% or more shareholding, Promoters, Institutional Investors, Directors, Key Managerial Personnel, the Chairpersons of the Audit Committee, Nomination and Remuneration Committee and Stakeholders Relationship Committee, Risk Management Committee, Auditors, etc. who are allowed to attend the AGM.
 - C. Members are requested to join the AGM through Laptops / IPads for better experience and will be required to have webcam and use Internet with a good speed to avoid any disturbance during the meeting.



NOTICE

- D. Members are requested to use Stable Wi-Fi or LAN Connection to mitigate Audio/Video loss due to fluctuation in your network. Please avoid connecting through your Mobile Devices or Tablets or through Laptop via Mobile Hotspot.
- E. Members who would like to express their views / ask questions during the meeting may register themselves as a speaker by sending their request at least 3 days prior to meeting mentioning your name, demat account number / folio number, email id, mobile number (as registered with the Depository Participant (DP) / Company) to the mail ID: **investorgrievance@ramcotex.com**. Members who have registered themselves as a speaker will only be allowed to express their views / ask questions during the meeting.
- F. Members who do not wish to speak during the AGM but have queries may send your queries at least 3 days prior to meeting mentioning your name, demat account number / folio number, email id, mobile number to the mail ID: **investorgrievance@ramcotex.com**. These queries will be replied by the company suitably by email.
- G. Non-Individual members intending to authorize their representatives to attend the Meeting are requested to send a scanned certified copy of the board resolution authorizing their representative to attend on their behalf at the meeting. The said Resolution / Authorization shall be sent to the Scrutinizer by email through its registered email address with a copy marked to **helpdesk.evoting@cdslindia.com**.
- H. The attendance of the Members attending the AGM through VC will be counted for the purpose of ascertaining the quorum under Section 103 of the Companies Act, 2013.
- I. The link for VC to attend meeting will be available where the EVSN of Company will be displayed after successful login as per the instructions mentioned above for Remote e-Voting.
- J. Shareholders who have voted through Remote e-Voting will be eligible to attend the meeting. However, they will not be eligible to vote at the AGM.
- K. Only those shareholders, who are present in the AGM through VC and have not cast their vote on the Resolutions through remote e-Voting and are otherwise not barred from doing so, shall be eligible to vote through e-Voting system available during the AGM.
- L. In case of joint holder attending the Meeting, only such joint holder who is higher in the order of names will be entitled to vote.



NOTICE

15. SEBI vide Circular No: SEBI/HO/MIRSD/MIRSD _ RTAMB/P/CIR/2021/655 dated 3rd November, 2021 has prescribed Common and Simplified Norms for processing investor's service request by RTAs and forms for furnishing PAN, KYC details and Nomination of the Shareholders. The Company has sent a communication in this regard on 23-12-2021 to all the Shareholders holding Physical Share certificates advised them to furnish the following details to the Company:

- a. PAN
- b. Nomination
- c. Contact details
- d. Bank account details
- e. Specimen signature

The Company will freeze the folios, which are not having PAN, Nomination and KYC details on or after 01-04-2023. The shares in the frozen folios shall be -

- a) eligible to lodge grievance or avail service request from the RTA only after furnishing the complete documents / details as aforesaid
- b) eligible for any payment including dividend only through electronic mode and upon complying with the requirements of the above.
- c) referred by the RTA / Company to the administering authority under the Benami Transactions (Prohibitions) Act, 1988 and or Prevention of Money Laundering Act, 2002, if they continue to remain frozen as on December 31, 2025.

All Shareholders are advised update the details as prescribed in the above said Circular with M/s. Cameo Corporate Services Limited, our Registrar to an Issue and Share Transfer Agent.

16. Process for those shareholders whose E-mail / Mobile No. are not registered with the Company / DP.
- A. For Physical shareholders, please submit form ISR-1 duly filled to M/s. Cameo Corporate Services Limited, our Registrar to an Issue and Share Transfer Agent.
 - B. For Individual Demat shareholders, please update your E-Mail ID & Mobile Number with your respective DP which is mandatory while e-Voting & joining the AGM through VC through Depository.
17. Any person, who acquires shares of the Company and becomes a member of the Company after dispatch of the Notice and holding shares as of the cut-off date i.e. 13-08-2022 may obtain the Login ID and Password by following the procedures mentioned in Point No: 13 (D) or (F), as the case may be.



NOTICE

18. The voting rights of Shareholders shall be in proportion to the Shares held by them in the paid up equity Share capital of the Company as on Saturday, the 13th August, 2022.
19. Shri R. Palaniappan, Chartered Accountant (Membership No: 205112), Partner, M/s. N.A. Jayaraman & Co., Chartered Accountants will act as the Scrutinizer to scrutinize the e-Voting process in a fair and transparent manner.
20. The scrutiniser shall, immediately after the conclusion of voting at the AGM, unblock the votes cast through e-Voting in the presence of at least two witnesses not in the employment of the Company and make, not later than 48 hours of conclusion of the meeting, a consolidated scrutiniser's report of the total votes cast in favour or against, if any, to the Chairman or a person authorised by him in writing who shall countersign the same and the Chairman or a person authorised by him in writing shall declare the result of the voting forthwith.
21. The results declared along with the report of the Scrutinizer shall be placed on the website of the Company at and on the website of CDSL immediately after the declaration of results by the Chairman or a person authorized by him. The results shall also be immediately forwarded to the BSE Limited.
22. All grievance connected with the facility for voting by electronic means may be addressed Mr. Rakesh Dalvi, Sr. Manager, Central Depository Services (India) Limited, A wing, 24th Floor, Marathon futurex, Mafatlal Mill Compounds, N.M. Joshi Marg, Lower Parel (East), Mumbai - 400 013 or send an email to **helpdesk.evoting@cdsl.com** or call toll free no. 1800 22 55 33.

By Order of the Board,
For RAJAPALAYAM MILLS LIMITED,

P.R. VENKETRAMA RAJA
CHAIRMAN

RAJAPALAYAM,
25th May, 2022.

NOTICE



STATEMENT PURSUANT TO SECTION 102 OF THE COMPANIES ACT, 2013

Item No. 4

Shri S.S. Ramachandra Raja (DIN 00331491), aged 86 years, has been on the Board of M/s. Rajapalayam Mills Limited since 1992.

Under Regulation 17(1A) of SEBI (LODR) 2015, Special Resolution is required for continuing his appointment as a Non-Executive Director, since he has already attained the age of 75 years.

Nomination & Remuneration Committee and the Board of Directors have acknowledged that the vast experience and deliberations made by Shri S.S. Ramachandra Raja at the Meetings of the Company has guided the Company in taking right decisions and he has immensely contributed to the growth of the Company. After due consideration of his valuable contributions, Nomination and Remuneration Committee and the Board of Directors recommended continuing the Directorship of Shri S.S. Ramachandra Raja under Non-Executive category, from this Annual General Meeting till the Annual General Meeting at which he becomes liable to retire by rotation under Section 152(6)(c) of the Companies Act, 2013.

Shri S.S. Ramachandra Raja is eligible for sitting fees for attending Board / Committee meetings as applicable to the Directors from time to time. Continuation of Directorship of Shri S.S. Ramachandra Raja as Non-Executive Director is in accordance with Nomination and Remuneration Policy of the Company and his continuance of office has been included a Special Resolution.

Details of Shri S.S. Ramachandra Raja:

Qualification & Experience	Shri S.S. Ramachandra Raja has a Bachelor's Degree in Science and he has knowledge and experience in Textiles, Cement and Information Technology Sectors.
Skills / Expertise / Competency	Business Management and General Administration.
Date of First Appointment to the Board	24-06-1992
Shareholding in the Company as on 31-03-2022	28,560 Equity Shares of ₹ 10/- each
Terms and conditions	Director liable to retire by rotation, under section 152(6) of the Companies Act, 2013.
Relationship with other Directors, Manager and other Key Managerial Personnel of the Company	Not related to any other Director / Key Managerial Personnel.
No. of Meetings of the Board attended during the year	5



NOTICE

Other Directorships as on 31-03-2022	Ramco Industries Limited Sri Vishnu Shankar Mill Limited Ramco Management Private Limited Sri Sethu Ramasamy Farms Private Limited Sudharsanam Investments Limited Rajapalayam Chamber of Commerce and Industry
Memberships and Chairmanships of Committees of other Board	Details given below:

Name of the Company	Name of the Committee	Position held
Rajapalayam Mills Limited	Stakeholders Relationship Committee	Member
Sri Vishnu Shankar Mill Limited	Share Transfer Committee	Member
	Corporate Social Responsibility Committee	

Disclosure of Interest:

Shri S.S. Ramachandra Raja is interested in this resolution. None of the other Directors or Key Managerial Personnel or their relatives are deemed to be interested in the Resolution. The Notice together with this Statement may be regarded as a disclosure under Regulation 36(3) of SEBI (LODR) Regulations, 2015.

Item No. 5

At the Annual General Meeting held on 10-08-2017, M/s. N.A. Jayaraman & Co., Chartered Accountants and M/s. SRSV & Associates, Chartered Accountants were appointed as Statutory Auditors of the Company for a period of 5 years starting from 2017-2018 to 2021-2022. (1st term of 5 consecutive years).

In accordance with Section 139(2)(b) of the Companies Act, 2013, the Audit Firms can be appointed as Auditors for a maximum of 2 terms of 5 consecutive years.

The Audit Committee at its meeting held on 25-05-2022 reviewed the Auditors' independence, performance and effectiveness of the Audit process and found to be adequate for the Company's needs and purposes. Accordingly, they have recommended to the Board the reappointment of M/s. N.A. Jayaraman & Co., Chartered Accountants and M/s. SRSV & Associates, Chartered Accountants, as Statutory Auditors of the Company for another period of 5 years. The Board of Directors at the meeting held on 25-05-2022 have also approved the same and recommended their reappointment to shareholders.

M/s. N.A. Jayaraman & Co., Chartered Accountants and M/s. SRSV & Associates, Chartered Accountants, are known for their high level of professional ethics and values. With the strong technical expertise drawn from their experience and with a team of highly competent professionals, they provide quality, timely and specific solutions to their clients. The following are the Partners of the Audit Firms.

NOTICE



Name of the Firm	Name of the Partners
M/s. N.A. Jayaraman & Co., Chartered Accountants	Shri R. Palaniappan Shri T.G. Harisha
M/s. SRSV & Associates, Chartered Accountants	Shri P. Santhanam Shri R. Subburaman Shri V. Rajeswaran Shri G. Chella Krishna, Engagement Partner

The Statutory Auditors have confirmed their eligibility and have provided their written consents for their proposed reappointment and necessary certificates under Rule 4 of the Companies (Audit and Auditors) Rules, 2014, confirming that their reappointment, if made, shall be in accordance with the conditions as prescribed by law and they satisfy the criteria provided under Section 141 of the Companies Act, 2013. They have also confirmed that they hold a valid peer review certificate issued by the Institute of Chartered Accountants of India, as required under Regulation 33(1)(d) of SEBI (LODR) Regulations, 2015. It is proposed to pay a fee ₹ 3,50,000 each to the Statutory Auditors for the financial year 2022-23 and for the financial year 2023-24 to 2026-27, the Board of Directors are authorised to fix the remuneration based on recommendation of the Audit Committee.

The Directors recommend the Resolution to the Members for their approval. None of the Directors, Key Managerial Personnel or their relatives are interested in this Resolution.

Item No. 6

Smt. R. Sudarsanam (00433926) Managing Director has submitted her resignation due to her age factor and requested to relieve her from the position of Managing Director and as well as from the position of Director w.e.f. the close of business hours on 31-05-2022. The Board of Directors at their meeting held on 25-05-2022 accepted her resignation and acknowledged the immense contributions made by her during the tenure of past 20 years.

It is proposed to appoint Smt. P.V. Nirmala Raju (DIN 00474960) as a Managing Director of the Company for a period of 5 years. Smt. P.V. Nirmala Raju has a Bachelor's Degree in Computer Science Engineering from Anna University and Masters in Arts in Applied Educational Leadership & Management from University of London. She has gained knowledge and experience in Textile Industry for more than two decades and she has served as a Managing Director in M/s. Sandhya Spinning Mill Limited for more than 6 years. She has been on the Board of Rajapalayam Mills Limited since 24-04-2019. Her Skills / Expertise include Information Technology, Strategy Management, Business Management and General Administration.

Smt. P.V. Nirmala Raju is taking keen interest and providing leadership to the CSR activities of Rajapalayam Mills Limited and other Ramco Group Companies. Smt. P.V. Nirmala Raju is the Chairperson of Ramco Community Services. The purpose of the Ramco Community Services is to integrate all the programmes that each institution of the Ramco Group partners with. She works closely with the leaders of each of the Industries of the Ramco Group of Companies for this purpose. The website of Ramco Community Services shares communication on all CSR activities



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and community services that each of the Industries under the Ramco Group of Companies support through resources of time, material, finances, human resource, knowledge and design.

She is also a Member of Corporate Social Responsibility Committee and Stakeholders Relationship Committee of the Company.

The Nomination and Remuneration Committee at its meeting held on 25-05-2022 had recommended to the Board the appointment of Smt. P.V. Nirmala Raju as Managing Director of the Company and the Board of Directors at their meeting held on 25-05-2022, took into consideration the recommendation of Nomination & Remuneration Committee, review by the Independent Directors and approval of the Audit Committee and approved her appointment, subject to the approval of the shareholders at the Annual General Meeting. The appointment is for a period 5 years commencing from 01-06-2022 to 31-05-2027. The appointment is in accordance with the provisions of Section 196, 197, 203 read with Schedule V and other applicable provisions of the Companies Act, 2013, SEBI Regulations, Articles of the Association of the Company.

The Nomination and Remuneration Committee has also approved the remuneration in accordance with Schedule V of the Companies Act, 2013, which is as follows:

Terms of Remuneration:

i. When the Company is having profit:

5% of the net profits of the Company calculated as per Section 198 of the Companies Act, 2013.

ii. When the Company is having no profit or inadequate profit:

When the Company has no profits or its profits are inadequate, in any financial year, not being more than three such financial years over the entire tenure of five years, she shall be paid a remuneration of ₹ 240 Lakhs per annum along with the following perquisites:

(i) Contribution to provident fund, superannuation fund or annuity fund to the extent these either singly or put together are not taxable under the Income tax, Act, 1961;

(ii) Gratuity payable at a rate not exceeding half a month's salary for each completed year of service;

(iii) Encashment of leave at the end of the tenure; and

(iv) Other perquisites as allowed under Section IV of Schedule V of the Companies Act, 2013.

In addition to the above remuneration, she will also be eligible for any fee paid for attending Meetings of the Board or Committee thereof or for any other purpose, whatsoever as may be decided by the Board as provided in Section 197(5) of the Companies Act, 2013.



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It is proposed to authorise the Nomination and Remuneration Committee to fix the quantum and periodicity of the remuneration payable to the Managing Director subject to the limits mentioned in the Resolution.

The appointment and the remuneration proposed fulfil the conditions stipulated in Schedule V of the Companies Act, 2013 and hence approval of Government of India is not required. Her appointment and remuneration is in accordance with Nomination and Remuneration Policy of the Company.

As the annual remuneration proposed is 5% of Net Profits in case of adequate Profits, approval is sought from the Shareholders by way of Special Resolution, as required under Regulation 17(6)(e) of SEBI (LODR) Regulations, 2015.

Considering the suitability of Smt. P.V. Nirmala Raju for the position of Managing Director, the Directors recommend the Special Resolution for Members' approval.

Smt. P.V. Nirmala Raju is also a Director in the following Companies:

1. Sandhya Spinning Mill Limited
2. Sound Investment and Leasing Private Limited
3. Barefoot Dance Company India Private Limited
4. TN Apex Skill Development Centre for Construction and Infrastructure

None of the Directors and Key Managerial Personnel except Smt. P.V. Nirmala Raju as an appointee and Shri P.R. Venketrama Raja, Chairman and Shri P.V. Abinav Ramasubramaniam Raja, Director as relatives to the appointee may be deemed to be concerned or interested in the Resolution.

I. General Information:

1	Nature of Industry						Textiles	
2	Date of Commencement of Business						22-12-1936	
3	Financial performance based on given indicators						(₹ in crores)	
	Year	Total Revenue	Operating Profit	Profit Before Tax	Profit / (Loss) After Tax	Total Comprehensive Income	Dividend per Share in ₹	
	2021-22	705.26	144.23	76.66	38.28	38.44	1.00	
	2020-21	429.12	56.53	(38.31)	(26.63)	(25.91)	0.50	
	2019-20	384.06	61.04	1.33	6.41	6.10	1.00	
	2018-19	440.66	79.94	26.18	27.82	26.76	4.00	
4	Foreign investments or collaborations, if any						NIL	



NOTICE

II. Information about the appointee:

1	Background Details	Smt. P.V. Nirmala Raju is a Member of Promoter Group and has been on the Board of the Company since 2019. Age : 56 Years No. of Shares held in the Company : 41,370
2	Qualification & Experience	Smt. P.V. Nirmala Raju has a Bachelor's Degree in Computer Science Engineering from Anna University and Masters in Arts in Applied Educational Leadership & Management from University of London. She has gained knowledge and experience in Textile Industry for more than two decades, and she has served as a Managing Director in M/s. Sandhya Spinning Mill Limited for more than 6 years. Her Skills / Expertise include Information Technology, Strategy Management, Business Management and General Administration.
3	Past Remuneration	No remuneration was paid to Smt. P.V. Nirmala Raju, except the sitting fees paid for attending Board / Committee Meetings.
4	Recognition or awards	—
5	Job profile and her suitability	She has rich experience in Textile Industry for more than two decades.
6	Remuneration proposed	When the Company is having profit: 5% of the net profits of the Company calculated as per Section 198 of the Companies Act, 2013. When the Company is having no profit or inadequate profit: When the Company has no profits or its profits are inadequate, in any financial year, not being more than three such financial years over the entire tenure of five years, she shall be paid remuneration of ₹ 240 Lakhs per annum along with following perquisites: i) Contribution to provident fund, superannuation fund or annuity fund to the extent these either singly or put

NOTICE



		<p>together are not taxable under the Income tax, Act, 1961;</p> <p>ii) Gratuity payable at a rate not exceeding half a month's salary for each completed year of service;</p> <p>iii) Encashment of leave at the end of the tenure;</p> <p>iv) Other perquisites as allowed under Section IV of Schedule V of the Companies Act, 2013; and</p> <p>She will also be entitled for sitting fees for meetings of the Board or its Committees attended by her.</p>
6	Comparative Remuneration profile	Remuneration is comparable with respect to industry, size of the Company, profile of the position and person.
7	Relationship with managerial personnel / Pecuniary relationship directly or indirectly with the Company.	She is spouse of Shri P.R. Venketrama Raja, Chairman, and mother of Shri P.V. Abinav Ramasubramaniam Raja. She has no pecuniary relationship other than the remuneration, she is entitled to receive. Her transactions with the Company are disclosed under related party transactions under Note No. 51.

III. Information about the appointee:

1	Reasons of loss or inadequate profits	Not applicable
2	Steps taken or proposed to be taken for improvement	
3	Expected increase in productivity and profits in measurable terms	

IV. Disclosures:

As required, the information are provided under Corporate Governance Section. The Notice together with this Statement may be regarded as a disclosure under Regulation 36(3) of the SEBI (LODR) Regulations, 2015 and details required under standard 1.2.5 of SS - 2.



NOTICE

Item No. 7

In accordance with the provisions of Section 148 of the Companies Act, 2013 ("the Act") and the Companies (Audit and Auditors) Rules, 2014 ("the Rules"), the Company is required to appoint a cost auditor to audit the cost records of Company, relating to manufacture of Textile Products for the financial year 2022-23.

On the recommendation of the Audit Committee at its meeting held on 25-05-2022, the Board had approved the appointment of Shri M.Kannan, Cost Accountant as the Cost Auditor of the Company to audit the Company's Cost Records relating to manufacture of Textile Products at a remuneration of ₹ 1,75,000/- plus applicable taxes and out-of-pocket expenses for the financial year 2022-23.

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

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

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

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

By Order of the Board,
For **RAJAPALAYAM MILLS LIMITED,**

P.R. VENKETRAMA RAJA
CHAIRMAN

RAJAPALAYAM,
25th May, 2022.

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

Details of Director Seeking Re-appointment at the 86th Annual General Meeting Pursuant to Secretarial Standards on General Meetings:

Name of the Director	Shri A.V. Dharmakrishnan
Director Identification Number (DIN)	00693181
Age	65 years
Qualification & Experience	Shri A.V. Dharmakrishnan aged 65 years, a Chartered Accountant, started his career in 1982 at The Ramco Cements Limited. He is presently holding the position of Chief Executive Officer in M/s. The Ramco Cements Limited. He has been on Board of Rajapalayam Mills Limited since 2008. He has specialized knowledge and rich experience in Finance and Taxation matters.
Terms and conditions of re-appointment	Director liable to retire by rotation, under Section 152(6) of the Companies Act, 2013.
Date of First Appointment to the Board	16-01-2008
Shareholding in the Company as on 31-03-2022	1,420 Equity Shares of ₹ 10/- each
Remuneration	He is eligible for sitting fees for attending Board / Committee meetings as applicable to the Directors from time to time.
Relationship with other Directors, Manager and other Key Managerial Personnel of the Company	He is not related to any Director / Key Managerial Personnel of the Company
No. of Meetings of the Board attended during the year	5
Other Directorships as on 31-03-2022	Ramco Systems Limited LYNKS Logistics Limited Shri Harini Media Limited Ramco Windfarm Limited Madurai Trans Carrier Limited Ramco Industrial and Technology Services Limited L3 Enterprises Private Limited
Memberships and Chairmanships of Committees of other Board	Details given below



NOTICE

S.No.	Name of the Company	Name of the Committee	Position held (Chairman / Member)
1.	Rajapalayam Mills Limited	Audit Committee	Member
2.	Rajapalayam Mills Limited	Nomination and Remuneration Committee	Member
3.	Rajapalayam Mills Limited	Risk Management Committee	Member
4.	Rajapalayam Mills Limited	Rights Issue Committee	Member
5.	The Ramco Cements Limited	Risk Management Committee - Non Member of the Board	Member
6.	Ramco Systems Limited	Audit Committee	Member
7.	Ramco Systems Limited	Stakeholders Relationship Committee	Member
8.	Ramco Systems Limited	Corporate Social Responsibility Committee	Member
9.	Ramco Systems Limited	Risk Management Committee	Member
10.	Ramco Systems Limited	Fund Raising Committee	Member
11.	Shri Harini Media Limited	Audit Committee	Member
12.	Shri Harini Media Limited	Nomination & Remuneration Committee	Member
13.	Shri Harini Media Limited	Independent Director Committee	Member
14.	Madurai Trans Carrier Limited	Nomination & Remuneration Committee	Chairman

DIRECTORS' REPORT



TO THE MEMBERS

Your Directors have pleasure in presenting their 86th Annual Report and the Audited Accounts of the Company for the year ended 31st March, 2022.

1. FINANCIAL RESULTS

The financial results for the year ended 31st March, 2022 after charging all expenses but before deducting finance cost and depreciation have resulted in operating profit (EBITDA) of ₹ 14,423.04 Lakhs against ₹ 5,652.54 Lakhs for the previous financial year 2020-21. Summary of Separate Financial Results of the Company is furnished below:

(₹ in Lakhs)

Financial Results	Separate Financials	
	Year ended 31-03-2022	Year ended 31-03-2021
Revenue	70,525.97	42,912.19
Operating Profit : Profit before Interest, Depreciation and Tax (EBIDTA)	14,423.04	5,652.54
Less: Interest	4,295.82	4,448.33
Profit before Depreciation and Tax (PBDT)	10,127.22	1,204.21
Less: Depreciation	5,048.43	4,759.90
Profit before Exceptional Items	5,078.79	(3,555.69)
Exceptional Items	2,586.77	(276.15)
Profit Before Tax	7,665.56	(3,831.84)
Less: Tax Expenses		
Current Tax	15.20	–
Withdrawal of MAT Credit relating to earlier years	3,273.11	–
Deferred Tax Expenses / (Savings)	549.33	(1,168.48)
Profit after Tax	3,827.92	(2,663.36)
Other Comprehensive Income for the Year (Net of Tax)	16.36	72.69
Total Comprehensive Income for the Year (TCI)	3,844.28	(2,590.67)

2. SHARE CAPITAL

The Paid-up Capital of the Company is ₹ 860.55 Lakhs (PY: ₹ 737.62 Lakhs) consisting of 86,05,520 Shares of ₹ 10/- each.

3. RIGHTS ISSUE

The Company, in order to fund various capex proposals, had raised Equity Shares for an amount of ₹ 69.95 Crores by way of Rights Issue in the ratio of 1:6 (1 Rights Share for every 6 Equity Shares held by Shareholders). The issue was opened on 15-03-2021 and closed on 30-03-2021



DIRECTORS' REPORT

with 115% subscription. The Company had made allotment of Equity Shares raised through Rights Issue on 9th April, 2021 and the Shares have been approved for trading by BSE Limited with effect from 15-04-2021. There is no deviation or variation in the use of proceeds of the Rights Issue from the objects stated in the Letter of Offer dated 27-02-2021 and the proceeds have been fully utilized for the objects as stated in the Offer Document.

4. DIVIDEND

Your Directors have pleasure in recommending a Dividend of ₹ 1 per share (PY: ₹ 0.50 per share). The total amount of Dividend outgo for the year will be ₹ 86.06 Lakhs. As per Income Tax, 1961, the dividend will be taxable in the hands of the Shareholders and the Company will make the payment of dividend after deducting applicable TDS. The distribution of dividend works out to 2% of Net Profit after tax for the financial year 2021-22.

As per the "Dividend Distribution Policy" of the Company, it shall strive to distribute atleast 5% of the post-tax profit as Dividend in each financial year. The Company proposes a Dividend payout at 2% of the Net Profit after tax in order to conserve cash for meeting margin money for its ongoing projects and to fund the incremental working capital requirements caused by wide fluctuation in the cotton and yarn prices. The Dividend Distribution Policy is available on the website of the Company under web link <http://www.rajapalayammills.co.in/wp-content/themes/ramco/pdf/dividend-distribution-policy.pdf>

5. TRANSFER TO GENERAL RESERVE

After appropriations, a sum of ₹ 631.79 Lakhs (PY: NIL) has been transferred to General Reserve for the financial year 2021-22. As on 31-03-2022, the General Reserve stands at ₹ 25,000.00 Lakhs.

6. TAXATION

The Company has opted to pay tax under Section 115BAA of the Income Tax Act ('New Tax Regime') with effect from the Assessment Year 2021-22 (effective last FY 2020-21). The Company has provided an amount of ₹ 15.20 Lakhs (PY: NIL) towards Current Tax under Section 115BAA and Deferred Tax of ₹ 549.33 Lakhs (PY: withdrawal of ₹ 1,168.48 Lakhs) has been provided for the financial year 2021-22.

The Company is having an amount of ₹ 3,273.11 Lakhs as MAT credit entitlement in its books as on 31-03-2021. Since the Company has opted to pay tax under the New Tax Regime, the Company is not eligible to carry forward the MAT credit available as per Section 115JAA of the Income Tax Act. Hence the MAT credit of ₹ 3,273.11 Lakhs has been written off and debited to Statement of Profit and Loss during the financial year 2021-22.



7. MANAGEMENT DISCUSSION AND ANALYSIS

TRADE CONDITIONS

- **COTTON**

In India, the opening stock of cotton for the current cotton season 2021-22 (October to September) was at 75 Lakhs Bales, which is lower by 37% as compared to last year opening stock of 120 Lakhs Bales. The Cotton Association of India has estimated the Indian Cotton Crop for the cotton season 2021-22 at 335 Lakhs Bales as compared to 360 Lakhs Bales of last cotton season, which is lower by 7%. The lower opening stock, coupled with lower production estimate of cotton during the current cotton crop season has pushed-up the cotton prices in upward trend. The cotton price has increased from ₹ 60,000/- to more than ₹ 1,00,000/- per candy within a period of 6 months from the beginning of the cotton season. The Government of India has imposed duty on all varieties of imported cotton during February, 2021 and this made imported cotton dearer by 11% for Indian Spinning Mills; however, the Government of India has withdrawn the import duty effective 14th April, 2022 till 30th September, 2022.

Due to lower production of long stable imported cotton, the prices of some of the imported cotton varieties had also increased very steeply. The price of medium stable fibres has increased by more than 40% and in case of long stable fibre, it has increased by more than 70%.

Since the Company is focusing to produce more value added counts and in order to meet the quality requirement of value added counts, more volume high quality imported cotton has been procured when the prices were at reasonable level. The imported cotton consumption for the financial year 2021-22 has been increased by 56% as compared to last financial year. This strategy has helped the Company to procure diversified varieties of cotton across the globe and to quote competitive prices for our yarn, which helped to improve the operating margin in the financial year 2021-22.

- **YARN PRODUCTION**

The production volume of yarn has increased to 136.36 Lakhs Kgs during the financial year 2021-22 as against 110.52 Lakhs Kgs of last year, registering a growth of 23%. The increase in production was due to full utilization of machineries made during the financial year 2021-22.

- **SALE OF YARN**

The Company's focus on new product development, innovation and cost-effective production has started yielding results. The sale volume for the FY 2021-22 stood at 133.75 Lakh Kgs as compared to 121.99 Lakh Kgs of last year, registering a growth of 10%. The Company was able to achieve growth in sale volume mainly due to full utilization of machineries and good demand for yarn both in domestic and export markets. The sale value of yarn has increased



DIRECTORS' REPORT

to ₹ 550.09 Crores during the FY 2021-22 as compared to ₹ 362.95 Crores of last year, registering a growth of 52%. The yarn market in India has bounced back after witnessing a slowdown in the last 2 years. Due to geopolitical factors like banning of imports from China by United States and disruption in supply of textiles and apparel products to countries across the world by China due to shortage of electricity in their country, boosted the demand for textile products including yarn manufactured in India.

The Company's quality of yarn in value added segment has been well appreciated by the customers and the Company is receiving good volume of orders for value added counts. The sale volume of value added yarn viz., Elitwist, Gassing, High twist, Melange, Core yarn and Mercerized yarn has increased to 2,217 Tonnes during the FY 2021-22 (PY: 1,159 Tonnes), registering a growth of 91%. The Company is taking various steps to expand its market presence both in domestic and international markets and hope to achieve higher volume of sales in value added yarns in the forthcoming years.

- **EXPORTS**

The Company has made export of Cotton Yarn (including merchant exports) for a value of ₹ 187.04 Crores as against ₹ 106.75 Crores of the previous year, registering a growth of 61%. In addition to growth of export in our regular International Markets, the sales volume has grown considerably in new markets viz. Turkey, Portugal etc.

Your Directors are thankful to M/s. Asahi Kasei Advance Corporation, M/s. Doko Spinning Co. Ltd., and M/s. Unitika Ltd., Japan for their continued support and efforts for promotion of exports to Japan.

- **FABRIC DIVISION**

Fabric Unit commissioned during FY 2020-21 is successfully running with the capacity of 146 Looms. The division was able to maintain optimum utilization level throughout the Financial Year 2021-22.

The Fabric Unit is producing special value added fabric especially from its Jacquard Looms and the quality is well appreciated by the customers in Export Market. The Fabric unit has produced 79 Lakhs Meters of Fabric (PY: 39 Lakhs Meters) and sold 91 Lakhs Meters of Fabrics (PY: 41 Lakhs Meters), registering a growth of 122%. Total Revenue generated by Fabric unit for the financial year 2021-22 was ₹ 121.95 Crores (PY: ₹ 38.67 Crores), registering a growth of 215%. Export Turnover of Fabric for the financial year 2021-22 was ₹ 30.72 Crores (PY: ₹ 11.47 Crores), registering a growth of 168%.

DIRECTORS' REPORT



- **POWER COST**

During the financial year 2021-22, the Company was able to consume power from its own wind farms to the extent of 58% (PY: 65%) of total power requirement. The power cost has increased during the financial year 2021-22 to ₹ 39.79 Crores as compared to ₹ 26.91 Crores incurred during previous year, due to increased level of utilization of machineries.

- **FINANCE COST**

The Finance cost has decreased to ₹ 42.96 Crores during the financial year 2021-22 from ₹ 44.48 Crores of previous financial year, inspite of additional borrowings for our modernization and expansion projects. Various measures announced by RBI to reduce the interest cost in order to support the economic growth of the Country has helped the Company to minimize the cost of borrowing.

- **DIVIDEND INCOME**

During the financial year 2021-22, the Company has received dividend income of ₹ 2.25 Crores (PY: ₹ 13.01 Crores) and the particulars of dividend received are provided under Note No.51 (a) (viii).

- **KEY FINANCIAL RATIOS**

Pursuant to Schedule V(B) of SEBI (LODR) Regulations, 2015, the Key Financial Ratios for the Financial Year 2021-22 are given below:

S.No.	Particulars	31-03-2022	31-03-2021	Formula adopted
1	Debtors Turnover Ratio (Days)	48	56	365 Days / (Net Revenue / Average Trade Receivables)
2	Inventory Turnover Ratio (Days)	100	123	365 Days / (Net Revenue / Average Inventories)
3	Interest Coverage Ratio	2.66	0.14	(Profit Before Tax + Interest) / (Interest + Interest Capitalised)
4	Current Ratio	1.08	0.94	Current Assets / (Total Current Liabilities - Other Financial Liabilities - Current maturities of Long Term Debt)
5	Debt - Equity Ratio	1.96	2.28	Total Debt / Total Equity
6	Operating Profit Margin	20%	13%	EBITDA / Net Revenue
7	Net Profit Margin	5%	(-) 6%	Net Profit / Net Revenue
8	Return on Net worth	12%	(-) 9%	Total Comprehensive Income / Average Net worth



DIRECTORS' REPORT

S.No.	Particulars	31-03-2022	31-03-2021	Formula adopted
9	Total Debt / EBITDA	4.86	11.50	Total Debt / EBITDA
10	Return on Capital Employed	8%	2%	(TCI + Interest)/ (Average of Equity plus Total Debt)
11	Price Earnings Ratio	21	(-) 23	Market Price per share as at 31st March / Earning per share

Notes: a) For serial no. 3,6,7,8,9,10 and 11, there have been significant change (ie., 25% or more) in the ratios as compared to the previous financial year. The favourable change in the ratio during the current year is due to increase in Profit on account of good demand for yarn and increased production of value added counts.

b) EBITDA denotes Profit Before Tax + Interest + Depreciation

8. MODERNISATION / EXPANSION

As a part of continuous thrust on modernization programme, the Company has replaced all the old Open End Spinning Machines with most modern fully automatic OE Machines at a cost of ₹ 45 Crores. The installation of all machines has been completed on 30-04-2021 and full benefit of this modernization has helped the Company to achieve better results in FY 2021-22. In addition to this, the Company has also invested an amount of ₹ 20.69 Crores (PY: ₹ 13 Crores) in modernizing other textile machinery & equipment.

The Company has also installed second line of yarn mercerizing machineries and the same was commissioned during September, 2021.

In order to take advantage of the current higher demand for yarn, the Company has implemented the expansion of spinning capacity by adding 18,144 spindles in Rajapalayam by utilizing the existing building space and this project was commissioned during March, 2022.

The Company has also added 24 Airjet Jacquard Looms, which increased the existing looms capacity from 122 Looms to 146 Looms in the existing loom-shed without incurring any additional construction cost. All the new 24 Jacquard Looms were commissioned during March, 2022. Another 8 Nos. of Jacquard looms will be received and installed during June, 2022.

Total capital expenditure spent by the Company during the FY 2021-22 including the above projects was ₹ 155.14 Crores, which has been funded from proceeds of Rights Issue, internal accruals and term loan from Banks.

9. EXPANSION OF FABRIC DIVISION

The quality of fabric produced by the Company has been well accepted both in domestic and export markets and the Company receives lot of enquiries from leading brands across the globe for supply of processed fabric. Since the demand for our quality fabric is very much encouraging, the Company

DIRECTORS' REPORT



has decided to further expand its Fabric division by adding 166 Looms and also decided to establish a new Fabric processing unit with a capacity to process 50,000 meters of fabric per day at Rajapalayam. In order to strengthen the electrical infrastructure, the Company has decided to install 110 KVA / 11 KVA own substation inside our Mills premises at Rajapalayam.

Total outlay for all the above capex proposals is ₹ 400 Crores, which will be funded from internal accruals / equity instruments and term loan from Banks.

10. PROSPECTS FOR THE CURRENT YEAR

The prices of all varieties of cotton are ruling at all-time high. Since the prices are going up, farmers are bringing the cotton crop at a very slow pace into the market. The multinational companies, which are holding cotton stock are also selling the ginned cotton bales very slowly. Because of the high prices of cotton, the demand for alternate fibres viz., polyster and viscose is showing an increasing trend. There may be correction in the cotton prices, if the demand and consumption of cotton comes down due to increased consumption of manmade fibres by spinning mills and fabric manufacturers. In addition to cotton, all other commodity prices are also going up including fuel, metal etc., which will have an inflationary effect on cost of production of yarn.

Retail sales of textile products across the globe is witnessing a robust trend. Due to the effects of pent up demand and increased spending by the consumers, the global demand for cotton yarn, fabric and garments are on the rising trend. India is becoming a strong alternative sourcing base to China for textile products. The recent trade agreements entered into between India and other countries like UAE and Australia will further boost the demand for Indian textile products in the export market in the forthcoming years.

The Company has reshaped itself to a better position by strengthening its product lines with more value added customized yarn counts viz. Mercerized Yarn, Melange Yarn, Core Yarn etc., to take full advantage of the current market trend. The Company is continuously monitoring various process parameters and also implementing various system controls to deliver consistent quality of yarn and fabric to the end customers and leading brands. The Company has also strengthened the product lines with more automation like fully automatic contamination removal system at blow room stage, 100% ring spindle monitoring system, installation of linkconers etc. which has resulted in overall improvement in the operating efficiency of the Company. Efforts are being taken continuously to scale up the production & sale of value added counts like Mélange yarn, Mercerized yarn, core spun yarn etc., which will replace commodity counts in the forthcoming years.

Some of the research and prediction modelling study conducted by leading Institutes in India suggests that there may be a possibility of fourth wave of the COVID-19 pandemic in India, which may pose a challenge; however, the Company is continuously following the SoPs to safeguard its employees from spreading of COVID-19.



DIRECTORS' REPORT

11. WIND MILL

The Company has wind mills with installed capacity of 35.15 MW for its captive power consumption. The wind farm has generated 589 Lakhs Kwh as compared to 564 Lakhs Kwh of the previous year. The wind availability / velocity was better during initial wind season of the financial year 2021-22 as compared to the last financial year. All the Units generated by wind mills were adjusted for captive consumption at our Mills. The income during the year from the Wind Mill Division was ₹ 39.27 Crores as against ₹ 37.59 Crores of previous year.

12. ASSOCIATE COMPANY

The Company has three Associate Companies viz., M/s. The Ramco Cements Limited, M/s. Ramco Industries Limited and M/s. Ramco Systems Limited.

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

CONSOLIDATED FINANCIAL STATEMENTS

As per provisions of Section 129(3) of the Companies Act, 2013 and Regulation 34 of SEBI (LODR) Regulations, 2015, Companies are required to prepare Consolidated Financial Statements of its Subsidiaries and Associates to be laid before the Annual General Meeting of the Company.

Accordingly, the Consolidated Financial Statements incorporating the accounts of Associate Companies, viz. M/s. The Ramco Cements Limited, M/s. Ramco Industries Limited and M/s. Ramco Systems Limited, along with the Auditors' Report thereon, forms part of this Annual Report. As per Section 136 (1) of the Companies Act, 2013, the Financial Statements including Consolidated Financial Statements are available at the Company's website at the following link at <http://www.rajapalayammills.co.in>.

The consolidated profit of the Company amounted to ₹ 16,657.61 Lakhs for the year ended 31st March, 2022 as compared to ₹10,118.48 Lakhs of the previous year.

The Consolidated Total Comprehensive Income for the year under review is ₹ 16,628.50 Lakhs as compared to ₹ 10,216.67 Lakhs of the previous year.

13. INTERNAL FINANCIAL CONTROLS

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



14. VIGIL MECHANISM / WHISTLE BLOWER POLICY

In accordance with Section 177(9) and (10) of the Companies Act, 2013 and Regulation 22 of SEBI (LODR) Regulations, 2015 the Company has established a Vigil Mechanism and has a Whistle Blower Policy. The policy is available at the Company's website. The Policy provides the mechanism for the receipt, retention and treatment of complaints and to protect the confidentiality and anonymity of the stakeholders. The complaints can be made in writing to be dropped into the Whistle Blower Drop Boxes or through E-Mail to dedicated mail IDs. The Corporate Ombudsman shall have the sole access to these. The Policy provides to the complainant access to the Chairman of the Audit Committee. The web link for the Vigil Mechanism is disclosed in the Corporate Governance Report.

15. DIRECTORS

Smt. R. Sudarsanam (DIN:00433926), was reappointed as Managing Director of the Company for a period of three years starting from 01-04-2020 to 31-03-2023 at the AGM held on 14-08-2019. Due to her age factor, she has resigned from the Board as well as from the position of Managing Director effective 31-05-2022.

Based on the recommendation of the Nomination and Remuneration Committee made at its meeting held on 25-05-2022, the Board of Directors at their meeting held on 25-05-2022 have appointed Smt. P.V.Nirmala Raju (DIN:00474960) as Managing Director for a period of 5 years starting from 01-06-2022, subject to the approval of the Shareholders. Approval of the Members has been sought for her appointment in the Notice convening the AGM.

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

1. Shri S.S. Ramachandra Raja (DIN: 00331491),
2. Shri A.V. Dharmakrishnan (DIN: 00693181)

Shri P.A.S. Alaghar Raja (DIN 00487312) has been re-appointed as Independent Director for another term of 5 years at the Annual General Meeting held on 25th August, 2021. In the opinion of the Board, Shri P.A.S. Alaghar Raja possess integrity, expertise and experience for being re-appointed as an Independent Director.

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

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

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



DIRECTORS' REPORT

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

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

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

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

Salient Features of the Nomination and Remuneration Policy:

The objective of the Policy is to ensure that:

- (a) the level and composition of remuneration is reasonable and sufficient to attract, retain and motivate Directors of the quality required to run the Company successfully;
- (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 balance between fixed and incentive pay reflecting short and long term performance objectives shall be appropriate to the working of the company and its goals.

The Nomination and Remuneration Committee and this Policy are in compliance with the Companies Act, 2013 and SEBI (LODR) Regulations, 2015. During the year under review, there has been no change in the policy.

The web address of the Policy is at

<http://www.rajapalayammills.co.in/wp-content/themes/ramco/pdf/nomination-and-remuneration-policy.pdf>

As required under Regulation 25(7) of LODR, the Company has programmes for familiarisation for the Independent Directors about the nature of the industry, business model, roles, rights and responsibilities of Independent Directors and other relevant information. As required under Regulation 46(2)(i) of LODR, the details of the Familiarisation Programme for Independent Directors are available at the Company's website, at the following link -

<http://www.rajapalayammills.co.in/wp-content/themes/ramco/pdf/familiarisation-programme-for-independent-directors-31-03-2022.pdf>

The details of familiarisation programme are explained in the Corporate Governance Report also.



16. EVALUATION OF BOARD

Pursuant to Section 134(3)(p) of the Companies Act, 2013, and Regulation 25(4) of SEBI (LODR) Regulations, 2015, Independent Directors have evaluated the quality, quantity and timeliness of the flow of information between the Management and the Board, Performance of the Board as a whole and its Members and other required matters.

Pursuant to Schedule II, Part D of SEBI (LODR) Regulations, 2015, the Nomination and Remuneration Committee has laid down evaluation criteria for performance evaluation of Independent Directors, which will be based on attendance, expertise and contribution brought in by the Independent Director at the Board Meeting, which shall be taken into account at the time of reappointment of Independent Director.

Pursuant to Regulation 17(10) of SEBI (LODR) Regulations, 2015, the Board of Directors have evaluated the performance of Independent Directors and observed the same to be satisfactory and their deliberations beneficial in Board / Committee meetings.

Pursuant to Regulation 4(2)(f)(ii)(9) of SEBI (LODR) Regulations, 2015, the Board of Directors have reviewed and observed that the evaluation frame work of the Board of Directors was adequate and effective.

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

17. MEETINGS

During the year, five Board Meetings were held. The details of the Meetings of the Board and its various Committees held during the financial year including the number of meetings attended by each Director are given in Corporate Governance Report.

18. SECRETARIAL STANDARD

As required under Clause 9 of Secretarial Standard 1, the Board of Directors confirms that the Company has complied with applicable Secretarial Standards.

19. PUBLIC DEPOSITS

Pursuant to Rule 8(5)(v) & (vi) of Companies (Accounts) Rules, 2014, it is reported that the Company has not accepted any deposit from public during the financial year under review. There was no outstanding of deposits as on 31-03-2022 (Previous year: NIL). The Company has no deposit, which is not in compliance with the Chapter V of the Companies Act, 2013.



DIRECTORS' REPORT

The Company has received a sum of ₹ 0.08 Crores (net of repayment), (PY: ₹ 3.50 Crores) from Directors as loan during the financial year 2021-22. The loans from Directors are not treated as deposits under Chapter V of the Companies Act, 2013.

20. ORDERS PASSED BY REGULATORS

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

21. PARTICULARS OF LOANS, GUARANTEES AND INVESTMENTS

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

- (a) the particulars of loans are provided under Note No. 51(b)(i).
- (b) the particulars of the guarantees and investments are provided under Note No.47 and Note No. 12 & 13 respectively of Notes forming part of financial statements. The guarantees are provided to secure the loans from Banks / Financial Institutions at a competitive pricing by the borrowers.

22. CORPORATE SOCIAL RESPONSIBILITY

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

The Company has undertaken various projects in the areas of education, health, rural development, environmental sustainability, livelihood enhancement projects, disaster management activity, etc. largely in accordance with Schedule VII of the Companies Act, 2013.

Though there was no CSR obligations under Section 135(5) of the Companies Act, 2013, for the Company to spend any amount towards CSR activity due to losses incurred during previous years, the Company has spent an amount of ₹ 42.88 Lakhs on CSR activities. The Company had also spent a sum of ₹ 20.05 Lakhs on other social causes and projects, which do not qualify as CSR expenditure under the classifications listed out in Schedule VII of the Companies Act, 2013.

The CSR policy is available at the Company's website at the following link at <http://www.rajapalayammills.co.in/wp-content/uploads/2022/07/corporate-social-responsibility-policy.pdf>

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



23. AUDITS

STATUTORY AUDIT

M/s. N.A. Jayaraman & Co. Chartered Accountants (FRN: 001310S) and M/s. SRSV Associates, Chartered Accountants (FRN:015041S), who have been appointed as the Statutory Auditors of the Company at the 81st Annual General Meeting, would be the Auditors of the Company till the conclusion of forthcoming 86th Annual General Meeting.

No change is proposed in the Auditors for the Company. The existing Auditors are eligible for re-appointment for the second term of 5 years.

The Audit Committee and the Board of Directors at their meeting held on 25-05-2022 had recommended their appointment as Statutory Auditors, pursuant to Section 139 of the Companies Act, 2013 for a period of 5 years from the conclusion of 86th Annual General Meeting till the conclusion of 91st Annual General Meeting. Accordingly the matter relating to the re-appointment of Statutory Auditors has been included in the notice convening the 86th Annual General Meeting. Written consent from the Auditors for their proposed re-appointment and necessary certificates under Rule 4 of the Companies (Audit and Auditors) Rules, 2014 confirming that their re-appointment, if made shall be in accordance with the conditions as prescribed by law and they satisfy the criteria provided under Section 141 of the Companies Act, 2013 has been received.

As required under Regulation 33(1)(d) of SEBI (LODR) Regulations, 2015, the Auditors have also confirmed that they hold a valid certificate issued by the Peer Review Board of the Institute of Chartered Accountants of India.

The report of the Statutory Auditors for the year ended 31st March, 2022 does not contain any qualification, reservation or adverse remark and no instance of fraud has been reported by Auditors under Section 143(12) of Companies Act, 2013.

SECRETARIAL AUDIT

Shri M.R.L. Narasimha, a Practicing Company Secretary is the Secretarial Auditor of the Company. Pursuant to Section 204(1) of the Companies Act, 2013, the Secretarial Audit Report submitted by the Secretarial Auditor for the year ended 31st March, 2022 is attached as Annexure - III. The report does not contain any qualification, reservation or adverse remark.

COST AUDIT

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

The Board of Directors had approved the appointment of Shri M. Kannan, Cost Accountant as the Cost Auditor of the Company to audit the Company's Cost Records relating to manufacture of textile products for the year 2022-23 at a remuneration of ₹1,75,000/- (Rupees One Lakh Seventy-five Thousand only) exclusive of GST and out-of-pocket expenses.



DIRECTORS' REPORT

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

The Cost Audit Report for the financial year 2020-21 due to be filed with Ministry of Corporate Affairs by 12-09-2021, had been filed on 06-09-2021. The Cost Audit Report for the financial year 2021-22 due to be submitted by the Cost Auditor within 180 days from the closure of the financial year will be filed with the Ministry of Corporate Affairs, within the due date.

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

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

25. ANNUAL RETURN

In Accordance with Section 92(3) of the Companies Act, 2013, read with Rule 12(1) of Companies (Management and Administration) Rules, 2014, the copy of the Annual Return for the year ended 31-03-2021 has been placed on the website of the Company and web link of such Annual Return is - <http://www.rajapalayammills.co.in/wp-content/themes/ramco/pdf/annual-return-31-03-2021.pdf>

26. CORPORATE GOVERNANCE

The Company has complied with the requirements regarding Corporate Governance as stipulated in SEBI (LODR) Regulations, 2015. As required under Schedule V(C) of SEBI (LODR) Regulations, 2015 a Report on Corporate Governance being followed by the Company is attached as Annexure - V.

As required under Schedule V(E) of SEBI (LODR) Regulations, 2015 a Certificate from the Auditors confirming compliance of conditions of Corporate Governance is also attached as Annexure - VI to this Report.

As required under Regulation 34(3) read with Schedule V Para C (10)(i) of SEBI (LODR) Regulations, 2015 Certificate from the Secretarial Auditor that none of the Company's Directors have been debarred or disqualified from being appointed or continuing as Directors of Companies, is enclosed as Annexure - VI A.

No complaints had been received pertaining to sexual harassment, during the year under review. The relevant statutory disclosure pertaining to the Sexual Harassment of Women at Workplace (Prevention, Prohibition and Redressal) Act, 2013, are available at Point No. 10 (xii) of Corporate Governance Report.



27. PARTICULARS OF EMPLOYEES AND RELATED DISCLOSURES

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

28. INDUSTRIAL RELATIONS AND PERSONNEL

The Company has 4,173 employees as on 31-03-2022 (PY: 3,340). Industrial relations with employees remained cordial during the year. Human Resources Development activities received considerable focus. The emphasis was on imparting training and development of the skill-set of the employees to enable them to face the challenges in the work environment.

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

29. RELATED PARTY TRANSACTION

Prior approval / Omnibus approval is obtained from the Audit Committee for all related party transactions and the transactions are periodically placed before the Audit Committee for its approval. No transaction with the related party is material in nature, in accordance with Company's "Related Party Transaction Policy" and Regulation 23 of SEBI (LODR) Regulations, 2015. In accordance with Indian Accounting Standard - 24 (Related Party Disclosure), the details of transactions with the related parties are set out in Note No. 51 of disclosures forming part of Financial Statements.

As required under Regulation 46(2)(g) of SEBI (LODR) Regulations, 2015, The Company's Related Party Transaction Policy is disclosed in the Company's website and its web link is <http://www.rajapalayammills.co.in/wp-content/themes/ramco/pdf/related-party-transaction-policy-2022.pdf>

30. RISK MANAGEMENT POLICY

Pursuant to Section 134(3)(n) of the Companies Act, 2013 and Regulation 17(9) of SEBI (LODR) Regulations, 2015, the Company has developed and implemented a Risk Management Policy. The Policy envisages identification of risk and procedures for assessment and minimization of risk thereof. The Risk Management policy of the Company is available at the Company's website at the following weblink-

<http://www.rajapalayammills.co.in/wp-content/themes/ramco/pdf/risk-management-policy.pdf>



DIRECTORS' REPORT

31. INVESTOR EDUCATION AND PROTECTION FUND (IEPF)

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

Dividend Details	Amount Transferred (in ₹)	Date of Transfer to IEPF
Final Dividend 2013-2014	5,29,235	21-08-2021

Shares transferred to IEPF during the year under review are as given below:

No. of Shares	Date of Transfer to IEPF
205	01-09-2021
80	16-09-2021
20	23-09-2021

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

Year	Type of Dividend	Date of Declaration of Dividend	Last date for claiming Unpaid Dividend	Due date for transfer to IEP Fund	No. of Shares of ₹10/- each	Amount of unclaimed / unpaid Dividend as on 31-03-2022 - ₹
2014-2015	Dividend	12-08-2015	11-08-2022	10-09-2022	2,59,370	6,48,425
2015-2016	Interim Dividend	16-03-2016	15-03-2023	14-04-2023	2,84,514	8,53,542
2016-2017	Dividend	10-08-2017	09-08-2024	08-09-2024	2,80,929	11,23,716
2017-2018	Dividend	10-08-2018	09-08-2025	08-09-2025	1,18,007	4,72,028
2018-2019	Dividend	14-08-2019	13-08-2026	12-09-2026	1,19,780	4,79,120
2019-2020	Dividend	15-09-2020	14-09-2027	14-10-2027	1,39,877	1,39,051*
2020-2021	Dividend	25-08-2021	24-08-2028	23-09-2028	2,57,369	1,27,839*

* Net of TDS

32. APPOINTMENT OF REGISTRAR AND SHARE TRANSFER AGENT

Share transfer and other related matters had been handled by the Company in-house till 19-04-2022. The Company has appointed M/s.Cameo Corporate Services Limited as its Registrar and Share Transfer Agent. The shifting of electronic connectivity to M/s. Cameo Corporate Services Limited has been made effective 20-04-2022. The Contact details of M/s. Cameo Corporate Services Limited is given in the Corporate Governance report.

DIRECTORS' REPORT



33. MATERIAL CHANGES SINCE 1ST APRIL, 2022

There have been no changes affecting the financial position of the Company between the end of the financial year (31-03-2022) and till the date of this report (25-05-2022).

34. DIRECTORS' RESPONSIBILITY STATEMENT

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

- (a) they had followed the applicable accounting standards along with proper explanation relating to material departures, if any, in the preparation of the annual accounts for the year ended 31st March, 2022;
- (b) they had selected such accounting policies and applied them consistently and made judgments and estimates that are reasonable and prudent so as to give a true and fair view of the state of affairs of the Company as on 31st March, 2022 and the profit of the Company for the year ended on that date;
- (c) they had taken proper and sufficient care for the maintenance of adequate accounting records in accordance with the provisions of this Act for safeguarding the assets of the Company and for preventing and detecting fraud and other irregularities;
- (d) they had prepared the Annual Accounts on a going concern basis;
- (e) they had laid down internal financial controls to be followed by the Company and that such internal financial controls are adequate and were operating effectively; and
- (f) they had devised proper systems to ensure compliance with the provisions of all applicable laws and that such systems were adequate and operating effectively.

ACKNOWLEDGEMENT

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

By Order of the Board,
For **RAJAPALAYAM MILLS LIMITED,**

RAJAPALAYAM,
25th May, 2022.

P.R. VENKETRAMA RAJA
CHAIRMAN



ANNEXURE I TO DIRECTORS' REPORT

Form AOC-1

[Pursuant to Section 129(3) of the Companies Act, 2013 read with Rule 5 of Companies (Accounts) Rules, 2014]

Statement containing salient features of the financial statement of Associate Companies

PART A - SUBSIDIARY COMPANY

The Company has no Subsidiary Company.

PART B - ASSOCIATE COMPANY

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

Particulars	2021-22		
	The Ramco Cements Limited	Ramco Industries Limited	Ramco Systems Limited
Last Audited Balance Sheet date	31-03-2022	31-03-2022	31-03-2022
Date on which the Associate was associated / acquired	01-04-2016	01-04-2016	01-04-2016
No. of Shares held as on 31 st March, 2022	3,26,25,264	84,01,680	7,33,531
Amount of Investment in Associate as on 31-03-2022 (₹ in Lakhs)	4,800.21	1,100.81	1,141.55
Extent of Shareholding % as on 31-03-2022	13.81%	9.69%	2.38%
Description of how there is significant influence	Note (1)		
Reason why Associate is not consolidated	Not applicable		
Net worth attributable to Shareholding (₹ in Lakhs)	6,62,569.00	3,75,885.87	58,404.00
Profit / Loss for the Year (Consolidated) (₹ in Lakhs)	87,921.00	30,101.53	(6,956.00)
a) Considered in Consolidation (₹ in Lakhs)	13,671.41	1,223.02	(165.83)
b) Not considered in Consolidation (₹ in Lakhs)	74,249.59	28,878.51	(6,790.17)

- Note: 1) Significant influence exists based on combined voting rights.
2) Names of associates or joint ventures which are yet to commence operations - NIL
3) Names of associates or joint ventures which have been liquidated or sold during the year - NIL

As per our report annexed

For N.A. JAYARAMAN & CO.
Chartered Accountants
Firm Registration No. 001310S

R. PALANIAPPAN
Partner
Membership No. 205112

RAJAPALAYAM
25th May, 2022

For SRSV & ASSOCIATES
Chartered Accountants
Firm Registration No. 015041S

R. SUBBURAMAN
Partner
Membership No. 020562

Shri P.R. VENKETRAMA RAJA
Chairman

B. GNANAGURUSAMY
Chief Financial Officer

Smt. R. SUDARSANAM
Managing Director

A. ARULPRANAVAM
Secretary

ANNEXURE II TO DIRECTORS' REPORT



ANNUAL REPORT ON CORPORATE SOCIAL RESPONSIBILITY (CSR) ACTIVITIES

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

The objective of the CSR Policy is:

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

2. The Composition of the CSR Committee:

S.No	Name of the Director	Designation / Nature of Directorship	No.of meetings of CSR held during the year	No.of meetings of CSR attended during the year
1.	Shri P.R. Venketrama Raja	Chairman of the Committee Non-executive & Non-Independent Director	1	1
2.	Smt. P.V. Nirmala Raju *	Non-executive & Non-Independent Director	1	1
3.	Justice Shri P.P.S. Janarthana Raja	Non-executive & Independent Director	1	1
4.	Shri P.V. Abinav Ramasubramaniam Raja	Non-executive & Non-Independent Director	1	1

* Smt. P.V. Nirmala Raju has been appointed as Managing Director w.e.f. 01-06-2022.

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.

Weblink for Composition of CSR Committee:

<http://www.rajapalayammills.co.in/investors/share-holders-information/>

Weblink for the CSR Policy:

<http://www.rajapalayammills.co.in/wp-content/uploads/2022/07/corporate-social-responsibility-policy.pdf>

Weblink for CSR Projects approved by the Board:

<http://www.rajapalayammills.co.in/wp-content/themes/ramco/pdf/csr-expenditure-approved-by-the-board-for-the-year-2022-23.pdf>

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 - Not Applicable



ANNEXURE II TO DIRECTORS' REPORT

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

Sl. No.	Financial Year	Amount available for set-off from preceding financial years (in ₹)	Amount required to be set-off for the financial year, if any (in ₹)
1	2021-22	NIL	NIL

6. Average net profit of the Company as per Section 135(5) - In view of losses incurred by the Company during the year 2020-21, the average Net Profits of the Company made during the immediately preceding three financial years was negative and hence there is no obligation for the Company to spend on CSR Activities for the year 2021-22.
7. Two percent of average net profit of the Company as per Section 135(5) - NIL
- Surplus arising out of the CSR projects or programmes or activities of the previous financial years - NIL
 - Amount required to be set off for the financial year, if any - NIL
 - Total CSR obligation for the financial year (7a+7b-7c)- NIL
8. (a) CSR amount spent or unspent for the financial year:

Total Amount Spent for the Financial Year (₹ in Lakhs)	Amount Unspent (₹ in Lakhs)				
	Total Amount transferred to Unspent CSR Account as per Section 135(6)		Amount transferred to any fund specified under Schedule VII as per second proviso to Section 135(5).		
	Amount	Date of transfer	Name of the Fund	Amount	Date of transfer
42.88	NIL	NIL	NIL	NIL	NIL

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

1	2	3	4	5	6	7	8	9	10	11		
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 ₹)	Amount spent in the current financial year (in ₹)	Amount transferred to Unspent CSR Account for the project as per Section 135(6) (in ₹)	Mode of implementation - Direct (Yes / No)	Mode of implementation - Through Implementing Agency	
				State	District						Name	CSR Registration Number
The Company had no ongoing projects during the year under review												



ANNEXURE II TO DIRECTORS' REPORT

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

Name of the Project	Item from the list of activities in Schedule VII to the Act.	Local Area (Yes / No)	Location of the Project - District / State	Amount Spent for the Project (₹ In Lakhs)	Mode of implementation - Direct	Mode of implementation through Agency	
						Name	CSR Registration Number
Eradication of Hunger and Promotion of Healthcare including Preventive Healthcare	[Clause (i)]	Yes	Dindigul & Virudhunagar, Madurai District (Tamil Nadu)	14.63	Yes	NA	
Promotion of Education including Special Education and Livelihood Enhancement Projects	[Clause (ii)]	Yes	Virudhunagar & Tirunelveli District (Tamil Nadu)	0.75	Yes		
Ensuring Environmental Sustainability	[Clause (iv)]	Yes	Virudhunagar District (Tamil Nadu)	3.34	Yes	NA	
Restoration of Building and Sites of Historical Importance and Works of Art	[Clause (v)]	Yes	Virudhunagar District (Tamil Nadu)	3.87	Yes		
Rural Development Projects	[Clause (x)]	Yes	Virudhunagar District (Tamil Nadu)	12.29	Yes		
Disaster Management - COVID Contributions	[Clause (xii)]	Yes	Chennai (Tamil Nadu)	8.00	Yes		
Total				42.88			

(d) Amount spent in Administrative Overheads - NIL.

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

(f) Total amount spent for the Financial Year (8b + 8c + 8d + 8e) - ₹ 42.88 Lakhs.

(g) Excess amount for set off, if any

Sl. No.	Particulars	Amount (₹ in Lakhs)
i.	Two per cent of average net profit of the Company as per Section 135(5)	NIL
ii.	Total amount spent for the Financial year	42.88
iii.	Excess amount spent for the Financial year [(ii)-(i)]	42.88
iv.	Surplus arising out of the CSR projects or programmes or activities of the previous financial years, if any	NIL
v.	Amount available for set-off in succeeding financial years [(iii)-(iv)]	42.88



ANNEXURE II TO DIRECTORS' REPORT

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

Sl. No.	Preceding Financial Year	Amount transferred to Unspent CSR Account under Section 135(6) (₹ in Lakhs)	Amount spent in the reporting Financial Year (₹ in Lakhs)	Amount transferred to any fund specified under Schedule VII as per Section 135(6), if any			Amount remaining to be spent in succeeding financial years (₹ in Lakhs)
				Name of the Fund	(₹ in Lakhs)	Date of transfer	
1.	2020-21	NIL	20.44	NA	NA	NA	NIL
2.	2019-20	NIL	57.30	NA	NA	NA	NIL
3.	2018-19	NIL	72.66	NA	NA	NA	NIL
Total			150.40				

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

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 ₹)	Amount spent on the project in the reporting Financial Year (In ₹)	Cumulative amount spent at the end of reporting Financial Year (In ₹)	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).

- Date of creation or acquisition of the capital asset(s) - Not applicable.
- Amount of CSR spent for creation or acquisition of capital asset - Nil.
- Details of the entity or public authority or beneficiary under whose name such capital asset is registered, their address etc. - Not applicable.
- Provide details of the capital asset(s) created or acquired (including complete address and location of the capital asset) - Not applicable.

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) - Not applicable

The Company has complied with the provision of Section 135(5) of the Companies Act, 2013. Though the amount required to be spent on CSR activities for the year 2021-22 is NIL, the Company had spent an amount of ₹ 42.88 Lakhs.

SHRI P.R. VENKETRAMA RAJA
CHAIRMAN

SMT. R. SUDARSANAM
MANAGING DIRECTOR

RAJAPALAYAM,
25th May, 2022.

ANNEXURE III TO DIRECTORS' REPORT



Form MR - 3

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

[Pursuant to Section 204(1) of the Companies Act, 2013 and Rule No.9 of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014]

To

The Members,

Rajapalayam Mills Limited, [CIN: L17111TN1936PLC002298]

Rajapalayam Mills Premises,

P.A.C. Ramasamy Raja Salai,

Post Box No.1, Rajapalayam - 626 117.

I have conducted a Secretarial Audit of the compliance of applicable statutory provisions and adherence to good corporate practices by **RAJAPALAYAM MILLS LIMITED** (hereinafter called "the Company") **during the financial year from 1st April, 2021 to 31st March, 2022** ("the year"/ "audit period"/ "period under review"). I conducted the Secretarial Audit in a manner that provided me a reasonable basis for evaluating the Company's corporate conducts / statutory compliances and expressing my opinion thereon.

I am issuing this report based on my verification of the books, papers, minute books and other records maintained by the Company, forms and returns filed, compliance related action taken by the Company during the year as well as after 31st March, 2022 but before the issue of this audit report and the information provided by the Company, its officers, agents and authorised representatives during my conduct of the Secretarial Audit.

1. I hereby report that:

1.1. In my opinion, during the audit period covering the **financial year ended on 31st March, 2022**, the Company has complied with the statutory provisions listed hereunder and also has proper Board processes and compliance mechanism in place to the extent, in the manner and subject to the reporting made hereinafter. The Members are requested to read this report along with my letter of even date annexed to this report as Annexure - A.

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

- (i) The Companies Act, 2013 (the Act), and the rules made thereunder.
- (ii) Securities Contracts (Regulation) Act, 1956 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
- (v) The following Regulations prescribed under the Securities and Exchange Board of India Act, 1992 (SEBI Regulations):-
 - (a) Securities and Exchange Board of India (Substantial Acquisition of Shares and Takeovers) Regulations, 2011;



ANNEXURE III TO DIRECTORS' REPORT

- (b) Securities and Exchange Board of India (Prohibition of Insider Trading) Regulations, 2015 ;
- (c) Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 and
- (d) Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2018.
- (vi) The following laws, that are specifically applicable to the Company:
 - (a) Essential Commodities Act, 1955, with reference to "Hank Yarn Packing Notification 2003" (No.2/TDRO/8/2003 dated 17th April, 2003); and
 - (b) The Electricity Act, 2003.

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

- (i) Secretarial Standards (SS-1) on "Meetings of the Board of Directors" and Secretarial Standards (SS-2) on "General Meetings" issued by The Institute of Company Secretaries of India and
- (ii) The Listing agreement entered into by the Company with BSE Limited.

1.4. During the period under review, and also considering the compliance related action taken by the Company after 31st March, 2022 but before the issue of this report, the Company has, to the best of my knowledge and belief and based on the records, information and explanations furnished to me, complied with the applicable provisions / Clauses of the Acts, Rules, Regulations, Agreements, Guidelines and Standards mentioned under paragraphs 1.2 and 1.3 above.

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

- (i) Due to non-occurrence of certain events, the Company was not required to comply with the following laws / guidelines / regulations and consequently was not required to maintain any books, papers, minute books or other records or file any forms / returns under:
 - (a) Securities and Exchange Board of India (Share Based Employee Benefits) Regulations, 2014;
 - (b) Securities and Exchange Board of India (Buyback of Securities) Regulations, 2018;
 - (c) Securities and Exchange Board of India (Delisting of Equity Shares) Regulations, 2009;
 - (d) Securities and Exchange Board of India (Registrars to an Issue and Share Transfer Agents) Regulations, 1993 regarding the Companies Act, 2013 and dealing with client and
 - (e) Securities and Exchange Board of India (Issue and Listing of Debt Securities) Regulations, 2008;
- (ii) There was no law, other than those specified in paragraph 1.2 (vi) above, that was specifically applicable to the Company, considering the nature of its business. Hence the requirement to report on compliance with specific laws did not arise.

ANNEXURE III TO DIRECTORS' REPORT



2. I further report that:

- 2.1 The Board of Directors of the Company is duly constituted with proper balance of Executive Directors, Non-Executive Directors and Independent Directors. The Board also have three Woman Directors as on 31-03-2022. The change in composition of the Board of Directors that took place during the period under review was carried out in compliance with the provisions of the Act.
- 2.2 Adequate notice is given to all Directors to schedule the Board Meetings. Notice of Board meetings were sent at least seven days in advance. Agenda and detailed notes on agenda were sent atleast seven days before the Board meetings with the exception of the following items, which were either circulated separately or at the meetings:
- Supplementary agenda notes and annexures in respect of unpublished price sensitive information such as audited accounts / results, unaudited financial results and connected papers; and
 - Additional subjects / information / presentations and supplementary notes.
- Consent of the Board for circulating them separately or at the meeting was duly obtained as required under the Secretarial Standards.
- 2.3 A system exists for Directors to seek and obtain further information and clarifications on the agenda items before the meetings and for their meaningful participation at the meetings. Majority decision is carried through. I am informed that there were no dissenting members' views on any of the matters discussed during the year that were required to be captured and recorded as part of the minutes.

3. I further report that:

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

4. I further report that:

- 4.1 The Board of Directors at their meeting held on 21-12-2020 had approved raising of funds upto ₹ 70 Crores on Rights basis to the existing shareholders of the Company. Rights Issue Committee at its meeting held on 09-04-2021 had allotted 12,29,360 Equity Shares of face value of ₹ 10/- each at an issue price of ₹ 569/- per share (including a premium of ₹ 559/- per share) for the aggregate amount of ₹ 69.95 Crores. Consequent to the above allotment, the paid up capital has increased from ₹ 738 Lakhs to ₹ 861 Lakhs.
- 4.2 The Board of Directors had appointed M/s. Cameo Corporate Services Limited as its Registrar to an Issue and Share Transfer Agent (RTA) and the electronic connectivity to Depositories has been shifted to M/s. Cameo Corporate Services Limited w.e.f. 20-04-2022.

M.R.L. Narasimha
Practising Company Secretary
Membership No: 2851
Certificate of Practice: 799
PR No.1420/2021

Lotus 370-A, Alagesan Road, SB Mission Post,
Coimbatore - 641 011
UDIN: F002851D000385420

Coimbatore,
25th May, 2022.



ANNEXURE III TO DIRECTORS' REPORT

Annexure - A to Secretarial Audit Report of even date

To,

The Members,

Rajapalayam Mills Limited, [CIN: L17111TN1936PLC002298]

Rajapalayam Mills Premises,

P.A.C. Ramasamy Raja Salai,

Post Box No.1, Rajapalayam - 626 117.

My Secretarial Audit Report (Form MR-3) of even date for the financial year ended 31st March, 2022 is to be read along with this letter.

1. The Company's management is responsible for maintenance of secretarial records and compliance with the provisions of corporate and other applicable laws, rules, regulations and standards. My responsibility is to express an opinion on the secretarial records produced for my audit.
2. I have followed such audit practices and processes as I considered appropriate to obtain reasonable assurance about the correctness of the contents of the secretarial records.
3. While forming an opinion on compliance and issuing this report, I have also considered compliance related action taken by the Company after 31st March, 2022 but before the issue of this report.
4. I have verified the secretarial records furnished to me on a test basis to see whether the correct facts are reflected therein. I also examined the compliance procedures followed by the Company on a test basis. I believe that the processes and practices I followed provide a reasonable basis for my opinion.
5. I have not verified the correctness and appropriateness of financial records and books of accounts of the Company.
6. I have obtained the Management's representation about compliance of laws, rules and regulations and happening of events, wherever required.
7. My Secretarial Audit report is neither an assurance as to the future viability of the Company nor of the efficacy or effectiveness with which the management has conducted the affairs of the Company.

M.R.L. Narasimha
Practising Company Secretary
Membership No: 2851
Certificate of Practice: 799
PR No.1420/2021

Lotus 370-A, Alagesan Road, SB Mission Post,
Coimbatore - 641 011

UDIN: F002851D000385420

Coimbatore,
25th May, 2022.



ANNEXURE IV TO DIRECTORS' REPORT

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

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

A. CONSERVATION OF ENERGY

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

- | | | |
|---|---|---|
| (i) the steps taken on conservation of energy; | : | Speed Optimisation of Centrifugal fan in Carding Waste collection systems.
Speed Optimisation in Humidification plants.
Installation of Energy Efficient Air compressors. |
| Impact on conservation of energy | : | The above steps have resulted in power saving of 5 Lakhs units per annum. |
| (ii) the steps taken by the Company for utilising alternate sources of energy | : | NIL |
| (iii) the capital investment on energy conservation equipments | : | NIL |

B. TECHNOLOGY ABSORPTION

- | | | |
|---|---|---|
| (i) the efforts made towards technology absorption | : | a) Installation of latest OE Spinning Machines with highly sophisticated auto-doffers.
b) Installation of automatic Spinning Cots Grinding Machine having auto feed and delivery system for top rollers. |
| (ii) the benefits derived like product improvement, cost reduction, product development or import substitution | : | Cost reduction, quality improvement. |
| (iii) in case of imported technology (imported during the last three years reckoned from the beginning of the financial year) | : | |
| (a) the details of technology imported | : | NIL |
| (b) the year of import | : | NIL |
| (c) whether the technology been fully absorbed | : | Not Applicable |
| (d) if not fully absorbed, areas where absorption has not taken place and the reasons thereof; and | : | Not Applicable |
| (iv) the expenditure incurred on Research and Development | : | Not Applicable |



ANNEXURE IV TO DIRECTORS' REPORT

C. FOREIGN EXCHANGE EARNINGS AND OUTGO

The Foreign Exchange earned in terms of : ₹ 16,490.54 Lakhs
actual inflows during the year and

The Foreign Exchange outgo during the: ₹ 26,971.23 Lakhs
year in terms of actual outflows.

By order of the Board,
For **RAJAPALAYAM MILLS LIMITED,**

RAJAPALAYAM,
25th May, 2022.

P.R. VENKETRAMA RAJA
CHAIRMAN



ANNEXURE V TO DIRECTORS' REPORT

REPORT ON CORPORATE GOVERNANCE

[Pursuant to para C of Schedule V of SEBI (LODR) REGULATIONS, 2015]

1. COMPANY'S PHILOSOPHY ON CODE OF GOVERNANCE

Since inception, Rajapalayam Mills Limited is assiduously following its determined goals on Corporate Governance. The object of the Company is to protect and enhance the value of all the stakeholders of the Company viz., shareholders, creditors, customers and employees. It strives to achieve these objectives through high standards in dealings and following business ethics in all its activities.

The Company believes in continuous up-gradation of technology to improve the quality of its production and productivity to achieve newer and better products for total customer satisfaction. The Company leverages the developments in the technology for better compliances and communication.

The Company lays great emphasis on team building and motivation. A contented and well developed worker will give to the Company better work and therefore better profits. The Company has strong faith in innate and infinite potential of human resources. It believes in the creative abilities of the people who work for the Company and believes in investing in their development and growth as foundation for strong and qualitative growth of the Organization.

If there is no customer, there is no business. Customers' continued satisfaction and sensitivity to their needs are the Company's source of strength and security.

The Company also believes that as the Organization grows, the society and the community around it should also grow.

2. BOARD OF DIRECTORS

The Board of Directors is headed by the Chairman Shri P.R. Venketrama Raja. The Board consists of eminent persons with considerable professional expertise in various fields such as Administration, Banking, Finance, Law, Engineering, etc. The Board had 12 Directors as on 31-03-2022. Except Smt. R. Sudarsanam, all other Directors are Non-Executive. As required under Regulation 17 of the SEBI (LODR) Regulations, 2015 not less than 50% of the Board consists of Independent Directors.

In accordance with Clause C(h)(i) and (ii) of Schedule V read with Regulations 34(3) SEBI (LODR) Regulations, 2015, the Board of Directors have identified the following Core Skills/ Expertise / Competencies, required for Board Members in the context of Company's business and sectors, to function effectively.

- Textile Technology
- Strategy Management



ANNEXURE V TO DIRECTORS' REPORT

- Business Management
- Banking and Financial Management
- Project Management
- Risk Management including Foreign Exchange Management
- Industrial Relationship Management, including Environment, Health and Safety
- Legal Knowledge
- Human Resource Management
- Tax Planning and Management
- Information Technology
- General Administration
- Industrial Engineering

The skills / expertise / competencies available with the Directors have been furnished under the individual Director's profile.

DIRECTORS' PROFILE

SHRI P.R. VENKETRAMA RAJA

Shri P.R. Venketrama Raja aged 63 years, has a Bachelor's Degree in Chemical Engineering from University of Madras and Masters in Business Administration from University of Michigan, USA. He has been on the Board of Rajapalayam Mills Limited since 1986. He has more than 3 decades of Industrial Experience with specific knowledge in Textiles, Cement and Information Technology sectors.

Skill / Expertise / Competency	Expert in Information Technology, Strategy Management and Business Management.
--------------------------------	--

Names of the listed entities other than M/s. Rajapalayam Mills Limited in which Shri P.R.Venketrama Raja is a Director and his category of Directorship:

Name of the Company	Category of Directorship as on 31-03-2022
The Ramco Cements Limited	Chairman & Managing Director
Ramco Industries Limited	Non-Executive & Non-Independent
Ramco Systems Limited	Non-Executive & Non-Independent
The Ramaraju Surgical Cotton Mills Limited	Non-Executive & Non-Independent

ANNEXURE V TO DIRECTORS' REPORT



SMT. R. SUDARSANAM

Smt. R. Sudarsanam aged 80 years, has knowledge and rich experience in Textile Industry and she has been on the Board of Rajapalayam Mills Limited since 1996. She was appointed as the Managing Director of the Company on 01-07-2002.

Skill / Expertise / Competency	Business Management and General Administration.
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Other than M/s. Rajapalayam Mills Limited Smt. R. Sudarsanam does not hold Directorship in any other listed entity.

Smt. R. Sudarsanam resigned from the position of Managing Director as well as from the position of Director w.e.f. 31-05-2022.

SMT. P.V. NIRMALA RAJU

Smt. P.V. Nirmala Raju aged 56 years, has a Bachelor's Degree in Computer Science Engineering from Anna University and Masters in Arts in Applied Educational Leadership & Management from University of London. She has specialized knowledge and experience in Textile Industry for more than a decade. She has been on the Board of Rajapalayam Mills Limited since April, 2019.

Skill / Expertise / Competency	Information Technology, Strategy Management, Business Management and General Administration.
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Other than M/s. Rajapalayam Mills Limited Smt. P.V. Nirmala Raju does not hold Directorship in any other listed entity.

Smt. P.V. Nirmala Raju has been appointed as Managing Director w.e.f. 01-06-2022.

SHRI S.S. RAMACHANDRA RAJA

Shri S.S. Ramachandra Raja aged 86 years, has a Bachelor's Degree in science and he has been on the Board of Rajapalayam Mills Limited since 1992. He has knowledge and Experience in Textiles, Cement and Information Technology sectors.

Skill / Expertise / Competency	Business Management and General Administration
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Names of the listed entities other than M/s. Rajapalayam Mills Limited in which Shri S.S. Ramachandra Raja is a Director and his category of Directorship:

Name of the Company	Category of Directorship as on 31-03-2022
Ramco Industries Limited	Non-Executive & Non-Independent



ANNEXURE V TO DIRECTORS' REPORT

SHRI N.K. RAMASUWAMI RAJA

Shri N.K. Ramasuwami Raja, aged 78 years, holds a Degree in Science and he has been on the Board of Rajapalayam Mills Limited since 1980. He has knowledge and experience in Textiles.

Skill / Expertise / Competency	Business Management and General Administration
--------------------------------	--

Other than M/s. Rajapalayam Mills Limited Shri N.K. Ramasuwami Raja does not hold Directorship in any other listed entity.

SHRI A.V. DHARMAKRISHNAN

Shri A.V. Dharmakrishnan aged 65 years, a Chartered Accountant, started his career in 1982 at The Ramco Cements Limited. He is presently holding the position of Chief Executive Officer in M/s. The Ramco Cements Limited. He has been on Board of Rajapalayam Mills Limited since 2008. He has specialized knowledge and rich experience in Finance and Taxation matters.

Skill / Expertise / Competency	Strategy Management, Business Management, Banking and Financial Management, Risk Management including Foreign Exchange Management, Tax Planning and Management.
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Names of the listed entities other than M/s. Rajapalayam Mills Limited in which Shri A.V. Dharmakrishnan is a Director and his category of Directorship:

Name of the Company	Category of Directorship as on 31-03-2022
Ramco Systems Limited	Non-Executive & Non-Independent

JUSTICE SHRI P.P.S. JANARTHANA RAJA

Justice Shri P.P.S. Janarthana Raja aged 71 years, a graduate in Law from the Madras Law College has more than 40 years of experience in Taxation matters. He was a Honourable Justice in the High Court of Madras from December, 2005 to January, 2013. He has been on the Board of Rajapalayam Mills Limited since 2013.

Skill / Expertise / Competency	Expert Legal Knowledge, Tax Planning and Management.
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ANNEXURE V TO DIRECTORS' REPORT



Names of the listed entities other than M/s. Rajapalayam Mills Limited in which Justice Shri P.P.S. Janarthana Raja is a Director and his category of Directorship:

Name of the Company	Category of Directorship as on 31-03-2022
Ramco Systems Limited	Non-Executive & Independent
The Ramaraju Surgical Cotton Mills Limited	Non-Executive & Independent

SHRI V. SANTHANARAMAN

Shri V. Santhana Raman aged 72 years, holds a degree in Commerce and C.A.I.I.B. He has been on the Board of Rajapalayam Mills Limited since 2013. He has more than 40 Years of experience in Banking Sector. He had held the positions of General Manager in Indian Bank from 1998 to 2006 and Executive Director in Bank of Baroda from October, 2006 to August, 2009.

Skill / Expertise / Competency	Banking and Financial Management, Risk Management including Foreign Exchange Management
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Names of the listed entities other than M/s. Rajapalayam Mills Limited in which Shri V. Santhana Raman is a Director and his category of Directorship:

Name of the Company	Category of Directorship as on 31-03-2022
Ramco Industries Limited	Non-Executive & Independent
The Ramaraju Surgical Cotton Mills Limited	Non-Executive & Independent

SHRI K.B. NAGENDRA MURTHY

Shri K.B. Nagendra Murthy aged 71 years, holds a Master degree in Commerce and C.A.I.I.B. He has been on the Board of Rajapalayam Mills Limited since 2014. He has more than 40 years of experience in Banking Sector. He had held the positions of General Manager in Indian Bank from 2002 to 2009 and Managing Director & CEO in Tamilnad Mercantile Bank Ltd from 2012 to 2014.

Skill / Expertise / Competency	Banking and Financial Management, Risk Management including Foreign Exchange Management
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Other than M/s. Rajapalayam Mills Limited Shri K.B. Nagendra Murthy does not hold Directorship in any other listed entity.



ANNEXURE V TO DIRECTORS' REPORT

SMT. SOUNDARA KUMAR

Smt. Soundara Kumar aged 67 years, holds a degree in Science and C.A.I.I.B. She has been on the Board Rajapalayam Mills Limited since 2015. She has nearly 40 years of experience in Banking Sector. She had held the position of General Manager (Retail Banking), Chief General Manager (Small & Medium Enterprises) and Chief General Manager (Rural Business) in State Bank of India. She was the CEO of SBI (California) and CEO of SBI (Los Angeles) Agency during the years 2002 to 2004. She was appointed as the Managing Director of State Bank of Indore from 2008 to 2010.

Skill / Expertise / Competency	Banking and Financial Management, Risk Management including Foreign Exchange Management
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Names of the listed entities other than M/s. Rajapalayam Mills Limited in which Smt. Soundara Kumar is a Director and her category of Directorship:

Name of the Company	Category of Directorship as on 31-03-2022
Ramco Systems Limited	Non-Executive & Independent
Shanthi Gears Limited	Non-Executive & Independent
Tamil Nadu Newsprint and Papers Limited	Non-Executive & Independent
Bank of Baroda	Non-Executive & Independent
Carborundum Universal Limited	Non-Executive & Independent

SHRI P.V. ABINAV RAMASUBRAMANIAM RAJA

Shri P.V. Abinav Ramasubramaniam Raja aged 28 years, has Bachelor's degree in Science - Industrial Engineering from Northwestern University, Evanston, USA. He has been on the Board of Rajapalayam Mills Limited since 2017. He is holding the position of Managing Director in M/s. Ramco Industries Limited and whole time Director in M/s. Ramco Systems Limited.

Skill / Expertise / Competency	Industrial Engineering, Strategy Management, Business Management and Information Technology.
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Names of the listed entities other than M/s. Rajapalayam Mills Limited in which Shri P.V. Abinav Ramasubramaniam Raja is a Director and his category of Directorship:

Name of the Company	Category of Directorship as on 31-03-2022
Ramco Industries Limited	Managing Director & Non-Independent
Ramco Systems Limited	Whole Time Director & Non-Independent

ANNEXURE V TO DIRECTORS' REPORT



SHRI P.A.S. ALAGHAR RAJA

Shri P.A.S. Alaghar Raja aged 46 years, holds a Diploma in Textile Technology. He has specialized knowledge and experience in Textile Industry for nearly 2 decades. He has been on the Board of Rajapalayam Mills Limited since 2017. He is a Whole time Director of M/s. Tirupathi YarnTex Spinners Private Limited.

Skill / Expertise / Competency	Textiles Technology, General Administration Business Management
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Names of the listed entities other than M/s. Rajapalayam Mills Limited in which Shri P.A.S. Alaghar Raja is a Director and his category of Directorship:

Name of the Company	Category of Directorship as on 31-03-2022
The Ramaraju Surgical Cotton Mills Limited	Non-Executive & Independent

The Board of Directors have confirmed at the Meeting held on 25-05-2022 that all the above Independent Directors fulfil the conditions specified in SEBI (LODR) Regulations, 2015 and are independent of the management.

During the year under review, no Independent Director has resigned.

All the Independent Directors have registered themselves with the Independent Directors Data Bank, as required under Rule 6 of Companies (Appointment & Qualification of Directors) Rules, 2014. All the Independent Directors have been exempted from passing the online proficiency self-assessment test, conducted by The Indian Institute of Corporate Affairs. However, Smt. Soundara Kumar has opted and cleared the on-line proficiency Self-Assessment test conducted by the Indian Institute of Corporate Affairs by securing 72% of marks.

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

Sl. No.	Name of the Director, Director Identification Number (DIN) & Directorship	Board Meetings held on					Attendance at last AGM 25-08-2021
		28-05-2021	14-08-2021	30-10-2021	27-01-2022	23-02-2022	
1.	Shri P.R. Venketrama Raja Chairman DIN: 00331406, Directorship: P & NE	Yes	Yes	Yes	Yes	Yes	Yes
2.	Smt. R. Sudarsanam Managing Director (upto 31-05-2022) DIN: 00433926, Directorship: P & E	Yes	Yes	Yes	Yes	Yes	Yes
3.	Smt. P.V. Nirmala Raju Managing Director (from 01-06-2022) DIN No:00474960, Directorship: P & NE	Yes	Yes	Yes	Yes	Yes	Yes
4.	Shri S.S. Ramachandra Raja DIN: 00331491, Directorship: NE	Yes	Yes	Yes	Yes	Yes	Yes
5.	Shri N.K. Ramasuwami Raja DIN: 00432698, Directorship: NE & ID	Yes	Yes	Yes	Yes	Yes	Yes



ANNEXURE V TO DIRECTORS' REPORT

Sl. No.	Name of the Director, Director Identification Number (DIN) & Directorship	Board Meetings held on					Attendance at last AGM 25-08-2021
		28-05-2021	14-08-2021	30-10-2021	27-01-2022	23-02-2022	
6.	Shri A.V. Dharmakrishnan DIN: 00693181, Directorship: NE	Yes	Yes	Yes	Yes	Yes	Yes
7.	Justice Shri P.P.S. Janarthana Raja DIN: 06702871, Directorship: NE & ID	Yes	Yes	Yes	Yes	Yes	Yes
8.	Shri V. Santhana Raman DIN: 00212334, Directorship: NE & ID	Yes	Yes	Yes	Yes	Yes	Yes
9.	Shri K.B. Nagendra Murthy DIN: 00359864, Directorship: NE & ID	Yes	Yes	Yes	Yes	Yes	Yes
10.	Smt. Soundara Kumar DIN: 01974515, Directorship: NE & ID	Yes	Yes	Yes	Yes	Yes	Yes
11.	Shri P.V. Abinav Ramasubramaniam Raja DIN: 07273249, Directorship: P & NE	Yes	Yes	Yes	Yes	Yes	Yes
12.	Shri P.A.S. Alaghar Raja DIN: 00487312, Directorship: NE & ID	Yes	Yes	Yes	Yes	Yes	Yes

P- Promoter E - Executive NE - Non Executive ID - Independent

Other Directorships

The number of other Boards or Board Committees in which the Director is a Member or Chairperson as on 31-03-2022 are given below:

Sl. No.	Name of the Director	Other Directorships *	Committee Positions **	
			Chairperson	Member
1.	Shri P.R. Venketrama Raja	8	3	3
2.	Smt. R. Sudarsanam	3	–	–
3.	Smt. P.V. Nirmla Raju	1	–	–
4.	Shri S.S. Ramachandra Raja	3	–	–
5.	Shri N.K. Ramasuwami Raja	2	–	–
6.	Shri A.V. Dharmakrishnan	6	–	3
7.	Justice Shri P.P.S. Janarthana Raja	3	1	2
8.	Shri V. Santhana Raman	2	–	2
9.	Shri K.B. Nagendra Murthy	2	1	1
10.	Smt. Soundara Kumar	6	3	4
11.	Shri P.V. Abinav Ramasubramaniam Raja	3	–	1
12.	Shri P.A.S. Alaghar Raja	3	–	1

* Public Limited Companies other than Rajapalayam Mills Limited.

** Audit Committee and Stakeholders' Relationship Committee of Public Limited Companies, other than Rajapalayam Mills Limited

ANNEXURE V TO DIRECTORS' REPORT



During the year, a separate meeting of the Independent Directors was held on 27-01-2022 and all the Independent Directors were present at the meeting.

Disclosure of relationships between Directors inter-se

Shri P.R. Venketrama Raja is son of Smt. R. Sudarsanam. Shri P.V. Abinav Ramasubramaniam Raja is son of Shri P.R. Venketrama Raja and Smt. P.V. Nirmala Raju

Details of familiarisation programme for Independent Directors

The details of the Familiarisation Programme for Independent Directors are available at the Company's website, at the following link at

<http://www.rajapalayammills.co.in/wp-content/themes/ramco/pdf/familiarisation-programme-for-independent-directors-31-03-2022.pdf>

The Board of Directors periodically review Compliance Reports pertaining to all Laws applicable to the Company. No non-compliance was reported during the year under review.

The Board is also satisfied itself that plans are in place for orderly succession for appointment of Board of Directors and Senior Management.

A Code of Conduct has been laid out for all Members of the Board and Senior Management suitably incorporating the duties of Independent Directors as laid down in the Companies Act, 2013. The Code is available at the Company's website, at the following link at -

<http://www.rajapalayammills.co.in/wp-content/themes/ramco/pdf/code-of-conduct-for-board-members-and-senior-management-personnel.pdf>

The minimum information to be placed before the Board of Directors at their meeting, as specified in Part A of Schedule II of SEBI (LODR) Regulations, 2015 have been adequately complied with.

3. AUDIT COMMITTEE

The terms of reference of the Audit Committee include:

- i) To review the reports of Internal Audit Department;
- ii) To review the Auditors' Report on the financial statements;
- iii) To review and approve the Related Party Transactions;
- iv) To review the Annual Cost Audit Report of the Cost Auditor;
- v) To review the Annual Secretarial Audit Report of the Secretarial Auditor
- vi) To review the strength and weakness of the internal controls and to provide recommendations relating thereto;
- vii) To generally assist the Board to discharge their functions more effectively.
- viii) To review the financial statements and any investment made by the Company.

In addition, the Audit Committee would discharge the roles and responsibilities as prescribed by SEBI (LODR) Regulations, 2015 and Companies Act, 2013.



ANNEXURE V TO DIRECTORS' REPORT

The composition of the Audit Committee and the details of attendance of its Members at the Audit Committee Meetings are as follows:

Sl. No.	Name of the Director	Audit Committee Meetings held on					
		28-05-2021	14-08-2021	25-09-2021	30-10-2021	27-01-2022	23-02-2022
1.	Justice Shri P.P.S. Janarthana Raja, Chairman of the Committee	Yes	Yes	Yes	Yes	Yes	Yes
2.	Shri N.K. Ramasuwami Raja	Yes	Yes	Yes	Yes	Yes	Yes
3.	Shri A.V. Dharmakrishnan	Yes	Yes	Yes	Yes	Yes	Yes
4.	Shri K.B. Nagendra Murthy	Yes	Yes	Yes	Yes	Yes	Yes

The Statutory Auditors, Chief Financial Officer, President and Head of Internal Audit Department are invitees to the Audit Committee Meetings. The Company Secretary is the Secretary to the Committee.

The representatives of the Cost Auditor and Secretarial Auditor are invited to attend the meeting of the Audit Committee when their reports are tabled for discussion.

3/4th of the members of the Audit Committee are Independent Directors as against the minimum requirements of 2/3rd as stipulated in Regulation 18(1) (b) of SEBI (LODR) Regulations, 2015.

4. NOMINATION AND REMUNERATION COMMITTEE

The Nomination and Remuneration Committee discharges the functions as envisaged for it by the Companies Act, 2013, SEBI (LODR) Regulations, 2015 and functions as mandated by the Board of Directors from time to time. Based on the recommendation of the Nomination and Remuneration Committee, the Board of Directors have approved a Nomination and Remuneration Policy for the Company. The Nomination and Remuneration Policy is to ensure that the level and composition of remuneration is reasonable, the relationship of remuneration to performance is clear and appropriate to the long term goals of the Company.

The complete details about the terms of reference for Nomination and Remuneration Committee and Nomination and Remuneration Policy are available at Company's website at the following link-

<http://www.rajapalayammills.co.in/wp-content/themes/ramco/pdf/nomination-and-remuneration-policy.pdf>

The composition of the Nomination and Remuneration Committee and the details of attendance of its Members at the Nomination and Remuneration Committee Meetings are as follows:

Sl. No.	Name of the Director	NRC Meeting held on 28-05-2021
1.	Justice Shri P.P.S. Janarthana Raja, Chairman of the Committee	Yes
2.	Shri N.K. Ramasuwami Raja	Yes
3.	Shri A.V. Dharmakrishnan	Yes

ANNEXURE V TO DIRECTORS' REPORT



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

5. REMUNERATION TO DIRECTORS

The Directors were paid Sitting Fee of ₹ 30,000/- per Meeting for attending the meetings of the Board and Committees thereof.

There are no pecuniary relationship or transaction of the Non-Executive Directors vis-à-vis the Company, other than those reported in related party transactions under Note No. 51.

The appointment and remuneration to Managing Director is governed by the Special Resolution passed by the Shareholders at the Annual General Meeting held on 14-08-2019 and the remuneration is equivalent to 5% of the Net Profits of the Company and in case of no profits or in adequate profits the minimum remuneration will be ₹ 247.50 Lakhs (inclusive of perquisites excluding sitting fees).

The details of remuneration paid for the financial year 2021-22 are as follows:

A. REMUNERATION TO MANAGING DIRECTOR:

(₹ in Lakhs)

Sl. No.	Particulars of Remuneration	Smt. R. Sudarsanam Managing Director	Total Amount
1	Gross Salary		
	a) Salary as per provisions contained in Section 17(1) of the Income-tax Act, 1961	240.00	240.00
	b) Value of perquisites u/s 17(2) Income-Tax Act, 1961	-	-
	c) Profits in lieu of salary under Section 17(3) Income-Tax Act, 1961	-	-
2	Stock Option	-	-
3	Sweat Equity	-	-
4	Commission as % of Profit	-	-
5	Sitting Fees	1.50	1.50
6	Contribution to Provident Fund	6.00	6.00
7	Contribution to Superannuation Fund	1.50	1.50
	Total (A)	249.00	249.00
	No. of Shares held by Director as on 31-03-2022	74,386	
	Ceiling as per Act	5% of the net profits of the Company and in case, no profits or inadequacy of profits, the Managing Director shall be paid minimum yearly remuneration of ₹ 247.50 Lakhs (inclusive of perquisites). In addition the Managing Director is eligible for Sitting fees.	



ANNEXURE V TO DIRECTORS' REPORT

B. REMUNERATION TO OTHER DIRECTORS:

1. Independent Directors

(₹ in Lakhs)

Particulars of Remuneration	Name of the Directors						Total Amount
	Shri N.K. Ramasuwami Raja	Justice Shri P.P.S. Janarthana Raja	Shri V. Santhana Raman	Shri K.B. Nagendra Murthy	Smt. Soundara Kumar	Shri P.A.S. Alaghar Raja	
Fee for attending board / committee meetings	3.90	5.10	1.80	3.60	1.80	1.80	18.00
Commission	-	-	-	-	-	-	-
Others	-	-	-	-	-	-	-
Total (1)	3.90	5.10	1.80	3.60	1.80	1.80	18.00
No. of Shares held by Director as on 31-03-2022	17,966	NIL	NIL	NIL	NIL	7,520	

2. Other Non-Executive Director

(₹ in Lakhs)

Particulars of Remuneration	Name of the Directors					Total Amount	
	Shri P.R. Venketrama Raja	Shri A.V. Dharmakrishnan	Shri S.S. Ramachandra Raja	Smt. P.V. Nirmala Raju	Shri P.V. Abinav Ramasubramaniam Raja		
Fee for attending board / committee meetings	2.70	4.20	1.80	2.10	2.40	13.20	
Commission	-	-	-	-	-	-	
Others	-	-	-	-	-	-	
Total (2)	2.70	4.20	1.80	2.10	2.40	13.20	
No. of Shares held by Director as on 31-03-2022	18,36,826	1,420	28,560	41,370	22,77,277	-	
Total B (1) + (2)						31.20	
Overall Ceiling as per the Act	1% of the Net Profits of the Company, calculated as per Section 198 of the Companies Act, 2013.						
Total Managerial Remuneration (A+B)							280.20

6. STAKEHOLDERS RELATIONSHIP COMMITTEE

The composition of Stakeholders Relationship Committee and the details of attendance of its members at the Stakeholders Relationship Committee meetings are as follows:

Sl. No.	Name of the Director	Stakeholders Relationship Committee Meeting held on 27-01-2022
1.	Shri P.R. Venketrama Raja, Chairman of the Committee	Yes
2.	Smt. P.V. Nirmala Raju	Yes
3.	Shri S.S. Ramachandra Raja	Yes
4.	Justice Shri P.P.S. Janarthana Raja	Yes

ANNEXURE V TO DIRECTORS' REPORT



Name of Non-executive Director heading the Committee	Shri P.R. Venketrama Raja
Name and Designation of Compliance Officer	Shri A. Arulpranavam, Secretary
No. of complaints received during the year	NIL
Number not solved to the Satisfaction of shareholders	NIL
Number of pending complaints	NIL

7. GENERAL MEETINGS

i. Location and time, where last three AGMs held:

Year ended	Date	Time	Venue
31-03-2021	25-08-2021	10.00 A.M.	Held through Video conferencing
31-03-2020	15-09-2020	10.15 A.M.	
31-03-2019	14-08-2019	10.00 A.M,	P.A.C. Ramasamy Raja Centenary Community Hall, P.A.C. Ramasamy Raja Salai, Rajapalayam - 626 108, Tamil Nadu.

ii. Details of Special Resolutions passed in the previous three Annual General Meetings

Date of the AGM	Subject Matter of the Special Resolution
25-08-2021	1. Re-appointment of Shri P.A.S. Alaghar Raja as an independent Director
15-09-2020	1. Re-appointment of Smt. Soundara Kumar as an independent Director
14-08-2019	1. Appointment of Shri S.S. Ramachandra Raja as Director, who retires by rotation and to continue the Directorship of Shri S.S. Ramachandra Raja as Non-Executive Director
	2. Re-appointment of Smt. R. Sudarsanam, as Managing Director for a period of three years with effect from 01-04-2020.
	3. Authority to the Board of Directors for borrowing money upto ₹ 750 Crores.

iii. No Special Resolution on matters requiring Postal Ballot were passed during the period under review.

iv. No Special Resolution is proposed to be conducted through Postal Ballot as on date.

8. MEANS OF COMMUNICATION

The Unaudited Quarterly and Half yearly Financial results and Audited Annual Results are published in English in Business Line (All editions) and in Tamil in Dinamani (Madurai edition). The results were also displayed on the Company's website at www.rajapalayammills.co.in All the financial results are provided to Stock Exchange, BSE Limited.



ANNEXURE V TO DIRECTORS' REPORT

9. GENERAL SHAREHOLDER INFORMATION

i.	Annual General Meeting	On 20-08-2022 at 11.00 A.M. through Video conference / Other Audio Visual means
ii.	Financial Year	1 st April, 2021 to 31 st March, 2022.
iii.	Dividend Payment date	20-08-2022 onwards
iv.	Name and address of Stock exchange at which the Company's Shares are listed	The Company's shares are listed in BSE Limited, Phiroze Jeejeebhoy Towers, Dalal Street, Mumbai - 400 001. The Company has paid listing fee to the Stock Exchange for the financial year 2022-23.
v.	Stock Code - BSE Limited	532503
vi.	Market Price Data	Enclosed as Annexure - A
vii.	Performance in comparison to broad based indices	
viii.	Whether the securities are suspended from trading	No
ix.	Registrar and Transfer Agents	Being carried out in-house by the Secretarial Department of the Company till 19-04-2022. The Company has appointed M/s. Cameo Corporate Services Limited as its Registrar to an Issue and Share Transfer Agent and the electronic connectivity to Depositories has been shifted to M/s. Cameo Corporate Services Limited w.e.f. 20-04-2022.
x.	Share Transfer System	For shares held in electronic mode, transfers are effected under the depository system of NSDL and CDSL. For shares held in physical mode, the transfers have been effected in-house till 31-03-2019.
		Vide Press Release No: 49/2018 dated 03-12-2018 of SEBI, transmission or transposition of securities were effected in physical form till 23-01-2022.
		SEBI vide Gazette Notification no. SEBI/LAD-NRO/GN/2022/66 dated January 24, 2022, has mandated that the shares that are issued pursuant to investor service request shall henceforth be issued in demat mode only and hence the share certificates (wherever applicable) will be retained at Company's end.
xi.	Distribution of Shareholding	Enclosed as Annexure - B.

ANNEXURE V TO DIRECTORS' REPORT



xii.	Dematerialisation of Shares & liquidity	As on 31 st March, 2022, 94.54% of the shares have been dematerialized. Regarding liquidity of our Company's shares, the details are available in Annexure - A.
xiii.	Outstanding GDRs / ADRs / Warrants or any Convertible instruments, conversion date and likely impact on equity	NIL
xiv.	Commodity Price Risk or Foreign Exchange Risk and Hedging Activities	With respect to future payment commitment in foreign currencies, forward contracts are booked taking into account, the cost of hedging and the foreign currency receivables. The currency rate movements are monitored closely for taking covers with respect to unhedged portions, if any.

xv. Plant Locations

Textile Division:

- a. Rajapalayam Mills (A, B and C Units)
Post Box No.1, P.A.C. Ramasamy Raja Salai, Rajapalayam - 626 117, Tamil Nadu.
- b. Rajapalaiyam Spintext,
P.A.C. Ramasamy Raja Salai, Rajapalayam - 626 117, Tamil Nadu.
- c. Rajapalaiyam Textiles,
Perumalpatti Village - 627 753, Tirunelveli District, Tamil Nadu.
- d. Rajapalayam Mills - D Unit
Andalpuram, K.R. Nagar Post, Rajapalayam - 626 108, Tamil Nadu.
- e. Rajapalayam Mills - Fabric Unit,
P.A.C. Ramasamy Raja Salai, Rajapalayam - 626 117, Tamil Nadu.

Wind Farm Division:

Dhanakkarkulam, Irukkanthurai, Uthumalai, Aralvoimozhy, Chinnaputhur, Kolumakondan, Melkaraipatti, Muthunayakkanpatti in Tamil Nadu.

xvi. Address of Registered Office for Correspondence for shareholder enquiries

A. Arulpranavam,
Secretary (Compliance Officer),
Rajapalayam Mills Limited,
Rajapalayam Mills Premises,
Post Box No.1, P.A.C. Ramasamy Raja Salai, Rajapalayam - 626 117, Tamil Nadu.
Phone: 04563-235666; Fax : 04563-236520
E-mail: rajacot@ramcotex.com



ANNEXURE V TO DIRECTORS' REPORT

xvii. Credit Rating

CRISIL, the Company's credit rating agency vide its letter dated 24-03-2022 has rated our borrowing programmes as follows:

Debt Instruments	Amount ₹ in Crores	Rating
Cash Credit / Letter of Credit & Bank Guarantee / Long Term Loan / Proposed Long Term Bank Loan Facility / Working Capital Demand Loan / Working Capital Term Loan	1,228.46	A / Positive
Foreign Exchange Forward	4.00	A1
Total	1,232.46	

During the year under review, CRISIL our rating agency has re-affirmed the Long Term and Short Term Ratings. However, the outlook of Long Term Rating is revised from Negative to Positive.

10. OTHER DISCLOSURES

- i. There are no materially significant related party transactions made by the Company that may have potential conflict with the interests of the Company at large.
- ii. There are no instances of non-compliance by the Company, and no penalties or strictures were imposed on the company by Stock Exchange or SEBI or any Statutory Authority, on any matter related to capital markets, during the last three years.
- iii. The Company has a Whistle Blower Policy, available at the Company's website and it is affirmed that no personnel has been denied access to the Audit Committee. The policy is available at the following weblink -
<http://www.rajapalayammills.co.in/wp-content/themes/ramco/pdf/whistle-blower-policy-for-establishing-vigil-mechanism.pdf>
- iv. The Company has complied with the Mandatory requirements of Corporate Governance stipulated under SEBI (LODR) Regulations, 2015. The status of adoption of the Non-Mandatory requirements are given below:
 - a. The Company's financial statements are with unmodified opinion for the year 2021-22.
 - b. The Company has appointed separate persons to the post of Chairperson and Managing Director.
- v. The Company has no Subsidiary. Hence, disclosure about "Material Subsidiary Policy" is not applicable.
- vi. The Related Party Transaction Policy is disclosed in the Company's website and its weblink is -
<http://www.rajapalayammills.co.in/wp-content/themes/ramco/pdf/related-party-transaction-policy-2022.pdf>
- vii. Commodity price risks and commodity hedging activities:
The Company has not undertaken any transactions in this regard.
- viii. The Company has not raised any funds through Preferential Allotment or Qualified Institutions Placement.



ANNEXURE V TO DIRECTORS' REPORT

- ix. M.R.L. Narasimha, Practicing Company Secretary, has certified that none of the Directors 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 (Annexure - VI A)
- x. There has not been an occasion, where the Board had not accepted any recommendation of any Committee of the Board.
- xi. The total fees for all the services paid by the Company on a consolidated basis to the Statutory Auditors is ₹ 9.68 lakhs.

No other entity in the network firm or network entity of which the Statutory Auditor is a part has been hired for any services by the Company.

- xii. Disclosure in relation to Sexual Harassment of Women at Workplace (Prevention, Prohibition and Redressal) Act, 2013.

Pursuant to Rule 8(5)(x) of Companies (Accounts) Rules, 2014, the Company has complied with the provisions relating to the constitution of Internal Complaints Committee under Sexual Harassment of Women at Workplace (Prevention, Prohibition and Redressal) Act, 2013.

a.	Number of complaints filed during the financial year	NIL
b.	Number of complaints disposed of during the financial year	NIL
c.	Number of complaints pending as on end of the financial year	NIL

- xiii. Loans and advances given to Firms / Companies in which Directors are interested:

(₹ in Lakhs)

Name of the Company	Amount given during the year	Amount outstanding as on 31-03-2022
Shri Harini Textiles Limited	–	950
LYNKS Logistics Limited	700	700
Total	700	1,650

11. The Company has complied with the requirements of Corporate Governance Report of sub-paras (2) to (10) of Schedule V of SEBI (LODR) Regulations, 2015.
12. The extent to which the discretionary requirements specified in Part E of Schedule II have been adopted, is given against Clause 10(iv) above.
13. The Company has complied with the corporate governance requirements specified in regulation 17 to 27 of SEBI (LODR) Regulations, 2015.

As required under Regulation 46(2)(b) to (i) of SEBI (LODR) Regulations, 2015, the following information have been duly disseminated in the Company's website.

- Terms and conditions of appointment of Independent Directors
- Composition of various committees of Board of Directors
- Code of Conduct of Board of Directors and Senior Management Personnel
- Details of establishment of Vigil Mechanism / Whistle Blower Policy
- Criteria of making payments to Non-Executive Directors
- Policy on dealing with Related Party Transactions
- Details of familiarization Programme imparted to Independent Directors



ANNEXURE V TO DIRECTORS' REPORT

14. Senior Management Personnel discloses to the Board of Directors all material, financial and commercial transactions where they have personal interest that may have a potential conflict with the Company's interest, if any.
15. The Company submits quarterly compliance report on Corporate Governance to the Stock Exchange, in the prescribed format within 21 days from the close of the quarter duly signed by the Compliance Officer.
16. The various disclosures made in the Directors' Report, may be considered as disclosures made under this report.
17. The Company also have the following Committees of the Board of Directors:
 - i) The Composition of the Corporate Social Responsibility Committee and the details of the attendance of its members at Corporate Social Responsibility Committee meeting are as follows:

Sl. No.	Name of the Director	CSR Meeting held on 28-05-2021
1.	Shri P.R. Venketrama Raja, Chairman of the Committee	Yes
2.	Smt. P.V. Nirmala Raju, Member	Yes
3.	Justice Shri P.P.S. Janarthana Raja	Yes
4.	Shri P.V. Abinav Ramasubramaniam Raja	Yes

- ii) The Composition of Rights Issue Committee and the details of the attendance of its members at Rights Issue Committee Meeting are as follows:

Sl. No.	Name of the Director	RIC Meeting held on 09-04-2021
1.	Shri P.R. Venketrama Raja, Chairman of the Committee	Yes
2.	Justice Shri P.P.S. Janarthana Raja	Yes
3.	Shri A.V. Dharmakrishnan	Yes
4.	Shri P.A.S. Alaghar Raja	Yes

iii) Risk Management Committee

The terms of reference of the Risk Management Committee include:

1. To formulate a detailed risk management policy which shall include:
 - a. A framework for identification of internal and external risks specifically faced by the Company, in particular including financial, operational, sectoral, sustainability (particularly, ESG related risks), information, cyber security risks or any other risk as may be determined by the Committee.
 - b. Measures for risk mitigation including systems and processes for internal control of identified risks.
 - c. Business continuity plan.

ANNEXURE V TO DIRECTORS' REPORT



2. To ensure that appropriate methodology, processes and systems are in place to monitor and evaluate risks associated with the business of the Company;
3. To monitor and oversee implementation of the risk management policy, including evaluating the adequacy of risk management systems;
4. To periodically review the risk management policy, at least once in two years, including by considering the changing industry dynamics and evolving complexity;
5. To keep the board of directors informed about the nature and content of its discussions, recommendations and actions to be taken;
6. The appointment, removal and terms of remuneration of the Chief Risk Officer (if any) shall be subject to review by the Risk Management Committee.

The Risk Management Committee shall coordinate its activities with other committees, in instances where there is any overlap with activities of such committees, as per the framework laid down by the board of directors.

The Composition of Risk Management Committee and the details of the attendance of its members at Risk Management Committee Meeting are as follows:

Sl. No.	Name of the Director	RMC Meeting held on 30-10-2021	RMC Meeting held on 31-03-2022
1.	Shri P.R. Venketrama Raja, Chairman of the Committee	Yes	Yes
2.	Justice Shri P.P.S. Janarthana Raja	Yes	Yes
3.	Shri A.V. Dharmakrishnan	Yes	Yes
4.	Shri P.V. Abinav Ramsubramaniam Raja	Yes	Yes

18. DISCLOSURES WITH RESPECT TO UNCLAIMED SUSPENSE ACCOUNT

[Pursuant to Schedule V (F) of SEBI (LODR) Regulations, 2015]

There were 5,050 Shares of ₹ 10/- each belonging to 21 Shareholders at the beginning of the year lying at the "Rajapalayam Mills Limited Unclaimed Suspense Account" in dematerialised form. In accordance with Section 124(6) of the Companies Act, 2013, the Company has transferred 20 Shares which belongs to 1 Shareholder, who has not claimed dividend for 7 consecutive years, from Rajapalayam Mills Limited Unclaimed Suspense Account to Investor Education and Protection Fund (IEPF). 5,030 Shares belonging to 20 Shareholders are lying



ANNEXURE V TO DIRECTORS' REPORT

with unclaimed suspense account as on 31-03-2022. The voting rights of these Shares shall remain frozen till the rightful owner of such Shares claims the Shares.

19. Declaration signed by the Managing Director of the Company as per Schedule V (D) of SEBI (LODR) Regulations, 2015 on compliance with the Code of Conduct is Annexed.
20. Compliance Certificate as per Regulations 17(8) read with Part B of Schedule II of SEBI (LODR) Regulations, 2015 provided by Managing Director and Chief Financial Officer is Annexed.

By order of the Board,
For RAJAPALAYAM MILLS LIMITED,

P.R. VENKETRAMA RAJA
CHAIRMAN

RAJAPALAYAM,
25th May, 2022.

DECLARATION

As provided under Schedule V (D) of the SEBI (LODR) Regulations, 2015 the Members of the Board of Directors and Senior Management Personnel have affirmed compliance with the Company's Code of Conduct for the year ended 31st March, 2022.

For RAJAPALAYAM MILLS LIMITED,

Smt. R. SUDARSANAM
MANAGING DIRECTOR

RAJAPALAYAM,
25th May, 2022.

ANNEXURE V TO DIRECTORS' REPORT



To

The Board of Directors,
Rajapalayam Mills Limited,
Rajapalayam.

CERTIFICATION UNDER REGULATION 17(8) OF SEBI (LODR) REGULATIONS, 2015

We hereby certify that -

- A. We have reviewed financial statements and the cash flow statement for the year 2021-22 and that to the best of our knowledge and belief :
1. these statements do not contain any materially untrue statement or omit any material fact or contain statements that might be misleading;
 2. these statements together present a true and fair view of the company's affairs and are in compliance with existing accounting standards, applicable laws and regulations.
- B. There are, to the best of our knowledge and belief, no transactions entered into by the company during the year which are fraudulent, illegal or violative of the company's code of conduct.
- C. We accept responsibility for establishing and maintaining internal controls for financial reporting and that we have evaluated the effectiveness of internal control systems of the company pertaining to financial reporting and we have disclosed to the auditors and the Audit Committee, deficiencies in the design or operation of such internal controls, if any, of which we are aware and the steps we have taken or propose to take to rectify these deficiencies.
- D. We have indicated to the auditors and the Audit committee that -
1. there are no significant changes in internal control over financial reporting during the year;
 2. there are no significant changes in accounting policies during the year
 3. there are no instances of significant fraud of which we have become aware.

B. GNANAGURUSAMY
CHIEF FINANCIAL OFFICER

Smt. R. SUDARSANAM
MANAGING DIRECTOR

RAJAPALAYAM,
25th May, 2022.



ANNEXURE V TO DIRECTORS' REPORT

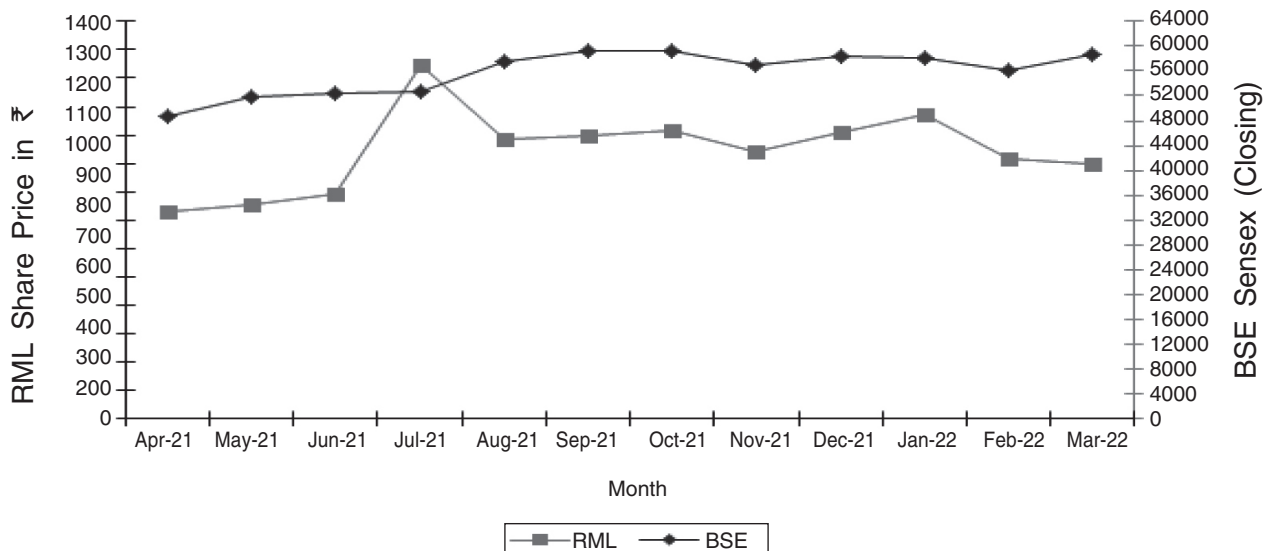
ANNEXURE - A

STATISTICAL DATA

Share Price - High & Low / Volume (During April, 2021 to March, 2022 in BSE)

Month	BSE Limited, Mumbai		
	High ₹	Low ₹	No. of Shares Traded
April,2021	740	650	55,297
May	805	702	64,793
June	811	720	88,957
July	1,354	770	3,51,367
August	1,265	900	1,61,857
September	1,082	940	1,04,217
October	1,075	944	78,996
November	1,148	940	1,18,507
December	1,039	883	1,45,962
January,2022	1,398	931	3,45,651
February	1,120	840	82,003
March	950	860	85,799

Rajapalayam Mills Share Price in ₹ on BSE (Closing) Vs BSE Sensex (Closing)



ANNEXURE V TO DIRECTORS' REPORT



ANNEXURE - B
Pattern of Shareholding as on 31-03-2022

Description	Total Shareholders	%	Total Shares	%
A. PROMOTERS HOLDING				
1. Promoters	14	0.18	47,43,333	55.12
Sub-total	14	0.18	47,43,333	55.12
B. NON - PROMOTERS HOLDING				
1. Bank & Financial Institutions	2	0.03	1,860	0.02
2. Clearing Member	14	0.18	4,045	0.05
3. Body Corporate	99	1.29	1,49,095	1.73
4. Foreign Portfolio Investors	1	0.01	5,876	0.07
5. HUF	327	4.26	1,14,594	1.33
6. IEPF	1	0.01	1,82,914	2.13
7. Individual	7,103	92.49	30,67,425	35.64
8. Mutual Funds	1	0.01	1,62,459	1.89
9. NRIs	116	1.51	20,319	0.24
10. Trust	2	0.03	1,53,600	1.78
Sub-total	7,666	99.82	38,62,187	44.88
Total	7,680	100.00	86,05,520	100.00

Distribution of Shareholding as on 31-03-2022

No. of Shares held	Total Shareholders	%	Total Shares	%
Upto - 500	6,909	89.96	5,15,620	5.99
501 - 1000	320	4.17	2,37,344	2.76
1001 - 2000	189	2.46	2,68,775	3.12
2001 - 3000	80	1.04	1,94,552	2.26
3001 - 4000	37	0.48	1,28,640	1.49
4001 - 5000	29	0.38	1,31,553	1.53
5001 - 10000	59	0.77	3,99,168	4.64
10001 & above	57	0.74	67,29,868	78.21
Grand Total	7,680	100	86,05,520	100

Category of Shareholding as on 31-03-2022

Category	No. of Shareholders	No. of Equity shares held	% of total no. of shares	No. of equity shares held in dematerialized form	% of total no. of shares under dematerialized form
Dematerialized Form (CDSL & NSDL):					
Promoter & Promoter Group	14	47,43,333	55.12	47,43,333	55.12
Public	7,666	38,62,187	44.88	33,92,336	39.42
Grand Total	7,680	86,05,520	100.00	81,35,669	94.54



ANNEXURE VI TO DIRECTORS' REPORT

CERTIFICATE REGARDING COMPLIANCE OF CONDITIONS OF CORPORATE GOVERNANCE

[Pursuant to paragraph E of Schedule V of Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015]

To

The Members

Rajapalayam Mills Limited,
[CIN: L17111TN1936PLC002298]
Rajapalayam Mills Premises,
P.A.C. Ramasamy Raja Salai,
Post Box No.1, Rajapalayam - 626 117.

We have examined the compliance of the conditions of Corporate Governance by Rajapalayam Mills Limited ("the Company") for the financial year ended 31st March, 2022, as stipulated under Regulation numbers 17 to 27, 46(2)(b) to (i), Schedule II and Schedule V (paragraphs C,D and E) of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements), Regulations, 2015.

The Company is required to comply with the said conditions of Corporate Governance on account of Listing Agreement entered into by the Company with BSE Limited for listing its Equity Shares.

The Company's management is responsible for compliance with the conditions of Corporate Governance. We have broadly reviewed the procedures adopted by the Company for ensuring compliance with the conditions of Corporate Governance and implementation thereof. Our review was neither an audit nor an expression of opinion on the financial statements of the Company.

We hereby certify that, in our opinion and to the best of our information and based on the records furnished for our verification and the explanations given to us by the Company, its officers and agents, the Company has, during the year ended 31st March, 2022, complied with the applicable conditions of Corporate Governance.

We further wish to state that our opinion regarding such compliance is neither an assurance as to the future viability of the Company nor of the efficiency or effectiveness with which the management has conducted the affairs of the Company during the said financial year.

For N.A. Jayaraman & Co.,
Chartered Accountants
Firm Registration No. 001310S

For SRSV & ASSOCIATES,
Chartered Accountants
Firm Registration No. 015041S

R. PALANIAPPAN
Partner
Membership No. 205112
UDIN: 22205112AJNWRO5652

R. SUBBURAMAN
Partner
Membership No. 020562
UDIN: 2202562AJNXOS8719

RAJAPALAYAM,
25th May, 2022.

ANNEXURE VI A TO DIRECTORS' REPORT



CERTIFICATE FROM COMPANY SECRETARY IN PRACTICE

[In terms of Regulation 34(3) read with Schedule V Para C(10)(i) to the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015]

To

The Members,
Rajapalayam Mills Limited,
[CIN: L17111TN1936PLC002298]
Rajapalayam Mills Premises,
P.A.C. Ramasamy Raja Salai,
Post Box No.1, Rajapalayam - 626 117.

I hereby certify that, in my opinion, none of the directors on the Board of Rajapalayam Mills Limited ("the Company") as on the 31st March, 2022, as listed below, have been debarred or disqualified from being appointed or continuing as directors of companies by the Securities and Exchange Board of India (SEBI) or the Ministry of Corporate Affairs, Government of India (MCA):

Sl. No.	Name of the Director	Nature of Directorship	Director's Identification Number
1.	Poosapadi Ramasubrahmaneya Rajha Venketrama Raja	Chairman	00331406
2.	Ramasubrahmaneya Rajha Sudarsanam	Managing Director (KMP)	00433926
3.	Poosapadi Venketrama Raja Nirmala Raju	Non Independent Director	00474960
4.	Sinthalapadi Srirenga Raja Ramachandra Raja	Non Independent Director	00331491
5.	Nambur Krishnama Raja Ramasamy Raja	Independent Director	00432698
6.	Arrakundal Velayutha Raja Dharmakrishnan	Non Independent Director	00693181
7.	Posapadi Perumal Subba Raja Janarthana Raja	Independent Director	06702871
8.	Vaidyanathan Santhanaraman	Independent Director	00212334
9.	Kokku Bhaskara Nagendra Murthy	Independent Director	00359864
10.	Poosapadi Venketrama Raja Abinav Ramasubramaniam Raja	Non Independent Director	07273249
11.	Soundara Kumar	Independent Director	01974515
12.	Poosapadi Sankarraja Alagharraja	Independent Director	00487312



ANNEXURE VI A TO DIRECTORS' REPORT

I am issuing this certificate based on the following, which to the best of my knowledge and belief were considered necessary in this regard:

1. My verification of the information relating to the directors available in the official web site of MCA;
2. My verification of the disclosures / declarations / confirmations provided by the said directors to the Company and other relevant information, explanation and representations provided by the Company, its officers and agents.

I wish to state that the management of the Company is responsible to ensure the eligibility of a person for appointment/continuation as a Director on the Board of the Company. My responsibility is to express an opinion on these based on my verification. This certificate is neither an assurance as to the future viability of the Company nor of the efficacy or effectiveness of the corporate governance processes followed by the management of the Company.

Coimbatore,
25th May, 2022.

M.R.L. Narasimha
Practising Company Secretary
Membership No: 2851
Certificate of Practice: 799
PR No.1420/2021
Lotus 370-A, Alagesan Road, SB Mission Post
Coimbatore - 641 011.
UDIN: F002851D000385376

ANNEXURE VII TO DIRECTORS' REPORT



Disclosures relating to remuneration under Section 197 (12) of the Companies Act, 2013 read with Rule 5(1), (2) and (3) of Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014.

i. & ii. The ratio of the remuneration of each director to the median remuneration of the employees of the Company and the percentage increase in remuneration of each Director, Managing Director, Chief Financial Officer and Company Secretary in the Financial Year 2021-22:

Name of the Director / KMP and Designation	Remuneration of Director / KMP for financial year 2021-22 (₹ in lakhs)	% increase in remuneration in the financial year 2021-22	Ratio of remuneration of each Director / to median remuneration of employees
Shri P.R.Venketrama Raja, Chairman	2.70	29	2
Smt. R. Sudarsanam, Managing Director	249.00	–	195
Smt. P.V. Nirmala Raju	2.10	40	2
Shri S.S. Ramachandra Raja	1.80	–	1
Shri N.K. Ramasuwami Raja	3.90	18	3
Shri A.V. Dharmakrishnan	4.20	40	3
Justice Shri. P.P.S. Janarthana Raja	5.10	31	4
Shri V. Santhana Raman	1.80	–	1
Shri K.B. Nagendra Murthy	3.60	20	3
Smt. Soundara Kumar	1.80	–	1
Shri P.V. Abinav Ramasubramaniam Raja	2.40	33	2
Shri P.A.S. Alaghar Raja	1.80	–	1
Shri B. Gnanagurusamy (Chief Financial Officer)	68.66	104	54
Shri A. Arulpranavam (Company Secretary)	15.05	50	12

iii. The median remuneration of the employees during the financial year was ₹ 1,27,940 and the percentage of increase in the median remuneration was 1.58%.

iv. There were 4,173 Permanent employees on the rolls of the Company, as on 31st March, 2022.

v. Average percentage increase made in the salaries of the employees other than the managerial personnel in the financial year i.e. 2021-22 was 10.73%. The increase in the managerial remuneration for the same financial year was 14%. This was because the remuneration of CFO includes Leave Salary paid during the financial year 2021-22 on surrendering of accumulated Leave Salary.

vi. It is hereby affirmed that the remuneration paid is as per the remuneration policy for Directors, Key Managerial Personnel and other employees.



ANNEXURE VII TO DIRECTORS' REPORT

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

Particulars of Top 10 Employees in terms of remuneration drawn and the particulars of Employees employed throughout the financial year 2021-22 and was in receipt of remuneration in the aggregate of not less than ₹ 102 Lakhs.

Sl. No.	Name	Age (Yrs)	Designation	Remuneration Paid / Payable (₹ in lakhs)	Qualification and experience (Years)	Date of Commencement of employment	Last Employment
1	Smt. R. Sudarsanam	80	Managing Director	247.50	55 Years	01-07-2002	-
2	N. Mohanarengan	53	President	70.24	D.T.T., AMIE (34)	01-04-1991	Lakshmi Spinners
3	B. Gnanagurusamy	44	Chief Financial Officer	68.66	FCA (22)	11-09-2000	The Ramco Cements Limited
4	K. Murugesapillai	52	SVP-Fabrics	55.72	D.T.T. (34)	03-10-2017	Santhi Processing Unit (P) Ltd
5	B. Velvendan	54	VP - Electrical	41.40	B.E. (EEE) (29)	01-12-1995	The Janakiram Mills Limited
6	N. Nagarajan	58	VP - HR	34.39	M.Com, MHRM, MBA, BGL (36)	19-10-2018	Sri Cheran Synthetics India (P) Ltd
7	M. Balachandar	55	CGM - QA - Fabrics	31.16	DTD Designing & Weaving (35)	14-11-2018	Raymond Luxury Cotton Limited
8	A. Balamurugan	52	Chief General Manager - Works	30.09	D.T.T., B. Com. (34)	12-09-1988	-
9	P. Ponrajan	49	AVP - Civil	27.07	B.E.(Civil) (26)	01-12-2006	Thiyagarajar Mills Limited
10	R.V. Muthuvenkatesan	54	AVP - Cotton	25.71	M.Com, MBA	25-01-2021	Sintex Industries Limited

NOTE: 1. All appointments are contractual.

2. Remuneration includes Salary, Company's contribution to Provident Fund and Superannuation Fund but does not include Provision for Gratuity and Leave Salary. However, leave salary will be included in the year in which actual payment has been made by the Company to the employees on surrendering of accumulated leave balances.

3. None of the employees mentioned above is related to any Director of the Company except Smt. R. Sudarsanam, Managing Director who is related to Shri P.R. Venketrama Raja, Chairman, Shri P.V. Abinav Ramasubramaniam Raja and Smt. P.V. Nirmala Raju, Directors.

On behalf of the Board of Directors,
For RAJAPALAYAM MILLS LIMITED,

RAJAPALAYAM,
25th May, 2022.

P.R. VENKETRAMA RAJA
CHAIRMAN



BUSINESS RESPONSIBILITY REPORT
Pursuant to Regulation 34(2) (f) of SEBI (LODR) Regulation, 2015

SECTION A: GENERAL INFORMATION ABOUT THE COMPANY

1	Corporate Identity Number (CIN) of the Company	L171111TN1936PLC002298																				
2	Name of the Company	RAJAPALAYAM MILLS LIMITED																				
3	Registered address	Rajapalayam Mills Premises, PAC Ramasamy Raja Salai, Rajapalaiyam - 626 117.																				
4	Website	www.rajapalayammills.co.in																				
5	E-mail id	rajacot@ramcotex.com																				
6	Financial Year reported	1 st April, 2021 to 31 st March, 2022																				
7	Sector(s) that the Company is engaged in (industrial activity code-wise)	<table border="1" style="width: 100%; border-collapse: collapse;"> <thead> <tr> <th colspan="4" style="text-align: center;">Codes as per NIC - 2008</th> </tr> <tr> <th style="width: 10%;">Group</th> <th style="width: 10%;">Class</th> <th style="width: 15%;">Sub class</th> <th style="width: 75%;">Description</th> </tr> </thead> <tbody> <tr> <td>131</td> <td>1311</td> <td>13111</td> <td>Preparation and spinning of cotton fiber including blended cotton</td> </tr> <tr> <td>131</td> <td>1312</td> <td>13121</td> <td>Weaving, manufacture of cotton and cotton mixture fabrics</td> </tr> <tr> <td></td> <td></td> <td>35106</td> <td>Electric power generation using other nonconventional sources</td> </tr> </tbody> </table>	Codes as per NIC - 2008				Group	Class	Sub class	Description	131	1311	13111	Preparation and spinning of cotton fiber including blended cotton	131	1312	13121	Weaving, manufacture of cotton and cotton mixture fabrics			35106	Electric power generation using other nonconventional sources
Codes as per NIC - 2008																						
Group	Class	Sub class	Description																			
131	1311	13111	Preparation and spinning of cotton fiber including blended cotton																			
131	1312	13121	Weaving, manufacture of cotton and cotton mixture fabrics																			
		35106	Electric power generation using other nonconventional sources																			
8	List three key products / services that the Company manufactures / provides (as in balance sheet)	Yarn, Fabrics, Power																				
9	Total number of locations where business activity is undertaken by the Company	(a) Number of International Locations : NIL (b) Number of National Locations: 5 Plant Locations 8 Wind farm Locations																				
10	Markets served by the Company	India, Japan, Italy, Germany, Portugal, South Korea, Hong Kong, Bangladesh, Thailand, Sri Lanka, Croaita, Taiwan.																				



SECTION B: FINANCIAL DETAILS OF THE COMPANY

1	Paid up Capital - ₹ in Lakhs	860.55
2	Total Revenue - ₹ in Lakhs	70,525.97
3	Total Comprehensive Income - ₹ in Lakhs	3,844.28
4	Total Spending on Corporate Social Responsibility (CSR) as percentage of Net profits (%)	In view of losses incurred by the Company during the year 2020-21, the average Net Profits of the Company made during the immediately preceding three financial years was negative and hence there is no obligation for the Company to spend on CSR Activities for the year 2021-22. However, the Company has spent an amount of ₹ 42.88 Lakhs on CSR.
5	List of activities in which expenditure in 4 above has been incurred	The Company has done CSR activities in various spheres, out of which the following are the top 7 areas: a. Promotion of Education; b. Eradication of Hunger; c. Promotion of health care including preventive healthcare; d. Environment Sustainability Projects; e. Restoration of buildings and works of Art; f. Rural Development Projects; g. Disaster Management - COVID Relief.

SECTION C: OTHER DETAILS

1	Does the Company have any Subsidiary Company / Companies?	No.
2	Do the Subsidiary Company / Companies participate in the BR Initiatives of the parent company? If yes, then indicate the number of such subsidiary company(s)	Not Applicable.
3	Do any other entity/entities (e.g. suppliers, distributors etc.) that the Company does business with, participate in the BR initiatives of the Company? If yes, then indicate the percentage of such entity/entities? [Less than 30%, 30% - 60%, More than 60%]	The Company involves its Business Associates in its Business Responsibility initiatives. However, their extent of participation in terms of percentage cannot be quantified.



SECTION D: BR INFORMATION

1. Details of Director / Directors responsible for BR

(a) Details of the Director / Director responsible for implementation of the BR policy / policies

1	DIN Number	00331406
2	Name	Shri P.R. Venketrama Raja
3	Designation	Chairman

(b) Details of the BR head

1	DIN Number	NA
2	Name	Shri N. Mohanarengan
3	Designation	President
4	Telephone Number	04563-235666
5	E-Mail ID	brr@ramcotex.com

2 (a). The National Voluntary Guidelines (NVGs) on Social, Environmental and Economic Responsibilities of Business released by the Ministry of Corporate Affairs has adopted nine areas of Business Responsibility. They are:

P1	Businesses should conduct and govern themselves with Ethics, Transparency and Accountability.
P2	Businesses should provide goods and services that are safe and contribute to sustainability throughout their life cycle.
P3	Businesses should promote the well-being of all employees.
P4	Businesses should respect the interests of and be responsive towards all stakeholders, especially those who are disadvantaged, vulnerable and marginalized.
P5	Businesses should respect and promote human rights.
P6	Businesses should respect, protect and make efforts to restore the environment.
P7	Businesses, when engaged in influencing public and regulatory policy, should do so in a responsible manner.
P8	Businesses should support inclusive growth and equitable development.
P9	Businesses should engage with and provide value to their customers and consumers in a responsible manner.



No.	Questions	P1	P2	P3	P4	P5	P6	P7	P8	P9
1	Do you have a policy / policies for BR Principles?	Y	Y	Y	Y	Y	Y	Y	Y	Y
2	Has the policy being formulated in consultation with the relevant stakeholders?	Y	Y	Y	Y	Y	Y	Y	Y	Y
3	Does the policy conform to any national / international standards? If yes, specify? (50 words)	The policies conform to the guidelines / standards of Companies Act, 2013 and other statutory acts, regulations, notifications, etc. The policies / standards are at par with generally accepted practices for the respective principles.								
4	Has the policy being approved by the Board? If yes, has it been signed by MD / owner / CEO/ appropriate Board Director?	Y	Y	Y	Y	Y	Y	Y	Y	Y
5	Does the company have a specified committee of the Board / Director / Official to oversee the implementation of the policy?	Y	Y	Y	Y	Y	Y	Y	Y	Y
6	Indicate the link for the policy to be viewed online?	http://www.rajapalayammills.co.in/investors/policies/								
7	Has the policy been formally communicated to all relevant internal and external stakeholders?	The Company's website contains the policies for information of all internal and external stakeholders. Further, relevant communication is provided to stakeholders through appropriate mediums, such as, Notice Boards, Company's Magazine, etc.								
8	Does the company have in-house structure to implement the policy / policies.	Y	Y	Y	Y	Y	Y	Y	Y	Y
9	Does the Company have a grievance redressal mechanism related to the policy/policies to address stakeholders' grievances related to the policy / policies?	Y	Y	Y	Y	Y	Y	Y	Y	Y
10	Has the company carried out independent audit/ evaluation of the working of this policy by an internal or external agency?	The Standards adopted by the Company are subject to routine monitoring / evaluation / review by their concerned external agencies on periodical basis. The implementation of the policies is subject to review by Internal Audit mechanisms.								



- (b) If answer to the question at serial number 1 against any principle, is 'No', please explain why:
(Tick up to 2 options)

No.	Questions	P1	P2	P3	P4	P5	P6	P7	P8	P9
1	The company has not understood the Principles	-	-	-	-	-	-	-	-	-
2	The company is not at a stage where it finds itself in a position to formulate and implement the policies on specified principles	-	-	-	-	-	-	-	-	-
3	The company does not have financial or manpower resources available for the task	-	-	-	-	-	-	-	-	-
4	It is planned to be done within next 6 months	-	-	-	-	-	-	-	-	-
5	It is planned to be done within the next 1 year	-	-	-	-	-	-	-	-	-
6	Any other reason (please specify)	-	-	-	-	-	-	-	-	-

3. Governance related to BR

- (a) Indicate the frequency with which the Board of Directors, Committee of the Board or CEO assess the Business Responsibility performance of the Company. Within 3 months, 3-6 months, Annually, More than 1 year.

The CSR Committee consisting of four Directors is responsible to assess the Business Responsibility performance of the Company and to oversee the implementation of the various policies. It is reviewed on annual basis or as and when the need arises. The CSR Committee at its meeting held on 25-05-2022 had reviewed and approved the Business Responsibility Report for the year 2021-22.

- (b) Does the Company publish a BR or a Sustainability Report? What is the hyperlink for viewing this report? How frequently it is published?

The Business Responsibility Report is published in the Annual Report on yearly basis and also placed on the Company's website at www.rajapalayammills.co.in

SECTION E: PRINCIPLE-WISE PERFORMANCE

Principle 1

1. Does the policy relating to ethics, bribery and corruption cover only the company? Yes / No. Does it extend to the Group / Joint Ventures / Suppliers / Contractors / NGOs / Others?



Yes. The Company's policies viz. Code of Conduct for Board of Directors and Senior Management Personnel and Whistle Blower Policy lay down the rules and procedures by which any stakeholder can report the actual or suspected improper activities of any kind, fraud and violation of company's code of conduct. The whistle blower policy extends to individuals who are in full time or part time employment with the company including those serving as consultants and contract / third party employees.

2. How many stakeholder complaints have been received in the past financial year and what percentage was satisfactorily resolved by the management? If so, provide details thereof, in about 50 words or so.

No complaint has been received during the year.

Principle 2

1. List up to 3 of your products or services whose design has incorporated social or environmental concerns, risks and / or opportunities.

Yarn and Fabrics are our key product. The Company is committed to attainment of environmental and economic benefits from efficient use of energy, water, raw material and waste reduction. The Company understands its obligations relating to social and environmental concerns, risks and opportunities. The Company ensures fulfilment of compliance obligations that relate to its products, environmental aspects and occupational health and safety. All the manufacturing locations are approved by Pollution Control Board and the Company is holding certificate on Best 5S Practices and Best TPM Practices in Spinning Industries. The Company's investment in non-conventional renewable energy source, viz. wind energy is emission free and pollution free generation of power.

2. For each such product, provide the following details in respect of resource use (energy, water, raw material etc.) per unit of product (optional):

- (a) Reduction during sourcing / production / distribution achieved since the previous year throughout the value chain?

The Company is committed to sustainable environment. The Company works towards reduction and optimal utilization of energy, water, raw material, etc. by incorporating new techniques and innovative ideas. Power consumption in Units per Kilogram on 40's converted compact ring yarn is 3.95 as against 4.16 during previous year. Other raw material consumption per unit depends on the product mix, there are no specific standards to ascertain reduction achieved at each product level.

- (b) Reduction during usage by consumers (energy, water) has been achieved since the previous year?

The Company has no information regarding reduction of energy, water, etc. that has been achieved by the consumers during usage of Company's products.



3. Does the Company have procedures in place for sustainable sourcing (including transportation)?

- (a) If yes, what percentage of your inputs was sourced sustainably? Also, provide details thereof, in about 50 words or so.

Yes. The Company endeavours to focus on protection of environment, stakeholders' interest and cost effectiveness while procuring any raw material or goods. Inputs are procured from manufacturers / producers who are well reputed keeping in mind the need for quality and consistency. Adequate steps are taken for safety during transportation and optimization of logistics, which, in turn, help to mitigate the impact on climate.

4. Has the Company taken any steps to procure goods and services from local & small producers, including communities surrounding their place of work?

- (a) If yes, what steps have been taken to improve their capacity and capability of local and small vendors?

The Company sources goods and services from the area surrounding its manufacturing locations to the extent possible, if quality of goods supplied by them suits our quality parameters. We also provide them proper feedback to improve their capacity and capability.

5. Does the Company have a mechanism to recycle products and waste? If yes what is the percentage of recycling of products and waste (separately as <5%, 5-10%, >10%). Also, provide details thereof, in about 50 words or so.

The Company has a mechanism to recycle products and waste. Combernoils are converted into yarn. The percentage of recycling of products and waste falls in the range of 24%. The Company has installed an Advanced Water Treatment Technology which takes care of the zero discharge effluent treatment and facilitates reuse of water up to 93%. The Company uses treated sewage water for top-up purpose.

Principle 3

1. Please indicate the Total number of employees. - 4,173
2. Please indicate the Total number of employees hired on temporary / contractual / casual basis. - NIL
3. Please indicate the Number of permanent women employees - 760
4. Please indicate the Number of permanent employees with disabilities - 1
5. Do you have an employee association that is recognized by management - Yes
6. What percentage of your permanent employees is members of this recognized employee association - 63%



7. Please indicate the Number of complaints relating to child labour, forced labour, involuntary labour, sexual harassment in the last financial year and pending, as on the end of the financial year.

No.	Category	No. of complaints filed during the financial year	No. of complaints pending as on end of the financial year
1	Child labour / forced labour / involuntary labour	NIL	NA
2	Sexual harassment	NIL	NA
3	Discriminatory employment	NIL	NA

8. What percentage of your under mentioned employees were given safety & skill up-gradation training in the last year?

(a)	Permanent Employees	100%
(b)	Permanent Women Employees	100%
(c)	Casual / Temporary / Contractual Employees	-
(d)	Employees with Disabilities	100%

The Company emphasises on Safety practises across the units. All new entrants have been imparted with Safety Induction Training programme covering all the Safety aspects. The main objective of Safety Department of the Company is to establish health and safety culture across the plant through awareness training and promotional activities. It is mandatory to undergo Safety Training for all the employees.

An important part of the Company's mission is to invest in people development and growth as the Company believes that only people development is the foundation for strong and qualitative growth of the organization. Hence skill up-gradation training are being provided to all the employees based on their individual / departmental needs.

Principle 4

1. Has the Company mapped its internal and external stakeholders? Yes / No

Yes.

2. Out of the above, has the company identified the disadvantaged, vulnerable & marginalized stakeholders.

The Company's manufacturing locations are located in rural areas and localities around such places have been identified as disadvantaged, vulnerable & marginalized stakeholders.

3. Are there any special initiatives taken by the company to engage with the disadvantaged, vulnerable and marginalized stakeholders. If so, provide details thereof, in about 50 words or so.

The Company's CSR programmes are mainly targeted in improving the socio, economic and infrastructure conditions of the localities around the manufacturing facilities. The Company also undertakes various measures to improve the quality of their life. The activities are mentioned in Annual Report on CSR Activities forming part of Directors' Report.



Principle 5

1. Does the policy of the company on human rights cover only the Company or extend to the Group / Joint Ventures / Suppliers / Contractors / NGOs / Others?

The Company's Code of Conduct and HR practices have been developed to respect and protect human rights. It extends only to the Company.

2. How many stakeholder complaints have been received in the past financial year and what percent was satisfactorily resolved by the management?

During the year under review, the Company did not receive any complaint in respect of violation of human rights.

Principle 6

1. Does the policy related to Principle 6 cover only the company or extends to the Group / Joint Ventures / Suppliers / Contractors / NGOs / others.

The Policy on environment covers only the Company.

2. Does the company have strategies / initiatives to address global environmental issues such as climate change, global warming, etc? Y/N. If yes, please give hyperlink for webpage etc.

Yes. The Company strives to have minimal carbon foot print and to reduce its impact with regard to climate change, global warming, etc. The Company's Safety, Health and Environment Policy gives utmost importance to the environmental impact of the practices it follows and the product it creates. 58% of power requirement is met through green energy (Windmills). The weblink for the same is:

<http://www.rajapalayammills.co.in/wp-content/themes/ramco/pdf/safety-health-and-environment-policy.pdf>

3. Does the Company identify and assess potential environmental risks? Y/N

Yes. The Company has a mechanism in place to identify and assess potential environmental risk. The Company's Risk Management Policy covers Environmental Risk and the process for managing it.

4. Does the Company have any project related to Clean Development Mechanism? If so, provide details thereof, in about 50 words or so. Also, if Yes, whether any environmental compliance report is filed?

The Company's wind farm project has been registered with United Nations Framework Convention on Climate Change under Clean Development Mechanism. The Company is eligible for Certified Emission Reductions (CERs). The main purpose of the project activity is to generate clean electricity from renewable energy source (wind).



-
5. Has the Company undertaken any other initiatives on - clean technology, energy efficiency, renewable energy, etc.Y/N. If yes, please give hyperlink for web page etc.

The Company pays attention at all levels to reduce energy consumption, by continuous monitoring, maintenances and improvements. Some of the steps taken for conservation of energy, include,

Speed Optimisation of Centrifugal fan in Carding Waste collection systems.

Speed Optimisation in Humidification plants.

Installation of Energy Efficient Air compressors.

6. Are the Emissions / Waste generated by the Company within the permissible limits given by CPCB / SPCB for the financial year being reported?

Yes, the emissions / waste generated by the Company are within the permissible limits prescribed by CPCB / SPCB.

7. Number of show cause / legal notices received from CPCB / SPCB which are pending (i.e. not resolved to satisfaction) as on end of Financial Year.

None.

Principle 7

1. Is your company a member of any trade and chamber or association? If Yes, Name only those major ones that your business deals with:

- a. Rajapalayam Chamber of Commerce,
- b. Southern India Mills Association,
- c. Tamilnadu Spinning Mill Association,
- d. Confederation of Indian Industry,
- e. The Cotton Textiles Export Promotion Council,
- f. Indian Wind Power Association,
- g. Federation of Indian Export Organisations,
- h. The Synthetic & Rayon Textiles Export Promotion Council.

2. Have you advocated / lobbied through above associations for the advancement or improvement of public good? Yes / No; if yes specify the broad areas (drop box: Governance and Administration, Economic Reforms, Inclusive Development Policies, Energy security, Water, Food Security, Sustainable Business Principles, Others)

The Company has advocated through the above organisations on economic reforms, export policies and other Textile Industry needs.



Principle 8

1. Does the Company have specified programmes / initiatives / projects in pursuit of the policy related to Principle 8? If yes details thereof.

Yes. The Company believes that as the Organisation grows, the society and the community around it should also grow. For this, the company undertakes various initiatives / projects in and around the places where its manufacturing facilities are located and the activities are mentioned in Annual Report on CSR Activities forming part of Directors' Report.

2. Are the programmes / projects undertaken through in-house team / own foundation / external NGO / government structures / any other organization?

The Company's CSR initiatives are implemented both by internal teams as well as through / co-ordination with external agencies, like Group Trusts, NGOs and other Organisations.

3. Have you done any impact assessment of your initiative?

The Company does the impact assessment of its CSR initiatives through qualitative feedbacks, received from beneficiaries of the activities undertaken. Based upon such reviews, the initiatives are structured.

4. What is your company's direct contribution to community development projects- Amount in INR and the details of the projects undertaken.

During the year ended 31st March 2022, the Company has spent ₹ 42.88 Lakhs towards Eradication of Hunger, Health, Education, Environmental sustainability, Rural Development, Disaster Management and other various community development projects, towards its CSR commitment. The details are available in Directors' Report. The Company had also spent a sum of ₹ 20.05 Lakhs on other social causes and projects, which do not qualify under the classifications listed out in Schedule VII of the Companies Act, 2013.

5. Have you taken steps to ensure that this community development initiative is successfully adopted by the community? Please explain in 50 words, or so.

The CSR initiatives are carried out on a need based approach. The Company adopts participatory approach with communities / beneficiaries. With regard to project development, Company participates in mutual beneficiary contribution. These strategies ensure that the relevant beneficiaries successfully adopt and maintain them.

Principle 9

1. What percentage of customer complaints / consumer cases are pending as on the end of financial year.

There were 8 customer complaints received during the year. 1 customer complaint was pending at the end of the year.



-
2. Does the Company display product information on the product label, over and above what is mandated as per local laws? Yes / No / N.A. / Remarks (additional information)

The Company displays information as mandated by the local laws on the product label. No other additional information is provided.

3. Is there any case filed by any stakeholder against the company regarding unfair trade practices, irresponsible advertising and / or anti-competitive behaviour during the last five years and pending as on end of financial year. If so, provide details thereof, in about 50 words or so.

None

4. Did your company carry out any consumer survey / consumer satisfaction trends?

Yes. The Company carries out consumer surveys / consumer satisfaction trends, through interaction with end users and the information is utilised to improve the business operations / services.



SEPARATE FINANCIAL STATEMENTS



AUDITORS' REPORT TO SHAREHOLDERS

INDEPENDENT AUDITORS' REPORT

To the Members of M/s. RAJAPALAYAM MILLS LIMITED

Report on the Audit of the Separate Financial Statements

Opinion

We have audited the Separate Financial Statements of **RAJAPALAYAM MILLS LIMITED** ("the Company"), which comprise the Separate balance sheet as at 31st March, 2022, and the Separate Statement of Profit and Loss, the Separate Statement of changes in Equity and the Separate Statement of cash flows for the year ended on that date, and notes to the separate financial statements, including a summary of significant accounting policies and other explanatory information (herein after referred to as "the Separate Financial Statements")

In our opinion and to the best of our information and according to the explanations given to us, the aforesaid separate financial statements give the information required by the Companies Act, 2013 ('the Act') in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India, of the state of affairs of the Company as at March 31, 2022, and the profit and total comprehensive income, changes in equity and its cash flows for the year ended on that date.

Basis for Opinion

We conducted our audit in accordance with the Standards on Auditing (SAs) specified under Section 143(10) of the Companies Act, 2013. Our responsibilities under those Standards are further described in the *Auditor's Responsibilities for the Audit of the Separate Financial Statements* section of our report. We are independent of the Company in accordance with the *Code of Ethics* issued by the Institute of Chartered Accountants of India together with the ethical requirements that are relevant to our audit of the separate financial statements under the provisions of the Companies Act, 2013 and the Rules there under, and we have fulfilled our other ethical responsibilities in accordance with these requirements and the Code of Ethics. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Emphasis of Matter

We draw attention to Note No. 56(b) to the separate financial statements, which describes the uncertainties and the impact of the COVID-19 pandemic on the company's operations and results as assessed by the management. The Management has assessed that there is no material impact on the financial statements due to lockdown and related restrictions imposed towards controlling the COVID-19 pandemic. Our opinion is not modified in respect of this matter.

AUDITORS' REPORT TO SHAREHOLDERS



Key Audit Matters

Key audit matters are those matters that, in our professional judgment, were of most significance in our audit of the separate financial statements of the current period. These matters were addressed in the context of our audit of the separate 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.

S.No.	Key Audit Matter	Auditor's Response
1	<p>Recognition and measurement of deferred taxes</p> <p>The recognition and measurement of deferred tax items requires determination of differences between the recognition and the measurement of assets, liabilities, income and expenses in accordance with the Income Tax Act and other applicable tax laws including application of ICDS and financial reporting in accordance with Ind AS.</p> <p>Assessment of Deferred Tax Assets is done by the management at the close of each financial year taking into account forecasts of future taxable results.</p> <p>We have considered the assessment of deferred tax liabilities and assets as a key matter due to the importance of management's estimation and judgment and the materiality of amounts.</p> <p>(Refer to Note No. 5D(iv), (v), (vi) & 7(iv) to the Separate Financial Statements)</p>	<p>Principal Audit Procedures</p> <p>The key matter was addressed by performing audit procedures which involved assessment of underlying process and evaluation of internal financial controls with respect to measurement of deferred tax and re-performance of calculations and assessment of the items leading to recognition of deferred tax in light of prevailing tax laws and applicable financial reporting standards.</p> <p>Furthermore we assessed the adequacy and appropriateness of the disclosures in the separate financial statements.</p>
2	<p>Evaluation of uncertain Tax Position/ Other contingent liabilities</p> <p>The Company has material uncertain tax position in respect of possible or actual taxation disputes, litigations and claims. The provisions are estimated using a significant degree of management judgment in interpreting the various relevant rules, regulations and practices and in considering precedents in various legal forums.</p> <p>(Refer to Note No. 46 the Separate Financial Statements)</p>	<p>Principal Audit Procedures</p> <p>The Audit addressed this Key Audit Matter by assessing the adequacy of tax Provisions by reviewing the management's underlying assumptions in estimating the tax provisions and the possible outcome of the disputes.</p> <p>We reviewed the significant litigations and claims and discussed with the Company's legal counsel, external advisors about their views regarding the likely outcome and magnitude of and exposure to relevant litigation and claims.</p>



AUDITORS' REPORT TO SHAREHOLDERS

S.No.	Key Audit Matter	Auditor's Response
		<p>We also reviewed to relevant judgments and the opinions given by the company's advisers, which were relied on by the management for such claims.</p> <p>Furthermore we assessed the adequacy and appropriateness of the disclosures in the separate financial statements.</p>
3	<p>Existence and impairment of Trade Receivables</p> <p>Trade Receivables are significant to the Company's financial statements. The Collectability of trade receivables is a key element of the company's working capital management, which is managed on an ongoing basis by its management. Due to the nature of the Business and the requirements of customers, various contract terms are in place, there is a risk that the carrying values may not reflective of their recoverable amounts as at the reporting date, which would require an impairment provision. Where there are indicators of impairment, the company undertakes assessment of the recoverability of the amounts. Given the magnitude and inherent uncertainty involved in the judgment, involved in estimating impairment assessment of trade receivables, we have identified this as a key audit matter.</p> <p>(Refer to Note no. 18 to the Separate Financial Statements)</p>	<p>Principal Audit Procedures</p> <p>We performed audit procedures on the assessment of trade receivables, which included substantive testing of revenue transactions, obtaining trade receivable external confirmations and testing the subsequent payments received. Assessing the impact of impairment on trade receivables requires judgment and we evaluated management's assumptions in determining the provision for impairment of trade receivables, by analyzing the ageing of receivables, assessing significant overdue individual trade receivables and specific local risks, combined with the legal documentations, where applicable.</p> <p>We also reviewed the system of obtaining periodical confirmation from the customers, which are kept in electronic mode by the company. We tested the timing of revenue and trade receivables recognition based on the terms agreed with the customers. We also reviewed, on a sample basis, terms of the contract with the customers, invoices raised, etc., as a part of our audit procedures.</p> <p>Furthermore we assessed the adequacy and appropriateness of the disclosures in the separate financial statements.</p>

AUDITORS' REPORT TO SHAREHOLDERS



Information Other than the Separate Financial Statements and Auditors' Report Thereon

The Company's Management and Board of Directors are responsible for the other information. The other information comprises the information included in the Company's annual report, Board's Report including Annexure to Board's Report, Business Responsibility Report, Corporate Governance and Report on CSR activities, and Shareholders information but does not include the separate financial statements and our auditor's report thereon.

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

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

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

Management's Responsibility for the Separate Financial Statements

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

In preparing the separate financial statements, Management and Board of Directors are responsible for assessing the Company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless management 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 Responsibilities for the Audit of the Separate Financial Statements

Our objectives are to obtain reasonable assurance about whether the separate financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but



AUDITORS' REPORT TO SHAREHOLDERS

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 separate financial statements.

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

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

Materiality is the magnitude of misstatements in the separate financial statements that, individually or in aggregate, makes it probable that the economic decisions of a reasonably knowledgeable user of the separate financial statements may be influenced. We consider quantitative materiality and qualitative factors in (i) planning the scope of our audit work and in evaluating the results of our work; and (ii) to evaluate the effect of any identified misstatements in the separate financial statements.

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

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.

AUDITORS' REPORT TO SHAREHOLDERS



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

Report on Other Legal and Regulatory Requirements

As required by the Companies (Auditor's Report) Order, 2020 ("the Order"), issued by the Central Government of India in terms of sub-section (11) of Section 143 of the Companies Act, 2013, we give in the **Annexure A**, a statement on the matters specified in paragraphs 3 and 4 of the Order, to the extent applicable.

As required by Section 143(3) of the Act, 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 Separate Balance Sheet, the Separate Statement of Profit and Loss including Other Comprehensive Income, the Separate Statement of changes in equity and the Separate statement of Cash Flow dealt with by this Report are in agreement with the books of account.
- (d) In our opinion, the aforesaid separate financial statements comply with the Indian Accounting Standards specified under Section 133 of the Act, read with Rule 7 of the Companies (Accounts) Rules, 2014.
- (e) On the basis of the written representations received from the directors as on 31st March, 2022 taken on record by the Board of Directors, none of the directors is disqualified as on 31st March, 2022 from being appointed as a director in terms of Section 164 (2) of the Act.
- (f) With respect to the adequacy of the internal financial controls over financial reporting of the Company and the operating effectiveness of such controls, refer to our Separate Report in "Annexure B". Our report expresses an unmodified opinion on the adequacy and operating effectiveness of the company's internal financial control 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, in our opinion and to the best of our information and according to the explanations given to us:



AUDITORS' REPORT TO SHAREHOLDERS

- i. The Company has disclosed the details of the pending litigations and its impact on the financial position in its separate financial statements have been disclosed in Note No. 46 of the Disclosures forming part of the Separate Financial Statements for the year ended 31st March, 2022;
- ii. The Company did not have any long-term contracts including derivative contracts for which there were any material foreseeable losses.
- iii. There has been no delay in transferring amounts, required to be transferred, to the Investor Education and Protection Fund by the Company.
- iv. (a) The Management has represented that, to the best of its knowledge and belief, no funds have been advanced or loaned or invested (either from borrowed funds or share premium or any other sources or kind of funds) by the Company to or in any other persons or entities, including foreign entities ("Intermediaries"), with the understanding, whether recorded in writing or otherwise, that the Intermediary shall, directly or indirectly lend or invest in other persons or entities identified in any manner whatsoever ("Ultimate Beneficiaries") by or on behalf of the Company or provide any guarantee, security or the like on behalf of the Ultimate Beneficiaries.
(b) The Management has represented that, to the best of its knowledge and belief, no funds have been received by the Company from any persons or entities, including foreign entities ("Funding Parties"), with the understanding, whether recorded in writing or otherwise, that the Company shall directly or indirectly, lend or invest in other persons or entities identified in any manner whatsoever ("Ultimate Beneficiaries") by or on behalf of the Funding Parties or provide any guarantee, security or the like on behalf of the Ultimate Beneficiaries.
(c) Based on the audit procedures performed that have been considered reasonable and appropriate in the circumstances, nothing has come to our notice that has caused us to believe that the representations under sub-clause (i) and (ii) of Rule 11(e) of Companies (Audit and Auditors) Rules, 2014, as provide under (a) and (b) above, contain any material mis-statement.
- v. The dividend proposed in the previous year, declared and paid by the Company during the year is in accordance with Section 123 of the Act.

For N.A. JAYARAMAN & CO
Chartered Accountants
Firm Registration No. 001310S

For SRSV & ASSOCIATES,
Chartered Accountants
Firm Registration No. 015041S

R. PALANIAPPAN
Partner
Membership No. 205112
UDIN: 22205112AJNWRB8658
Rajapalayam,
25th May, 2022.

R. SUBBURAMAN
Partner
Membership No. 020562
UDIN: 22020562AJNXHR6418



"ANNEXURE A" TO THE INDEPENDENT AUDITORS' REPORT

With reference to the Annexure A referred to in the Independent Auditor's Report to the members of company on the Separate financial statements for the year ended 31st March, 2022, we report the following:

- (i) (a) A. The Company has maintained proper records showing full particulars, including quantitative details and situation of Property, Plant and Equipment.
B. The Company has maintained proper records showing full particulars of intangible assets.
- (b) As explained to us, all the Property, Plant and Equipment have been physically verified by the management in a phased periodical manner, which in our opinion is reasonable, having regard to the size of the Company and nature of its assets. According to the information and explanations given to us, no material discrepancies were noticed on such physical verification.
- (c) According to the information and explanation given to us and on the basis of the verification of the records of the company the title deeds of immovable properties of the Company are held in the name of the Company.
In respect of immovable properties taken on lease and disclosed as right of use assets in the Separate financial statements, the lease agreements are in the name of company.
- (d) According to the information and explanations given to us and on the basis of our examination of the records of the Company, the Company has not revalued its property, plant and equipment (including right of use assets) or intangible assets or both during the year.
- (e) According to the information and explanations given to us and on the basis of our examination of the records of the Company, there are no proceedings initiated or pending against the Company for holding any Benami property under the Prohibition of Benami Property Transactions Act, 1988 and rules made there under.
- (ii) (a) The management has conducted the physical verification of inventory at reasonable intervals.
- (b) The discrepancies noticed on verification between the physical stocks and the books records were properly dealt with in the books of accounts and were not material.
- (c) The Company has been sanctioned working capital limits in excess of five crore rupees from bankers on the basis of security of current assets and the quarterly statements filed with such banks are in agreement with the books of account of company.



AUDITORS' REPORT TO SHAREHOLDERS

- (iii) (a) The Company has made investments in / provided guarantee / granted loans / advances in the nature of loans during the year details of which are given below: (₹ in Lakhs)

Particulars	Investments	Guarantees	Loans
Aggregate amount granted during the year			
(i) Associates	NIL	NIL	NIL
(ii) Other Companies	NIL	NIL	700.00
(iii) Others	NIL	NIL	6.25
Balance outstanding as at Balance Sheet date			
(i) Associates	7,042.57	NIL	NIL
(ii) Other Companies	2,661.42	5,500.00	1,650.00
(iii) Others	NIL	NIL	20.68

- (b) According to the information and explanations given to us and based on the audit procedures conducted by us, in our opinion, the investments made, guarantees provided, security given and the terms and conditions of the grant of all loans and advances in nature of loans and guarantees provided, prima facie, not prejudicial to the interest of the company.
- (c) According to the information and explanations given to us and based on the audit procedures conducted by us, in our opinion, in respect of loans and advances in the nature of loans, where the schedule of repayment of principal and payment of interest has been stipulated, the repayments or receipts are regular.
- (d) According to information and explanations given to us and based on the audit procedures performed, in respect of loans granted and advances in the nature of loans provided by the Company, there is no overdue amount remaining outstanding as at the Balance Sheet date.
- (e) No loan or advance in the nature of loan granted by the Company which has fallen due during the year, has been renewed or extended or fresh loan granted to settle the overdues of existing loans given to the same parties.
- (f) According to the information and explanations given to us and based on the audit procedures conducted by us, the Company has not granted loans repayable on demand without specifying any terms or period of repayment.
- (iv) According to information and explanations give to us, the company has complied with the provisions of Section 185 and 186 of the Act in relation to loans, guarantees provided and investments made.
- (v) In our opinion and according to the information and explanations given to us, the Company has not accepted any deposits or amounts which are deemed to be deposits during the year. Accordingly, reporting under this Clause 3 (v) of the Order does not arise.
- (vi) The Central Government, under Section 148 (1) of the Companies Act, 2013 has specified maintenance of cost records and such accounts and records have been so made and maintained by the Company.

AUDITORS' REPORT TO SHAREHOLDERS



- (vii) (a) According to the records of the Company and information and explanations given to us, the company is regular in depositing undisputed statutory dues including provident fund, employees' state insurance, income-tax, duty of customs, duty of excise, goods and services tax, cess and any other statutory dues with the appropriate authorities. No undisputed amounts payable in respect of the above were in arrear as at 31st March, 2022 for a period of more than six months from the date they become payable.
- (b) As at 31st March, 2022, according to the records of the Company, the following are the particulars of the disputed dues on account of sales tax, income tax, customs duty, wealth tax, service tax and cess, which have not been deposited on account of dispute:

(₹ in Lakhs)

Sl. No.	Name of the Statute	Forum where dispute is pending	Period to which it relates	31-03-2022	31-03-2021
1	Income Tax Act	Commissioner of Income Tax (Appeals)	FY 2017-18	82.49	82.49

- (viii) According to the Information and explanations given to us and on the basis of our examination of the records of the Company, the Company has not surrendered or disclosed any transactions, previously unrecorded as income in the books of account, in the tax assessments under Income tax Act, 1961 as income during the year.
- (ix) (a) Based on our audit procedures and according to the information and explanations given to us by the management, we are of the opinion that the company has not defaulted in repayment of loans or borrowings or in the payment of interest thereon to any lender.
- (b) According to the information and explanations given to us and on the basis of our examination of the records of the Company, the Company is not a declared wilful defaulter by any bank or financial institution or other lender.
- (c) In our opinion and according to the information and explanations given to us by the management, term loans were applied for the purpose for which the loans were obtained.
- (d) According to the information and explanations given to us, and on an overall examination of the balance sheet of the Company, we report that funds raised on short term basis have not been used for long term purposes.
- (e) According to the information and explanations given to us and on an overall examination of the separate financial statements of the Company, we report that the Company has not taken any funds from any entity or person on account of or to meet the obligations of its associate companies as defined in the Act.
- (f) According to the information and explanations given to us and the procedures performed by us, we report that the Company has not raised loans during the year on the pledge of securities held in its associate companies as defined under the Act.



AUDITORS' REPORT TO SHAREHOLDERS

- (x) (a) According to the information and explanations given to us, and on the basis of our examination of the records of the Company, the Company has raised moneys by way of Rights Issue during the year and were applied for the purposes for which those are raised.
- (b) In our opinion and according to the information and explanations given to us, and on the basis of our examination of the records of the Company, the Company has not raised funds by way of preferential allotment or private placement of shares during the year.
- (xi) (a) Based on examination of the books and records of the Company and according to the information and explanations given to us, considering the principles of materially outlined in the Standards on Auditing, we report that no fraud by the Company or on the Company has been noticed or reported during the course of the audit.
- (b) According to the information and explanations given to us, no report under sub-section (12) of Section 143 of the Act has been filed by the auditors in Form ADT-4 as prescribed under Rule 13 of Companies (Audit and Auditors) Rules, 2014 with the Central Government.
- (c) No whistle blower complaints received by the Company during the year. Accordingly, Clause 3 (xi) (c) of the Order is not applicable to the Company.
- (xii) According to the information and explanations given to us, the Company is not a Nidhi Company. Accordingly, Clause 3 (xii) of the Order is not applicable to the Company.
- (xiii) In our opinion and according to the information and explanation given to us, all transactions with the related parties are in compliance with sections 177 and 188 of Companies Act, 2013 where applicable and the details have been disclosed in the Separate Financial Statements, as required by the applicable Indian accounting standards.
- (xiv) (a) Based on information and explanations given to us and our audit procedures, in our opinion, the Company has an internal audit system commensurate with the size and nature of its business.
- (b) We have considered the internal audit reports of the Company till date for the period under audit.
- (xv) In our opinion and according to the information and explanations given to us, the Company has not entered into any non - cash transactions with directors or persons connected to its Directors. Accordingly, provisions of Section 192 of the Act are not applicable to the Company.
- (xvi) (a) In our opinion and according to the information and explanations given to us, the Company is not required to be registered under Section 45-IA of the Reserve Bank of India Act, 1934. Accordingly, the provision of Clause 3 (xvi)(b) of the Order is not applicable to the Company
- (b) The Company is not Core Investment Company (CIC) as defined in the regulations made by the Reserve Bank of India.

AUDITORS' REPORT TO SHAREHOLDERS



- (c) According to the information and explanations provided to us during the course of our audit, the Group does not have any CICs.
- (xvii) The Company has not incurred cash losses in the current year and in the immediately preceding financial year.
- (xviii) There has been no resignation of the Statutory Auditors during the year.
- (xix) According to the information and explanations given to us and on the basis of the financial ratios (also refer to Note No. 55(h) to the Separate Financial Statements), ageing and expected dates of realization of financial assets and payment of financial liabilities, other information accompanying the separate financial statements, our knowledge of the Board of Directors and management plans and based on our examination of the evidence supporting the assumptions, nothing has come to our attention, which causes us to believe that any material uncertainty exists as on the date of the audit report, that the Company is not capable of meeting its liabilities existing at the date of balance sheet as and when they fall due within a period of one year from the balance sheet date. We further state that our reporting is based on the facts up to the date of the audit report and we neither give any guarantee nor any assurance that all liabilities falling due within a period of one year from the date of the balance sheet, will get discharged by the Company as and when they fall due.
- (xx) In our opinion and according to the information and explanations given to us, there is no unspent amount under sub-section (5) of Section 135 of the Act pursuant to any project under CSR. Accordingly clauses 3(xx)(a) and 3 (xx)(b) of the Order are not applicable.
- (xxi) The reporting under Clause 3(xxi) of the Order is not applicable in respect of audit of Separate Financial Statements. Accordingly, no comment in respect of the said clause has been included in this report.

For N.A. JAYARAMAN & CO
Chartered Accountants
Firm Registration No. 001310S

For SRSV & ASSOCIATES,
Chartered Accountants
Firm Registration No. 015041S

R. PALANIAPPAN
Partner
Membership No. 205112
UDIN: 22205112AJNWRB8658

R. SUBBURAMAN
Partner
Membership No. 020562
UDIN: 22020562AJNXHR6418

Rajapalayam,
25th May, 2022.



AUDITORS' REPORT TO SHAREHOLDERS

"Annexure B" to the Independent Auditors' Report of even date on the Separate Financial Statements prepared in accordance with Indian Accounting Standards of Rajapalayam Mills Limited

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

We have audited the internal financial controls over financial reporting of **M/s. RAJAPALAYAM MILLS LIMITED** ("the Company") as of March 31, 2022 in conjunction with our audit of the separate 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 (ICAI). These responsibilities include the design, implementation and maintenance of adequate internal financial controls that were operating effectively for ensuring the orderly and efficient conduct of its business, including adherence to company's policies, the safeguarding of its assets, the prevention and detection of frauds and errors, the accuracy and completeness of the accounting records, and the timely preparation of reliable financial information, as required under the Companies Act, 2013.

Auditors' Responsibility

Our responsibility is to express an opinion on the Company's internal financial controls over financial reporting based on our audit. We conducted our audit in accordance with the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting (the "Guidance Note") and the Standards on Auditing, issued by ICAI and deemed to be prescribed under Section 143(10) of the Companies Act, 2013, to the extent applicable to an audit of internal financial controls, both applicable to an audit of Internal Financial Controls and, both issued by the Institute of Chartered Accountants of India. Those Standards and the Guidance Note require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether adequate internal financial controls 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 judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error.

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

AUDITORS' REPORT TO SHAREHOLDERS



Meaning of Internal Financial Controls Over Financial Reporting

A company's internal financial control over financial reporting is a process designed to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles. A company's internal financial control over financial reporting includes those policies and procedures that (1) pertain to the maintenance of records that, in reasonable detail, accurately and fairly reflect the transactions and dispositions of the assets of the company; (2) provide reasonable assurance that transactions are recorded as necessary to permit preparation of financial statements in accordance with generally accepted accounting principles, and that receipts and expenditures of the company are being made only in accordance with authorizations of management and directors of the company; and (3) provide reasonable assurance regarding prevention or timely detection of unauthorized acquisition, use, or disposition of the company's assets that could have a material effect on the financial statements.

Inherent Limitations of Internal Financial Controls Over Financial Reporting

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

Opinion

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

For N.A. JAYARAMAN & CO
Chartered Accountants
Firm Registration No. 001310S

For SRSV & ASSOCIATES,
Chartered Accountants
Firm Registration No. 015041S

R. PALANIAPPAN
Partner
Membership No. 205112
UDIN: 22205112AJNWRB8658
Rajapalayam,
25th May, 2022.

R. SUBBURAMAN
Partner
Membership No. 020562
UDIN: 22020562AJNXHR6418



BALANCE SHEET AS AT 31ST MARCH 2022

(₹ in Lakhs)

	Note No.	As at 31-03-2022		As at 31-03-2021
I ASSETS				
(1) Non-Current Assets				
(a) Property, Plant and Equipment	8	65,329.18		55,775.36
(b) Capital Work-in-progress	9	3,707.86		1,013.69
(c) Investment Property	10	88.75		144.48
(d) Intangible Assets	11	620.27		291.78
(e) Financial Assets				
<i>Investment in Associates</i>	12	7,042.57		7,107.27
<i>Other Investment</i>	13	2,661.42		2,640.49
<i>Loans</i>	14	1,650.00		950.00
<i>Other Financial Assets</i>	15	773.28		937.08
(f) Other Non-Current Assets	16	<u>2,415.45</u>	84,288.78	<u>1,085.37</u>
(2) Current Assets				
(a) Inventories	17	24,909.33		12,986.74
(b) Financial Assets				
<i>Trade Receivables</i>	18	10,335.98		7,681.04
<i>Cash and Cash Equivalents</i>	19	147.99		48.15
<i>Bank Balance other than Cash and Cash Equivalents</i>	20	513.44		517.87
<i>Other Financial Assets</i>	21	723.85		1,627.16
(c) Current Tax Asset	22	240.25		124.47
(d) Other Current Assets	23	<u>3,901.13</u>	<u>40,771.97</u>	<u>2,353.13</u>
TOTAL ASSETS		<u>1,25,060.75</u>		<u>95,284.08</u>
II EQUITY & LIABILITIES				
(1) Equity				
(a) Equity Share Capital	24	860.55		737.62
(b) Other Equity	25	<u>37,027.15</u>		<u>26,403.03</u>
Total Equity			37,887.70	27,140.65
(2) Liabilities				
A) Non Current Liabilities				
(a) Financial Liabilities				
<i>(i) Borrowings</i>	26	31,162.79		30,182.87
<i>(ii) Lease Liabilities</i>	27	499.39		-
(b) Deferred Tax Liabilities (Net)	28	<u>4,423.21</u>	36,085.39	<u>600.77</u>
B) Current Liabilities				
(a) Financial Liabilities				
<i>(i) Borrowings</i>	29	43,025.97		31,663.08
<i>(ii) Lease Liabilities</i>	30	3.40		-
<i>(iii) Trade Payables</i>	31			
<i>(a) Total outstanding dues of micro enterprises and small enterprises</i>		261.25		224.49
<i>(b) Total outstanding dues of creditors other than micro enterprises and small enterprises</i>		1,552.41		1,231.35
<i>(iv) Other Financial Liabilities</i>	32	3,836.27		2,732.41
(b) Provisions	33	<u>2,408.36</u>	<u>51,087.66</u>	<u>1,508.46</u>
TOTAL EQUITY AND LIABILITIES		<u>1,25,060.75</u>		<u>95,284.08</u>
Significant Accounting Policies, Judgements and Estimates	1-7			
See accompanying notes to the financial statements	8-58			

As per our report annexed

For N.A. JAYARAMAN & CO.
Chartered Accountants
Firm Registration No. 001310S

For SRSV & ASSOCIATES
Chartered Accountants
Firm Registration No. 015041S

Shri P.R. VENKETRAMA RAJA
Chairman

Smt. R. SUDARSANAM
Managing Director

R. PALANIAPPAN
Partner
Membership No. 205112

R. SUBBURAMAN
Partner
Membership No. 020562

B. GNANAGURUSAMY
Chief Financial Officer

A. ARULPRANAVAM
Secretary

RAJAPALAYAM
25th May, 2022

STATEMENT OF PROFIT AND LOSS FOR THE YEAR ENDED 31ST MARCH 2022



(₹ in Lakhs)

	Note No.	For the year ended 31-03-2022	For the year ended 31-03-2021
INCOME			
I	34	68,965.47	41,184.44
II	35	266.71	290.97
III	36	1,293.79	1,436.78
IV		<u>70,525.97</u>	<u>42,912.19</u>
V EXPENSES			
	37	36,101.32	19,158.32
	38	2,478.83	684.12
	39	(4,186.54)	3,357.18
	40	8,429.77	5,724.01
	41	4,295.82	4,448.33
	42	5,048.43	4,759.90
	43	13,279.55	8,336.02
		<u>65,447.18</u>	<u>46,467.88</u>
VI		5,078.79	(3,555.69)
VI Profit Before Exceptional items and Tax (IV - V)			
VII Exceptional Items [Refer to Note No. 56(a)]			
		3,382.19	-
		(795.42)	(276.15)
		<u>2,586.77</u>	<u>(276.15)</u>
VIII		7,665.56	(3,831.84)
VIII Profit Before Tax (VI - VII)			
IX Tax Expenses / (Savings)			
	28	15.20	-
		3,273.11	-
		549.33	(1,168.48)
		<u>3,837.64</u>	<u>(1,168.48)</u>
X		3,827.92	(2,663.36)
X Profit for the year (VIII + IX)			
XI Other Comprehensive Income			
<i>Item that will not be reclassified to Profit or Loss:</i>			
		(4.57)	38.87
		20.93	33.82
		-	-
		-	-
		<u>16.36</u>	<u>72.69</u>
XI Other Comprehensive Income / (Loss) for the year, net of tax			
XII		3,844.28	(2,590.67)
XII Total Comprehensive Income for the year, net of tax (X + XI)			
XI Earnings per Equity Share of face value of ₹ 10/- each			
		44	(36)
	1-7		
	8-58		

As per our report annexed

For N.A. JAYARAMAN & CO.
Chartered Accountants
Firm Registration No. 001310S

R. PALANIAPPAN
Partner
Membership No. 205112

RAJAPALAYAM
25th May, 2022

For SRSV & ASSOCIATES
Chartered Accountants
Firm Registration No. 015041S

R. SUBBURAMAN
Partner
Membership No. 020562

Shri P.R. VENKETRAMA RAJA
Chairman

B. GNANAGURUSAMY
Chief Financial Officer

Smt. R. SUDARSANAM
Managing Director

A. ARULPRANAVAM
Secretary



STATEMENT OF CHANGES IN EQUITY FOR THE YEAR ENDED 31ST MARCH 2022

A. Equity Share Capital [Refer to Note No. 24]		(₹ in Lakhs)
(1) For the year ended 31-03-2022		
Balance as at 01-04-2021		737.62
Add: Shares allotted pursuant to Rights Issue		122.93
Balance as at 31-03-2022		860.55
(2) For the year ended 31-03-2021		
Balance as at 01-04-2020		737.62
Changes in Equity Share Capital during the year 2020-21		-
Balance as at 31-03-2021		737.62

B. Other Equity [Refer to Note No. 25]

(1) For the year ended 31-03-2022

Particulars	Reserves and Surplus				Items of OCI		Total Other Equity
	Capital Reserve	Security Premium	General Reserve	Retained Earnings	FVTOCI Equity Instruments	Re-measurements of Defined Benefit Obligations	
Other Equity as at 01-04-2021	3.75	1,490.48	24,368.21	501.75	38.84	-	26,403.03
Financial year 2021-22							
Add: Profit for the year	-	-	-	3,827.92	-	-	3,827.92
Add: Other Comprehensive Income	-	-	-	-	20.93	(4.57)	16.36
Total Comprehensive Income	-	-	-	3,827.92	20.93	(4.57)	3,844.28
Add: Rights Issue Allotment during the year	-	6,872.13	-	-	-	-	6,872.13
Less: Rights Issue Expenses	-	(49.26)	-	-	-	-	(49.26)
Less: Dividend Distribution to Shareholders	-	-	-	(43.03)	-	-	(43.03)
Less: Transfer to Retained Earnings	-	-	-	-	-	4.57	4.57
Add: Transfer from OCI	-	-	-	(4.57)	-	-	(4.57)
Less: Transfer to General Reserve	-	-	-	(631.79)	-	-	(631.79)
Add: Transfer from Retained Earnings	-	-	631.79	-	-	-	631.79
Balance as at 31st March, 2022	3.75	8,313.35	25,000.00	3,650.28	59.77	-	37,027.15

(2) For the year ended 31-03-2021

Particulars	Reserves and Surplus				Items of OCI		Total Other Equity
	Capital Reserve	Security Premium	General Reserve	Retained Earnings	FVTOCI Equity Instruments	Re-measurements of Defined Benefit Obligations	
Other Equity as at 01-04-2020	3.75	1,490.48	24,368.21	3,200.00	5.02	-	29,067.46
Financial year 2020-21							
Add: Profit for the year	-	-	-	(2,663.36)	-	-	(2,663.36)
Add: Other Comprehensive Income	-	-	-	-	33.82	38.87	72.69
Total Comprehensive Income	-	-	-	(2,663.36)	33.82	38.87	(2,590.67)
Less: Dividend Distribution to Shareholders	-	-	-	(73.76)	-	-	(73.76)
Less: Transfer to Retained Earnings	-	-	-	-	-	(38.87)	(38.87)
Add: Transfer from OCI	-	-	-	38.87	-	-	38.87
Less: Transfer to General Reserve	-	-	-	-	-	-	-
Add: Transfer from Retained Earnings	-	-	-	-	-	-	-
Balance as at 31st March, 2021	3.75	1,490.48	24,368.21	501.75	38.84	-	26,403.03

As per our report annexed

For N.A. JAYARAMAN & CO.
Chartered Accountants
Firm Registration No. 001310S

For SRSV & ASSOCIATES
Chartered Accountants
Firm Registration No. 015041S

Shri P.R. VENKETRAMA RAJA
Chairman

Smt. R. SUDARSANAM
Managing Director

R. PALANIAPPAN
Partner
Membership No. 205112

R. SUBBURAMAN
Partner
Membership No. 020562

B. GNANAGURUSAMY
Chief Financial Officer

A. ARULPRANAVAM
Secretary

RAJAPALAYAM
25th May, 2022

STATEMENT OF CASH FLOWS FOR THE YEAR ENDED 31ST MARCH 2022



	(₹ in Lakhs)	
	31-03-2022	31-03-2021
A. Cash Flow from Operating Activities		
Profit / (Loss) before Exceptional items and Tax	5,078.79	(3,555.69)
Adjustments to reconcile profit before tax to net cash flows:		
Depreciation & Amortisation	5,048.43	4,759.90
Finance Costs	4,295.82	4,448.33
Interest Income	(266.71)	(290.97)
Dividend Income	(225.02)	(1,300.99)
Rent Receipts from Investment Properties	(0.68)	(0.68)
Impairment allowance for Trade Receivables	36.05	–
Fair Value movement and Financial Guarantee obligation	266.25	214.17
Operating Profit before Working capital Changes	<u>14,232.93</u>	<u>4,274.07</u>
Movements in Working Capital		
Trade Receivables	(2,690.99)	(2,618.36)
Loans and Advances	(232.92)	(217.22)
Unutilised Tax Credit - Indirect Tax	(1,298.01)	(57.70)
Inventories	(11,922.59)	1,697.50
Trade Payables & Current Liabilities	2,519.12	435.42
Cash generated from Operations	<u>607.54</u>	<u>3,513.71</u>
Direct Taxes Paid (Net)	(255.89)	(122.86)
Net Cash generated from Operating Activities	A	3,390.85
B. Cash Flow from Investing Activities		
Purchase of Property, Plant and Equipment, Intangible Asset & Investment property (Including Capital work-in-progress, Capital Advance and payable for Capital Goods)	(18,867.90)	(4,251.64)
Inter-Corporate Loans (Given)	(700.00)	–
Proceeds from Sales of Equity Shares of Associates	3,446.89	–
Proceeds from Sale of Investment in Equity Shares - Others	–	0.77
Proceeds from Sale of Assets	446.10	169.87
Interest Received	266.71	290.97
Dividend Received	225.02	1,300.99
Rent Receipts from Investment Properties	0.68	0.68
Net Cash used in Investing Activities	B	(2,488.36)



STATEMENT OF CASH FLOWS FOR THE YEAR ENDED 31ST MARCH 2022

(₹ in Lakhs)

31-03-2022 31-03-2021

C. Cash Flow from Financing Activities

Proceeds from Right Issue, net of issue expenses		6,945.80	–
Proceeds from Long Term Borrowings		11,004.17	6,611.29
Proceeds from Loan - Related Parties		130.89	537.04
Repayment of Long Term Borrowings		(7,922.66)	(7,218.00)
Availment of Short Term Borrowings (Net)		9,117.35	3,615.81
Payment of Principal portion of Lease Liabilities		(10.44)	–
Payment of Dividend including TDS on Dividend		(43.03)	(73.76)
Interest Paid		(4,295.82)	(4,448.33)
Net cash Generated from Financing Activities	C	14,926.26	(975.95)
Net Increase / (Decrease) in Cash and Cash Equivalent	D = (A+B+C)	95.41	(73.46)
Opening balance of Cash and Cash Equivalents	E	566.02	639.48
Closing balance of Cash and Cash Equivalents	D + E	661.43	566.02

Notes:

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

Particulars	31-03-2022	31-03-2021
Cash and Cash Equivalents [Refer to Note No.19]	147.99	48.15
Bank Balances other than Cash and Cash Equivalents [Refer to Note No. 20]	513.44	517.87
	661.43	566.02

See accompanying notes to the financial statements [Refer to Note No. 8 to 58]

As per our report annexed

For N.A. JAYARAMAN & CO.
Chartered Accountants
Firm Registration No. 001310S

R. PALANIAPPAN
Partner
Membership No. 205112

RAJAPALAYAM
25th May, 2022

For SRSV & ASSOCIATES
Chartered Accountants
Firm Registration No. 015041S

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B. GNANAGURUSAMY
Chief Financial Officer

Smt. R. SUDARSANAM
Managing Director

A. ARULPRANAVAM
Secretary



1. Corporate Information

Rajapalayam Mills Limited is a Public Limited Company domiciled and headquartered in India and incorporated under the provisions of the Companies Act, 1913. The Registered office of the Company is located at Rajapalayam Mills Premises, P.A.C.Ramasamy Raja Salai, Rajapalayam - 626 117, Tamil Nadu. The Company's shares are listed in BSE Limited.

The Company is principally engaged in manufacture of cotton yarn and fabrics. The Company is also engaged in generation of electricity from its windmills for its captive requirements.

The financial statements of the Company for the year ended 31-03-2022 were approved and adopted by Board of Directors of the Company in their meeting dated 25-05-2022.

2. Statement of Ind AS Compliance

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

3. Basis of Preparation of Separate Financial Statements

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



NOTES TO SEPARATE FINANCIAL STATEMENTS

4. Basis of Measurement

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

5. Significant Accounting Policies

A. Inventories

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

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

B. Statement of Cash Flows

- (i) Cash flows are presented using indirect method, whereby profit / (loss) before exceptional item and tax is adjusted for the effects of transactions of non-cash nature and any deferrals or accruals of past or future cash receipts or payments.
- (ii) Cash comprises cash on hand and demand deposits with banks. Cash equivalents are short-term balances with original maturity of less than 3 months, highly liquid investments that are readily convertible into cash, which are subject to insignificant risk of changes in value.
- (iii) Bank borrowings, including Bank overdrafts and Cash Credits are generally considered to be financing activities.

**C. Dividend distribution to Equity Shareholders**

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

D. Income Taxes

- (i) The Company has an irrevocable option of shifting to a lower tax rate (new tax regime) and simultaneously forgo certain tax incentives, deductions and accumulated MAT credit as per Section 115BAA in the Income Tax Act, 1961. In view of the overall tax benefits available under Section 115BAA, the Company, at the time of filing the Income Tax Return during February, 2022 for the Assessment Year 2021-22 (Financial Year 2020-21), has opted for shifting to lower tax regime.
- (ii) Current tax is the amount of tax payable on the taxable income for the year as determined in accordance with the applicable tax rates, the provisions of the Income Tax Act, 1961 and other applicable tax laws including the relevant transfer pricing regulations prescribed thereunder, read with applicable judicial precedents or interpretations, wherever relevant.
- (iii) Current tax assets and liabilities are offset, when the Company has legally enforceable right to set off the recognised amounts and intends to settle the asset and the liability on a net basis.
- (iv) Deferred tax is recognised using the balance sheet approach on temporary differences between the tax bases of assets and liabilities and their carrying amounts for financial reporting at the reporting date. The Company has restated the net deferred tax liability as at 01-04-2021 in accordance with the reduced tax rates, in view of adoption of new tax regime.
- (v) Deferred tax assets and liabilities are measured at the tax rates that are expected to apply in the year where the asset is realised or the liability is settled, based on tax rates (and tax laws) that have been enacted or substantively enacted at the reporting date.
- (vi) Deferred tax assets and liabilities are offset if such items relate to taxes on income levied by same governing tax laws and the Company has legally enforceable right to set off current tax assets against current tax liabilities.
- (vii) Both current tax and deferred tax relating to items recognised outside the Profit or Loss is recognised either in "Other Comprehensive Income" or directly in "Equity" as the case may be.



NOTES TO SEPARATE FINANCIAL STATEMENTS

E. Property, Plant and Equipments (PPE)

- (i) PPEs are stated at cost of acquisition or construction less accumulated depreciation and impairment losses if any, except freehold land which is carried at cost. The cost comprises of purchase price, import duties, non-refundable purchase taxes (net of tax credits wherever applicable), borrowing cost if capitalisation criteria are met and directly attributable cost of bringing the asset to its working condition for the intended use. The directly attributable costs include cost of testing whether the asset is functioning properly, after deducting the net proceeds from selling any items produced while bringing the asset to that location and condition.
- (ii) Government grants related to assets have been deducted in arriving at the carrying amount of the respective assets.
- (iii) Subsequent expenditures are recognised as a separate asset, as appropriate, only when it is probable that future economic benefits associated with the item will flow to the company and the cost of the item can be measured reliably.
- (iv) Spares which meet the definition of PPE are capitalised from the date when it is available for use. Other expenses on fixed assets, including day-to-day repair and maintenance expenditure and cost of replacing parts that does not meet the capitalisation criteria are charged to the Statement of Profit and Loss for the period during which such expenses are incurred.
- (v) The Company identifies the significant parts of plant and equipment separately which are required to be replaced at intervals. Such parts are depreciated separately based on their specific useful lives. The cost of replacement of significant parts are capitalised and the carrying amount of replaced parts are de-recognised. The cost of major of inspection/overhauling is recognised in the carrying amount of the item of PPE as a replacement if the recognition criteria are satisfied. Any remaining carrying amount of the cost of the previous inspection/overhauling (as distinct from physical parts) is de-recognised.
- (vi) The present value of the expected cost for the decommissioning of PPE after its use, if materially significant, is included in the cost of the respective asset when the recognition criteria are met.
- (vii) Capital Expenditure on tangible assets for research and development is classified as PPE and is depreciated based on the estimated useful life. Other expenditure incurred for research and development are expensed under the respective heads of accounts in the year in which it is incurred.

NOTES TO SEPARATE FINANCIAL STATEMENTS



- (viii) The Company follows the useful lives of the significant parts of certain class of PPE on best estimate basis upon technical advice, as detailed below, that are different from the useful lives prescribed under Part C of Schedule II of the Companies Act, 2013:

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

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

F. Capital Work in progress / Capital Advances

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



NOTES TO SEPARATE FINANCIAL STATEMENTS

G. Leases

The determination of whether an arrangement is, or contains, a lease is based on the substance of the arrangement at the inception date whether fulfilment of arrangement is dependent on the use of an underlying asset and the arrangement conveys the right to control the use of an identified asset for a period of time in exchange for consideration.

Company as a Lessee

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

Nature of RoU	Useful life ranging from
Land	99 years
Building	20 years

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



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

Company as a Lessor

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

H. Revenue Recognition

(i) Revenue from Operations

a) Sale of products

Revenue from product sales is recognized when the Company transfers control of the product to customers at a point in time. The transaction price is the amount of consideration to which the company expects to be entitled in exchange for transferring goods to the customer. The Company provides discounts to customers on the achievement of the performance criteria based on agreed terms and conditions. The financing component with regard to sale of products are excluded from Revenue from operations and recognized as Interest Receipts over the credit periods as per Ind AS 115. The Company does not have any non-cash consideration.



NOTES TO SEPARATE FINANCIAL STATEMENTS

b) Power generated from Windmills

Power generated from windmills that are covered under wheeling & banking arrangement with TANGEDCO are consumed at Mills. The monetary values of such power generated that are captively consumed are not recognised as revenue, but have been set off against the cost of Power & Fuel.

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

c) Scrap sale

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

(ii) Other Income

a) Interest income is recognised using the Effective Interest Rate (EIR) method. EIR is the rate that exactly discounts the estimated future cash payments or receipts over the expected life of the financial instrument or a shorter period where appropriate, the gross carrying amount of the financial asset or to the amortised cost of a financial liability.

b) Dividend income is recognised when the Company's right to receive dividend is established.

c) Rental income from operating lease on investment properties is recognised on a straight line basis over the term of the relevant lease.

I. Employee Benefits

(i) Short-term employee benefits viz., Salaries and Wages are recognized as an expense at the undiscounted amount in the Statement of Profit and Loss for the year in which the related service is rendered.

(ii) Defined Contribution Plan viz., Contributions to Provident Fund and Superannuation Fund are recognized as an expense in the Statement of Profit and Loss for the year in which the employees have rendered services.

(iii) The Company contributes monthly to Employees' Provident Fund & Employees' Pension Fund administered by the Employees' Provident Fund Organisation, Government of India, at 12% of employee's basic salary and dearness allowance. The Company has no further obligations.

(iv) The Company also contributes for superannuation fund on an annual basis, a sum equivalent to 15% of the officer's eligible annual basic salary. Out of the said 15% contribution, a sum upto ₹ 1.50 Lakhs per annum is remitted to Rajapalayam Mills Limited Officers' Superannuation Fund administered by trustees and managed by LIC of India. The balance amount, if any, is paid as salary. There are no further obligations in respect of the above contribution plan.



- (v) The Company contributes to Defined Benefit Plan viz., an approved Gratuity Fund. It is in the form of lump sum payments to vested employees on resignation, retirement, death while in employment or on termination of employment, for an amount equivalent to 15 days' basic salary and dearness allowance for each completed year of service. Vesting occurs upon completion of five years of continuous service. The Company makes annual contributions to "Rajapalayam Mills Limited Employees' Gratuity Fund" administered by trustees and managed by LIC of India, based on the Actuarial Valuation by an independent external actuary as at the reporting date using Projected Unit Credit method.
- (vi) The Company provides for expenses towards compensated absences provided to its employees. The expense is recognized at the present value of the amount payable determined based on an independent external actuarial valuation as at the Balance Sheet date, using Projected Unit Credit method. The Company presents the entire compensated absences as 'Short-term provisions' since employee has an unconditional right to avail the leave at any time during the year.
- (vii) Remeasurement of net defined benefit asset / liability comprising of actuarial gains or losses arising from experience adjustments and changes in actuarial assumptions are charged / credited to other comprehensive income in the period in which they arise and immediately transferred to retained earnings. Other costs are accounted in the Statement of Profit and Loss.

J. Government Grants

- (i) Government grants are recognised at fair value where there is a reasonable assurance that the grant will be received and all the attached conditions are complied with.
- (ii) In case of revenue related grant, the income is recognised on a systematic basis over the period for which it is intended to compensate an expense and is disclosed under "Other Income" or netted off against corresponding expenses wherever appropriate. Receivables of such grants are shown under "Other Financial Assets".
- (iii) Government grants related to assets have been deducted in arriving all the carrying amount of the respective assets.
- (iv) Export benefits are accounted for in the year of exports based on eligibility and when there is no uncertainty in receiving the same. Receivables of such benefits are shown under "Other Financial Assets".



NOTES TO SEPARATE FINANCIAL STATEMENTS

K. Foreign currency transactions

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

L. Borrowing Costs

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

M. Earnings per Share

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



N. Impairment of Non-Financial Assets

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

O. Provisions, Contingent Liabilities and Contingent Assets

- (i) Provisions involving substantial degree of estimation in measurement are recognised when there is a present obligation as a result of past events and it is probable that there will be an outflow of resources embodying economic benefits in respect of which a reliable estimate can be made.
- (ii) Provisions are discounted if the effect of the time value of money is material, using pre-tax rates that reflects the risks specific to the liability. When discounting is used, an increase in the provisions due to the passage of time is recognised as finance cost. These provisions are reviewed at each Balance Sheet date and adjusted to reflect the current best estimates.
- (iii) Insurance claims are accounted on the basis of claims admitted or expected to be admitted and to the extent that the amount recoverable can be measured reliably and it is reasonable to expect ultimate collection. Any subsequent change in the recoverability is provided for. Contingent Assets are not recognised.
- (iv) Contingent liability is a possible obligation that may arise from past events and its existence will be confirmed only by occurrence or non-occurrence of one or more uncertain future events not wholly within the control of the Company or it is not probable that an outflow of resources embodying economic benefits will be required to settle the obligation and the same are not recognised but disclosed in the financial statements.



NOTES TO SEPARATE FINANCIAL STATEMENTS

P. Intangible Assets

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

Nature of Intangible Assets	Estimated useful life
Computer Software	6 years
Power Transmission System	5 years

- (iv) The intangible assets that are under development phase are carried at cost including related expenses and attributable interest, and are recognised as Intangible assets under development.
- (v) The residual values, useful lives and methods of amortisation of intangible asset are reviewed at each reporting date and adjusted prospectively, if appropriate.

Q. Investment Properties

- (i) An investment in land or buildings both furnished and unfurnished, which are held for earning rentals or capital appreciation or both rather than for use in the production or supply of goods or services or for administrative purposes or sale in the ordinary course of business, are classified as investment properties.
- (ii) Investment properties are stated at cost, net of accumulated depreciation and impairment loss, if any except freehold land which is carried at cost.
- (iii) The company identifies the significant parts of investment properties separately which are required to be replaced at intervals. Such parts are depreciated separately based on their specific useful lives determined on best estimate basis upon technical advice. The cost of replacement of significant parts are capitalised and the carrying amount of replaced parts are de-recognised. Other expenses including day-to-day repair and maintenance expenditure and cost of replacing parts that does not meet the

NOTES TO SEPARATE FINANCIAL STATEMENTS



capitalisation criteria, are charged to the Statement of Profit and Loss for the period during which such expenses are incurred.

- (iv) Depreciation on investment properties are calculated on straight-line method based on useful life of the significant parts as detailed below:

Asset type	Useful life
Buildings under Investment properties	60 years

- (v) Investment properties are eliminated from the financial statements on disposal or when no further benefit is expected from its use or disposal. Gains or losses arising from disposal, measured as the difference between the net disposal proceeds and the carrying amount of such investment properties, are recognised in the Statement of Profit and Loss. Amount received towards investment properties that are impaired and derecognized in the financial statements, are recognized in Statement of Profit and Loss, when the recognition criteria are met.
- (vi) The residual values, useful lives and methods of depreciation of investment properties are reviewed periodically including at each reporting date and adjusted prospectively, if appropriate.

R. Operating Segments

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

S. Financial Instruments

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



NOTES TO SEPARATE FINANCIAL STATEMENTS

(iv) Fair Value Hedges

Changes in the fair value of forwards contracts that are designated and qualify as fair value hedges are recognized in the income statement, together with the changes in the fair value of the hedged item that are attributable to the hedged risk. If the hedge no longer meets the criteria for hedge accounting, changes in the fair value of the hedged item attributable to the hedged risk are no longer recognized in the income statement. When a hedged item in a fair value hedge is a firm commitment (or a component thereof) to acquire an asset or assume a liability, the initial carrying amount of the asset or the liability that results from the entity meeting the firm commitment is adjusted to include the cumulative change in the fair value of the hedged item that was recognised in the balance sheet, with a corresponding gain or loss recognized in Profit or Loss.

T. Financial Assets

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

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

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

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

NOTES TO SEPARATE FINANCIAL STATEMENTS



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

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

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

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

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

- (vi) Upon derecognition of its financial asset or part thereof, the difference between the carrying amount measured at the date of recognition and the consideration received including any new asset obtained less any new liability assumed shall be recognised in the Statement of Profit and Loss.
- (vii) For impairment purposes, significant financial assets are tested on individual basis at each reporting date. Other financial assets are assessed collectively in groups that share similar credit risk characteristics. Accordingly, the impairment testing is done retrospectively on the following basis:



NOTES TO SEPARATE FINANCIAL STATEMENTS

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

U. Financial Liabilities

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

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



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

V. Fair value measurement

- (i) Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date.
- (ii) The fair value of an asset or a liability is measured using the assumptions that the market participants would use when pricing the asset or liability, assuming that the market participants act in the economic best interest.
- (iii) All assets and liabilities for which fair value is measured are disclosed in the financial statements are categorised within fair value hierarchy based on the lowest level input that is significant to the fair value measurement as a whole. The fair value hierarchy is described as below:

Level 1: Unadjusted quoted prices in active markets for identical assets or liabilities

Level 2: Valuation techniques for which the lowest level inputs that are significant to the fair value measurement is directly or indirectly observable.

Level 3: Valuation techniques for which the lowest level inputs that are significant to the fair value measurement is unobservable.

- (iv) For assets and liabilities that are recognised in the Balance sheet on a recurring basis, the company determines whether transfers have occurred between levels in the hierarchy by reassessing categorisation at the end of each reporting period (i.e) based on the lowest level input that is significant to the fair value measurement as a whole.



NOTES TO SEPARATE FINANCIAL STATEMENTS

- (v) For the purpose of fair value disclosures, the company has determined the classes of assets and liabilities based on the nature, characteristics and risks of the assets or liabilities and the level of the fair value hierarchy as explained above.
- (vi) The basis for fair value determination for measurement and / or disclosure purposes is detailed below:
- a) Investments in Equity**
- The fair value is determined by reference to their quoted prices at the reporting date. In the absence of the quoted price, the fair value of the equity is measured using valuation techniques.
- b) Trade and other receivables**
- The fair value is estimated as the present value of the future cash flows, discounted at the market rate of interest at the reporting date. However, the fair value generally approximates the carrying amount due to the short term nature of such assets.
- c) Forward exchange contracts**
- The fair value of forward exchange contracts is based on the quoted price if available; otherwise it is estimated by discounting the difference between contractual forward price and current forward price for the residual maturity of the contract using government bond rates.
- d) Non-derivative financial liabilities**
- The fair value of non-derivative financial liabilities viz, borrowings and lease liabilities are determined for disclosure purposes calculated based on the present value of future principal and interest cash flows, discounted at the market rate of interest at the reporting date.
- e) Financial guarantee obligation**
- The fair value of financial guarantee obligation with reference to loan availed by associates is determined on the basis of estimated cost involved in securing equivalent size of the guarantees from bank.
- f) Investment Properties**
- The fair value is determined for disclosure purposes based on an annual evaluation performed by an internal technical team measured using the technique of quoted prices for similar assets in the active markets and further moderated by market corroborated inputs.



6. Amendments to the existing accounting standards effective from 01-04-2021 onwards

The details of amendments to the existing standards that are relevant to the Company with effect from 01-04-2021 are given below:

- (a) Conceptual framework for financial reporting under Ind AS issued by ICAI.

The Framework is not a standard and it does not override any specific standard. Therefore, this does not form part of a set of standards pronounced by the standard-setters. While the Framework is primarily meant for the standard-setter for formulating the standards, it has relevance to the preparers in certain situations such as to develop consistent accounting policies for areas that are not covered by a standard or where there is a choice of accounting policy, and to assist all parties to understand and interpret the Standards.

The MCA has notified the Amendments to Ind AS, consequential to Conceptual Framework under Ind AS vide notification date 18-06-2021 applicable for annual periods beginning on or after 01-04-2021.

These amendments had no impact on the financial statements of the Company.

- (b) Amendments to Ind AS 105, Ind AS 16 and Ind AS 28

The definition of 'Recoverable amount' is amended such that the words 'the higher of an asset's fair value less costs to sell and its value in use' are replaced with 'higher of an asset's fair value less costs of disposal and its value in use'.

These amendments had no impact on the financial statements of the Company.

7. Significant Estimates and Judgements

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

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



NOTES TO SEPARATE FINANCIAL STATEMENTS

(i) Revenue Recognition

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

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

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

(iii) Current Taxes

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

(iv) Deferred Tax Asset

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

(v) Provisions

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

(vi) Segment Reporting

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



(vii) Contingent Liabilities

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

(viii) Classification of Investment

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

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

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

(ix) Impairment of Trade receivables

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

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

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

(xi) Impairment of Investments in Associates

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

(xii) Defined Benefit Plans and Other long term benefits

The cost of the defined benefit plan and other long term benefits, and the present value of such obligation are determined by the independent actuarial valuer. An actuarial valuation involves making various assumptions that may differ from actual developments in future. Management believes that the assumptions used by the actuary in determination of the discount rate, future salary increases, mortality rates and attrition rates are reasonable.



NOTES TO SEPARATE FINANCIAL STATEMENTS

Due to the complexities involved in the valuation and its long term nature, this obligation is highly sensitive to changes in these assumptions. All assumptions are reviewed at each reporting date.

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

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

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

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

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

(xv) Interests in other entities

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



NOTES TO SEPARATE FINANCIAL STATEMENTS

NOTE NO. 8

PROPERTY, PLANT AND EQUIPMENT

Particulars	Year	Gross Block					Depreciation					Net Block	
		As at the beginning of the year	Additions	Sold	As at the end of the year	As at the beginning of the year	For the year (Refer to Note No. 42)	Withdrawn during the year	As at the end of the year	As at the end of the year	As at the beginning of the year		
Land - Free hold	2021-22	1,190.35	-	-	1,190.35	-	-	-	-	-	-	1,190.35	1,190.35
	2020-21	1,190.35	-	-	1,190.35	-	-	-	-	-	-	1,190.35	1,190.35
Land - Right-of-Use Asset	2021-22	722.03	57.65	-	779.68	20.21	6.97	-	27.18	-	-	752.50	701.82
	2020-21	722.03	-	-	722.03	13.29	6.92	-	20.21	-	-	701.82	708.74
Own Buildings	2021-22	11,634.24	820.50	-	12,454.74	2,620.11	384.12	-	3,004.23	-	-	9,450.51	9,014.13
	2020-21	10,677.92	956.32	-	11,634.24	2,278.10	342.01	-	2,620.11	-	-	9,014.13	8,399.82
Buildings - Right-of-Use Asset	2021-22	-	513.23	-	513.23	-	10.08	-	10.08	-	-	503.15	-
	2020-21	-	-	-	-	-	-	-	-	-	-	-	-
Plant and Machinery	2021-22	82,412.05	13,796.96	3,032.55	93,176.46	40,258.28	4,244.19	1,874.36	42,628.11	-	-	50,548.35	42,153.77
	2020-21	81,109.64	2,323.44	1,021.03	82,412.05	36,817.91	4,033.34	592.97	40,258.28	-	-	42,153.77	44,291.73
Electrical Machinery	2021-22	4,737.18	275.32	-	5,012.50	2,633.07	193.78	-	2,826.85	-	-	2,185.65	2,104.11
	2020-21	4,703.51	40.42	6.75	4,737.18	2,444.92	194.11	5.96	2,633.07	-	-	2,104.11	2,258.59
Furniture & Office Equipments	2021-22	1,047.43	155.51	4.88	1,198.06	698.18	94.83	4.51	788.50	-	-	409.56	349.25
	2020-21	943.56	105.62	1.75	1,047.43	608.40	91.44	1.66	698.18	-	-	349.25	335.16
Vehicles	2021-22	508.46	74.57	5.09	577.94	246.53	45.97	3.67	288.83	-	-	289.11	261.93
	2020-21	520.97	44.65	57.16	508.46	245.53	41.08	40.08	246.53	-	-	261.93	275.44
Total - Tangible Assets	2021-22	1,02,251.74	15,693.74	3,042.52	1,14,902.96	46,476.38	4,979.94	1,882.54	49,573.78	-	-	65,329.18	55,775.36
	2020-21	99,867.98	3,470.45	1,086.69	1,02,251.74	42,408.15	4,708.90	640.67	46,476.38	-	-	55,775.36	57,459.83

Notes: (i) Borrowings cost of ₹ 199.16 Lakhs have been capitalised for current year (PY: ₹ 69.67 Lakhs).

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

(iii) The Company has opted to present the government grants related to assets as deduction from the carrying value of eligible assets in accordance with Ind AS 20. No grants related to assets had been received during financial year 2021-22 (PY: NIL).

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

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



NOTES TO SEPARATE FINANCIAL STATEMENTS

NOTE NO. 9

CAPITAL WORK IN PROGRESS

(₹ in Lakhs)

Particulars	Year	As at the beginning of the year	Additions	Capitalised	As at the end of the year
Capital Work in Progress	2021-22	1,013.69	18,810.70	16,116.53	3,707.86
	2020-21	364.26	4,119.88	3,470.45	1,013.69

Note: (i) Refer to Note No. 55(b) for information relating to Ageing Schedule.

NOTE NO. 10

INVESTMENT PROPERTY

Particulars	Year	Gross Block				Amortisation			Net Block	
		As at the beginning of the year	Additions	Sold	As at the end of the year	As at the beginning of the year	For the year (Refer to Note No. 42)	Withdrawn during the year	As at the end of the year	As at the beginning of the year
		2021-22	55.17	26.04	-	81.21	-	-	-	81.21
2020-21	55.17	-	-	55.17	-	-	-	55.17	55.17	
2021-22	126.05	-	110.93	15.12	36.74	0.23	29.39	7.58	89.31	
2020-21	126.05	-	-	126.05	36.51	0.23	-	36.74	89.54	
2021-22	181.22	26.04	110.93	96.33	36.74	0.23	29.39	7.58	144.48	
2020-21	181.22	-	-	181.22	36.51	0.23	-	36.74	144.71	

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

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

Particulars	31-03-2022	31-03-2021
Fair value of Investment Properties	1,001.72	1,126.87

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

(iv) Fair value hierarchy disclosures for investment properties have been provided in Note no. 53.

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

Particulars	31-03-2022	31-03-2021
Rental Income from Investment Properties	0.68	0.68
Direct Operating Expenses	-	-
Profit arising from Investment Properties before Depreciation and indirect expenses	0.68	0.68
Less: Depreciation	0.23	0.23
Profit arising from Investment Properties before indirect expenses	0.45	0.45



NOTES TO SEPARATE FINANCIAL STATEMENTS

**NOTE NO. 11
INTANGIBLE ASSETS**

(₹ in Lakhs)

Particulars	Year	Gross Block				Amortisation			Net Block		
		As at the beginning of the year	Additions	Sold	As at the end of the year	As at the beginning of the year	For the year (Refer to Note No. 42)	Withdrawn during the year	As at the end of the year	As at the beginning of the year	
Computer software	2021-22	425.65	396.75	-	822.40	214.35	46.79	-	261.14	561.26	211.30
	2020-21	425.65	-	-	425.65	187.90	26.45	-	214.35	211.30	237.75
Power Transmission System	2021-22	191.80	-	-	191.80	111.32	21.47	-	132.79	59.01	80.48
	2020-21	191.80	-	-	191.80	87.00	24.32	-	111.32	80.48	104.80
Total - Intangible Assets	2021-22	617.45	396.75	-	1,014.20	325.67	68.26	-	393.93	620.27	291.78
	2020-21	617.45	-	-	617.45	274.90	50.77	-	325.67	291.78	342.55

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



NOTES TO SEPARATE FINANCIAL STATEMENTS

(₹ in Lakhs)

As at As at As at As at
31-03-2022 31-03-2021 31-03-2022 31-03-2021

NOTE NO. 12

INVESTMENT IN ASSOCIATES

Name of the Company	Face Value ₹ per share	No. of shares	No. of shares	Amount	Amount
Investment in Equity Instruments					
Quoted					
The Ramco Cements Limited	1	3,26,25,264	3,30,65,000	4,800.21	4,864.91
Ramco Industries Limited	1	84,01,680	84,01,680	1,100.81	1,100.81
Ramco System Limited	10	7,33,531	7,33,531	1,141.55	1,141.55
Total				7,042.57	7,107.27
Quoted Investments - Cost				7,042.57	7,107.27
Market Value				2,70,227.44	3,57,129.50

Notes: (i) The Company has accounted for Investment in Associates at cost. Refer to Note No. 51(a) for information on principal place of business / country of incorporation and the Company's interest / percentage of shareholding in the above Associates.

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

(iii) The Board of Directors have approved to sell the investments in the Shares of The Ramco Cements Limited upto a total value of ₹ 90 Crores for part funding of its capital expenditure towards fabric capacity expansion. Out of this, the Company has sold 4,39,736 Shares of The Ramco Cements Limited for a sale consideration of ₹ 34.57 Crores during the FY 2021-22. Considering the uncertainty in stock market and highly fluctuating share price, time period within which the balance quantity of shares will be sold could not be ascertained as at the reporting date and hence the investments are continued to be classified as Non-current investment.

NOTE NO. 13

OTHER INVESTMENT (DESIGNATED AT FVTOCI)

Name of the Company	Face Value ₹ per share	No. of shares	No. of shares	Amount	Amount
I. Investment in Equity Instruments					
1) Quoted					
The Ramaraju Surgical Cotton Mills Limited	10	4,000	4,000	11.88	10.88
Lakshmi Automatic Loom Works Limited	100	250	250	1.65	1.26
Tamilnadu Jai Bharath Mills Limited	10	1,200	1,200	0.05	0.05
Total Quoted Investments	(A)			13.58	12.19
2) Unquoted					
Sri Vishnu Shankar Mills Limited	10	38,400	38,400	128.26	105.22
Ramco Industrial and Technology Services Limited	10	50,000	50,000	11.00	14.50
Ramco Windfarms Limited	1	8,32,000	8,32,000	8.32	8.32
Miot Hospitals Limited	10	2,500	2,500	0.25	0.25
Total Unquoted Investments	(B)			147.83	128.29

NOTES TO SEPARATE FINANCIAL STATEMENTS



(₹ in Lakhs)

		As at 31-03-2022	As at 31-03-2021	As at 31-03-2022	As at 31-03-2021
Name of the Company	Face Value ₹ per share	No. of shares	No. of shares	Amount	Amount

II. Investment in Preference Shares, Non-Trade - Unquoted

Thanjavur Spinning Mill Limited	(C)	10	2,50,00,000	2,50,00,000	2,500.00	2,500.00
---------------------------------	-----	----	-------------	-------------	----------	----------

Note: The investment in the above preference shares have been made by conversion of Inter Corporate Loan given by the Company to Thanjavur Spinning Mill Limited.

III. Other Non-Current Investments, Non-Trade - Unquoted

Ramco Group Employees' Co-operative Stores Limited	1	500	500	0.01	0.01
Total other Investments	(D)			0.01	0.01
Total (A + B + C + D)				2,661.42	2,640.49
Aggregate Market Value of Quoted Investments				NA	NA

Notes: (i) Refer to Note No. 53 for information about fair value hierarchy under Disclosure of Fair Value Measurement.
(ii) Market Value of quoted investments for some equity instruments were not available due to no trading activities in stock market.

NOTE NO. 14

FINANCIAL ASSETS - (NON CURRENT) LOANS AND ADVANCES

Unsecured, considered good

Loans and Advances to Related Parties [Refer to Note No.51(b)(i)]	<u>1,650.00</u>	<u>950.00</u>
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Notes: (i) Loans are non-derivative financial assets and are carried at amortized cost, which generate fixed or variable interest income for the Company.
(ii) Loans to Related parties of ₹ 1,650.00 Lakhs (PY: ₹ 950.00 Lakhs) has been granted towards working capital in the normal course of business.
(iii) The Company has not granted any loan or advance in the nature of loan to promoters, directors and KMPs that are repayable on demand or without specifying any terms or period of repayment.

NOTE NO. 15

OTHER FINANCIAL ASSETS - (NON CURRENT)

Unsecured, considered good

Security Deposits with Electricity Board / Others	<u>773.28</u>	<u>937.08</u>
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NOTE NO. 16

OTHER NON CURRENT-ASSETS

Unsecured, considered good

Capital Advances	2,130.13	951.52
Income Tax Refund Receivable	213.00	88.09
Prepaid Expenses	72.32	45.76
	<u>2,415.45</u>	<u>1,085.37</u>



NOTES TO SEPARATE FINANCIAL STATEMENTS

(₹ in Lakhs)

As at
31-03-2022 As at
31-03-2021

NOTE NO. 17

INVENTORIES

(Valued at lower of cost or Net realisable Value)

Finished Goods (Yarn and Fabrics)	2,010.64	744.63
Raw materials - Cotton, Cotton Waste & Yarn	16,805.99	9,229.11
Stores and Spares	602.25	443.08
Works-in-progress (Cotton, Yarn and Fabric)	5,490.45	2,569.92
	24,909.33	12,986.74

- Notes: (i) Raw materials includes Goods-in-transit of ₹ 1,710.45 Lakhs (As at 31-03-2021 ₹ 505.95 Lakhs).
(ii) The total carrying amount of inventories as at reporting date has been pledged as Security for Borrowings.
(iii) The mode of valuation of inventories has been stated in the Note No. 5A

NOTE NO. 18

TRADE RECEIVABLES

Secured, Considered good	2,481.77	1,593.12
Unsecured, Considered good	7,854.21	6,087.92
Unsecured and which have significant increase in credit risk	36.05	–
Less: Allowance for expected credit loss	(36.05)	–
	10,335.98	7,681.04

- Notes: (i) Trade receivables are generally non-interest bearing.
(ii) No trade receivable are due from Directors or other officers of the Company either severally or jointly with any other person. Nor any trade or other receivable are due from firms or private companies respectively in which any Director is a partner, a Director or a Member.
(iii) The total carrying amount of trade receivables has been pledged as security for Borrowings.
(iv) Trade Receivables aging schedule have been provided in Note No. 55(c).

NOTE NO. 19

CASH AND CASH EQUIVALENTS

Cash on Hand	0.64	1.08
Balance with Bank		
In Current Account	147.35	47.07
	147.99	48.15

NOTE NO. 20

BANK BALANCES OTHER THAN CASH AND CASH EQUIVALENTS

Balances with Banks held as security against Borrowings	475.00	475.00
Earmarked balances with Banks for Unclaimed Dividend	38.44	42.87
	513.44	517.87

NOTES TO SEPARATE FINANCIAL STATEMENTS



(₹ in Lakhs)

As at 31-03-2022 As at 31-03-2021

NOTE NO. 21

OTHER FINANCIAL ASSETS (CURRENT)

Government Grants Receivable	406.39	404.95
Security Deposit	–	69.95
Insurance Claim receivable	75.85	0.49
Amount receivable from Related Parties [Refer to Note No. 51(b)(iv)]	–	980.10
Exchange difference on Firm Commitment	241.61	171.67
	723.85	1,627.16

NOTE NO. 22

CURRENT TAX ASSETS

Advance Income Tax, Self Assessment Tax and Tax deducted at source	240.25	124.47
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Note: Advance Income Tax, Self Assessment Tax and Tax deducted at source is net of provision for tax of ₹ 15.20 Lakhs (PY: NIL)

NOTE NO. 23

OTHER CURRENT ASSETS

Unsecured, considered good

Advance to Suppliers / Others	488.79	279.58
Tax Credit and Refund due - Indirect Taxes	3,012.83	1,714.82
Accrued Income	114.79	94.57
Prepaid Expenses	195.93	157.49
Other Current Assets	88.79	106.67
	3,901.13	2,353.13

NOTE NO. 24

EQUITY SHARE CAPITAL

Authorised

1,50,00,000 Equity Shares of ₹ 10/- each (PY: 1,50,00,000 Equity Shares of ₹ 10/- each)	1,500.00	1,500.00
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Issued, Subscribed and Fully paid-up

86,05,520 Equity Shares of ₹ 10/- each (PY: 73,76,160 Equity Shares of ₹ 10/- each)	860.55	737.62
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Notes: (i) Issued, Subscribed and fully paid-up Shares includes 62,13,850 Equity Shares (PY: 62,13,850 Equity Shares) of ₹ 10/- each, which were allotted as fully paid Bonus Shares by Capitalisation of Reserves.



NOTES TO SEPARATE FINANCIAL STATEMENTS

(ii) **Reconciliation of the number of shares outstanding**

Particulars	As at 31-03-2022		As at 31-03-2021	
	No. of Shares	Amount	No. of Shares	Amount
Number of Shares at the beginning	73,76,160	737.62	73,76,160	737.62
Shares allotted pursuant to Rights Issue	12,29,360	122.93	–	–
Number of Shares at the end	86,05,520	860.55	73,76,160	737.62

(iii) **Rights / Restrictions attached to Equity Shares**

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

(iv) **List of Shareholders holding more than 5 percent in the Company.**

Name of the Shareholder	As at 31-03-2022		As at 31-03-2021	
	No. of Shares	% of holding	No. of Shares	% of holding
P.R. Venketrama Raja	18,36,826	21.34%	14,66,080	19.88%
P.V. Abinav Ramasubramaniam Raja	22,77,277	26.47%	19,51,952	26.47%
Govindlal M Parikh	5,75,141	6.68%	3,33,873	4.53%

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

S.No.	Name of the Promoters	No. of Shares	% of total shares	% Change during the year
1	P.R. Venketrama Raja	18,36,826	21.34%	1.47%
2	P.V. Abinav Ramasubramaniam Raja	22,77,277	26.47%	–
3	R. Sudarsanam	74,386	0.86%	–
4	Ramachandra Raja Chittammal	96,399	1.12%	–
5	P V. Nirmala	41,370	0.48%	0.29%
6	Nalina Ramalakshmi	7,840	0.09%	–
7	Saradha Deepa	12,786	0.15%	–
8	P.V. Srisandhya	19,320	0.22%	–
9	Ramco Industries Limited	1,48,587	1.73%	–
10	The Ramaraju Surgical Cotton Mills Limited	1,57,733	1.83%	–
11	Sri Vishnu Shankar Mill Limited	34,696	0.40%	–
12	Sandhya Spinning Mill Limited	583	0.01%	–
13	Ramco Management Private Limited	2,380	0.03%	–
14	The Ramco Cements Limited	33,150	0.39%	0.04%
TOTAL		47,43,333	55.12%	–

NOTES TO SEPARATE FINANCIAL STATEMENTS



(vi) **Shareholders holding of Promoters as at 31-03-2021**

S.No.	Name of the Promoters	No. of Shares	% of total shares	% Change during the year
1	P.R. Venketrama Raja	14,66,080	19.88%	NIL
2	P.V. Abinav Ramasubramaniam Raja	19,51,952	26.47%	
3	R. Sudarsanam	63,760	0.86%	
4	Ramachandra Raja Chittammal	82,628	1.12%	
5	P.V. Nirmala	13,920	0.19%	
6	Nalina Ramalakshmi	6,720	0.09%	
7	Saradha Deepa	10,960	0.15%	
8	P.V. Srisandhya	16,560	0.22%	
9	Ramco Industries Limited	1,27,360	1.73%	
10	The Ramaraju Surgical Cotton Mills Limited	1,35,200	1.83%	
11	Sri Vishnu Shankar Mill Limited	29,740	0.40%	
12	Sandhya Spinning Mill Limited	500	0.01%	
13	Ramco Management Private Limited	2,040	0.03%	
14	The Ramco Cements Limited	25,600	0.35%	
TOTAL		39,33,020	53.33%	

NOTE NO. 25

OTHER EQUITY

Capital Reserve

Balance as per Last Financial Statement 3.75 3.75

Nature of Reserve

Represents the difference between the shares allotted to the Share holders of Transferor Company and Net Worth acquired from Transferor Company as per scheme of Amalgamation.

Securities Premium

Balance as per Last Financial Statement	1,490.48	1,490.48
Add: Security Premium on Rights Issue	6,872.13	-
Less: Rights Issue Expenses	(49.26)	-
	<u>8,313.35</u>	<u>1,490.48</u>

Nature of Reserve

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



NOTES TO SEPARATE FINANCIAL STATEMENTS

(₹ in Lakhs)

As at
31-03-2022 As at
31-03-2021

General Reserve

Balance as per Last Financial Statement	24,368.21	24,368.21
Add: Amount transferred from Retained Earnings	631.79	–
	25,000.00	24,368.21

Nature of Reserve

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

FVTOCI Reserve

Balance as per Last Financial Statement	38.84	5.02
Add: Other Comprehensive Income for the year	16.36	72.69
Sub-Total	55.20	77.71
Transfer from / (to) Retained Earnings	4.57	(38.87)
	59.77	38.84

Nature of Reserve

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

Retained Earnings

Balance as per Last Financial Statement	501.75	3,200.00
Profit / (Loss) for the year	3,827.92	(2,663.36)
Transfer from FVTOCI Reserve	(4.57)	38.87
Sub-Total	4,325.10	575.51
Less: Appropriations		
Dividend Distribution to Shareholders	(43.03)	(73.76)
Transfer to General Reserve	(631.79)	–
	3,650.28	501.75

Nature of Reserve

Represents that portion of the net income of the Company that has been retained by the Company.

Note: The Board of Directors have recommended the payment of Final Dividend ₹ 1/- per share for the year 2021-22 (PY: ₹ 0.50 per Share). This proposed dividend is subject to the approval of Shareholders in the ensuing Annual General Meeting.

Total Other Equity	37,027.15	26,403.03
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NOTES TO SEPARATE FINANCIAL STATEMENTS



(₹ in Lakhs)

As at 31-03-2022 As at 31-03-2021

NOTE NO. 26

NON CURRENT BORROWINGS

Secured

Term Loan from Banks	29,854.22	27,827.42
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Unsecured

Term Loan from Banks	1,308.57	2,355.45
	31,162.79	30,182.87

- Notes: (i) Term Loan from Banks of ₹ 29,854.22 Lakhs (PY: ₹ 25,227.42 Lakhs) are secured by *pari-passu* first charge on moveable Fixed Assets of the Company and *pari-passu* second charge on the Current Assets of the Company.
- (ii) Term Loan of ₹ NIL (PY: ₹ 2,600 Lakhs) are secured by residual charge on moveable Fixed Assets of the Company.
- (iii) The Company has used the borrowings from banks and financial institutions for the specific purpose for which it was taken as at the reporting date.
- (iv) Registration, Modification and Satisfaction of charges relating to the year under review, had been filed with the ROC, within the prescribed time or within the extended time requiring the payment of additional fees.
- (v) Refer to Note No. 54 for information about risk profile of borrowings under Financial Risk Management.
- (vi) The Long Term Borrowings from Banks are repayable in quarterly / monthly installments. The year wise repayment is as follows:

Year	Amount	Amount
2022-23	–	8,527.48
2023-24	7,833.45	5,739.08
2024-25	6,693.49	4,308.75
2025-26	5,652.90	3,863.07
2026-27	4,341.03	3,009.37
2027-28	4,236.12	3,057.12
2028-29	2,405.80	1,678.00
	31,162.79	30,182.87

NOTE NO. 27

LEASE LIABILITIES

Lease Liabilities [Refer to Note No. 49]	499.39	–
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NOTES TO SEPARATE FINANCIAL STATEMENTS

NOTE NO. 28

DEFERRED TAX LIABILITIES (NET)

(₹ in Lakhs)

Particulars	As at 01-04-2020	MAT Credit Set off Utilized / Reversed	Recognised in Profit and Loss	As at 31-03-2021	MAT Credit Set off Utilized / Reversed	Recognised in Profit and Loss	As at 31-03-2022
Tax Impact on difference in written down value of Property, Plant & Equipment as per books and as per Income Tax Act, 1961	6,974.48	-	1,016.95	7,991.43	-	(2,543.81)	5,447.62
Tax impact on provision for compensated absences & Bonus	(235.08)	-	47.18	(187.90)	-	(16.04)	(203.94)
Tax impact on allowance for expected credit losses	-	-	-	-	-	(15.04)	(15.04)
Tax Impact on lease accounting as per Ind AS 116	-	-	-	-	-	0.09	0.09
Tax Impact on Fairvalue of forward contracts	8.76	-	(4.92)	3.84	-	3.79	7.63
Unused tax credits (i.e) MAT Credit Entitlement	(3,273.11)	-	-	(3,273.11)	3,273.11	-	-
Tax Impact on unabsorbed Depreciation / unadjusted losses	(1,708.50)	-	(2,230.96)	(3,939.46)	-	3,120.34	(819.12)
Others	2.70	-	3.27	5.97	-	-	5.97
Total	1,769.25	-	(1,168.48)	600.77	3,273.11	549.33	4,423.21

Reconciliation of Deferred tax Liabilities (Net)

Particulars	31-03-2022	31-03-2021
Balance at the beginning of the year	600.77	1,769.25
Deferred Tax recognised in Statement of Profit and Loss - Expense / (Savings)	549.33	(1,168.48)
MAT Credit reversed during the year	3,273.11	-
Balance at the end of the year	4,423.21	600.77

Components of Tax Expenses

Particulars	31-03-2022	31-03-2021
(i) Profit or Loss Section		
Current Tax		
Current Income Tax charge	15.20	-
Current Tax adjustments of earlier years	-	-
Deferred Tax		
Relating to the origination and reversal of temporary differences	549.33	(1,168.48)
MAT Credit reversed during the year	3,273.11	-
Deferred Tax adjustments of earlier years	-	-
Total Tax Expenses recognised in Profit or Loss section	3,837.64	(1,168.48)
(ii) Other Comprehensive Income Section		
Current Tax credit on remeasurement losses on defined benefit obligations, net	-	-
Total Tax Credit to OCI	-	-
(iii) Total Tax Expenses recognised in Statement of Profit and Loss (i) + (ii)	3,837.64	(1,168.48)

NOTES TO SEPARATE FINANCIAL STATEMENTS



(₹ in Lakhs)

As at
31-03-2022 As at
31-03-2021

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

Particulars	31-03-2022	31-03-2021
Accounting Profit / (Loss) before Tax (including OCI)	7,681.92	(3,759.15)
Corporate Tax Rate %	25.168%	34.944%
Computed Tax Expense	1,933.39	(1,313.60)
Increase/(reduction) in taxes on account of:		
Non-deductible expenses	3.79	(4.92)
Change in Tax Rate	(1,133.82)	-
MAT Credit reversed during the year	3,273.11	-
Change in carried forward unabsorbed Depreciation	939.06	-
Income chargeable to tax under different tax rates (Capital Gains)	(851.23)	-
Tax Expenses related to Capital Gains	15.20	-
Others	(341.86)	150.04
Tax Expenses recognised in the Statement of Profit and Loss	3,837.64	(1,168.48)

Note: As per Section 115BAA in the Income Tax Act, 1961, the Company has an irrecoverable option of shifting to a lower tax rate (new tax regime) and simultaneously to forgo certain tax incentives, deductions and accumulated MAT Credit. In view of the overall tax benefits available under Section 115BAA, the Company has opted for shifting of new tax regime with effect from the AY 2021-22 (FY: 2020-21). Consequently, the Company has charged off the accumulated MAT Credit entitlement of ₹ 3,273.11 Lakhs to Statement of Profit and Loss during the financial year 2021-22. The net deferred tax liability as at 01-04-2021 has been recomputed in accordance with reduced rate i.e. 25.168% as against the old tax rate i.e. 34.944% and thus reversed ₹ 1,133.82 Lakhs from deferred tax liability during the financial year 2021-22. The deferred tax provision of ₹ 549.33 Lakhs for the year ended 31-03-2022 is after netting-off the above reversal.

NOTE NO. 29

CURRENT BORROWINGS

Secured

Loan from Banks	19,967.83	14,098.01
Current Maturities of Long Term Loans	8,428.62	6,470.81

Unsecured

Loan from Banks	10,339.75	6,935.40
Loans and Advances from Related Parties [Refer to Note No. 51(b)(ii)]	3,242.91	3,112.02
Current Maturities of Long Term Loans	1,046.86	1,046.84
	<u>43,025.97</u>	<u>31,663.08</u>



NOTES TO SEPARATE FINANCIAL STATEMENTS

(₹ in Lakhs)

As at
31-03-2022 As at
31-03-2021

- Notes: (i) Short term Borrowings (other than Current maturities of Long term Borrowings) are secured by way of first *pari passu* hypothecation charge on trade receivables and inventories of the Company, present and future.
- (ii) The quarterly returns or statements filed by the Company with the banks or financial institutions are in agreement with the books of accounts.
- (iii) The Company has used the borrowings from banks for the specific purpose for which it was taken as at the reporting date.
- (iv) Refer to Note No. 54 for information about risk profile of borrowings under Financial Risk Management.

NOTE NO. 30

LEASE LIABILITIES

Lease Liabilities [Refer to Note No. 49]	3.40	–
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NOTE NO. 31

TRADE PAYABLES

Dues of Micro Enterprises and Small Enterprises	261.25	224.49
Dues of Creditors other than Micro Enterprises and Small Enterprises	1,552.41	1,231.35
	1,813.66	1,455.84

- Notes: (i) The categorization of supplier as MSME registered under The Micro, Small and Medium Enterprises Development Act, 2006, has been determined based on the information available with the company as at the reporting date. The disclosures as per the requirement of the Act are furnished as below:
- (a) (1) The principal amount remaining unpaid to any supplier at the end of the financial year included in Trade payables
- | | | |
|--|--------|--------|
| | 261.25 | 224.49 |
|--|--------|--------|
- (2) The interest due on the above
- | | | |
|--|---|---|
| | – | – |
|--|---|---|
- (b) The amount of interest paid by the buyer in terms of Section 16 of the Act
- | | | |
|--|---|---|
| | – | – |
|--|---|---|
- (c) The amount of the payment made to the supplier beyond the appointed day during the financial year
- | | | |
|--|---|---|
| | – | – |
|--|---|---|
- (d) The amount of interest accrued and remaining unpaid at the end of financial year
- | | | |
|--|---|---|
| | – | – |
|--|---|---|
- (e) The amount of interest due and payable for the period of delay in making payment but without adding the interest specified under this Act
- | | | |
|--|---|---|
| | – | – |
|--|---|---|
- (ii) Refer to Note No. 54 for information about risk profile of Trade payables under Financial Risk Management.
- (iii) Trade Payables aging schedule given in Note No. 55 (a).

NOTES TO SEPARATE FINANCIAL STATEMENTS



(₹ in Lakhs)

As at
31-03-2022 As at
31-03-2021

NOTE NO. 32

OTHER CURRENT FINANCIAL LIABILITIES

Interest Accrued	206.03	201.12
Unclaimed Dividends	38.44	42.87
PACR Memorial Fund	128.40	28.40
Advance received from Customers	140.69	123.53
Payables for Capital Goods	1,866.71	1,258.53
Advance against Sale of Assets	159.88	100.28
Statutory Liabilities Payable	868.59	760.82
Financial Guarantee Contracts	72.86	97.86
Derivatives Designated as Hedges - Foreign Exchange Forward Contract	263.57	80.32
Other payables	91.10	38.68
	3,836.27	2,732.41

- Notes: (i) Unclaimed dividends represents amount not due for transfer to Investor Education and Protection Fund.
- (ii) The Company has recognised financial guarantee obligation at fair value towards the corporate guarantees issued to the bankers on behalf of Related parties, and the same is recognised as other Income over the tenure of the corporate guarantee.

NOTE NO. 33

PROVISIONS

Provision for Employee Benefits	1,251.47	686.01
Provision for Compensated absences [Refer to Note No. 48]	283.44	284.95
Other Provision for		
- Sales and Administrative Expenses	361.82	159.95
- Electricity Charges	506.52	372.19
- Other Expenses	5.11	5.36
	2,408.36	1,508.46

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

- (ii) Movement in Provisions for compensated absences.

Carrying amount as the beginning of the year	284.95	415.26
Add: Current Service Cost	30.39	31.41
Add: Interest Cost	15.21	26.21
Add: Actuarial Loss	85.77	(143.29)
Less: Benefits paid	(132.88)	(44.64)
Carrying amount as the end of the year	283.44	284.95



NOTES TO SEPARATE FINANCIAL STATEMENTS

	(₹ in Lakhs)	
	2021-22	2020-21
NOTE NO. 34		
REVENUE FROM OPERATIONS		
Sale of Products		
Yarn	55,009.71	36,295.45
Fabrics	12,195.44	3,866.80
Waste Cotton	<u>672.30</u>	<u>587.41</u>
	67,877.45	40,749.66
Other operating Revenues		
Export Incentive	213.59	102.76
Scrap Sales	149.73	6.47
Job Work Charges Received	<u>724.70</u>	<u>325.55</u>
	<u>68,965.47</u>	<u>41,184.44</u>
Note: (i) The disaggregation of revenue as required under Ind AS 115 is given below:		
Gross Revenue from Operations	71,407.61	42,720.94
Less: Rebates & Discounts	80.34	51.96
Less: GST	<u>2,361.80</u>	<u>1,484.54</u>
Revenue from Operations (net of GST)	<u>68,965.47</u>	<u>41,184.44</u>
NOTE NO. 35		
FINANCE INCOME		
Interest Receipts	<u>266.71</u>	<u>290.97</u>
NOTE NO. 36		
OTHER INCOME		
Rent Receipts	38.22	34.11
Dividend Income	225.02	1,300.99
Exchange Gain on Foreign Currency Transactions (Net)	101.05	-
Carbon Credit Sale	25.75	-
Profit on Sale of Cotton	712.41	-
Miscellaneous Income	<u>191.34</u>	<u>101.68</u>
	<u>1,293.79</u>	<u>1,436.78</u>
NOTE NO. 37		
COST OF MATERIALS CONSUMED		
Rawmaterials Consumed		
Cotton & Cotton Waste Consumed for Yarn Production	30,383.98	17,173.33
Yarn Consumed for Fabric Production	<u>5,717.34</u>	<u>1,984.99</u>
	<u>36,101.32</u>	<u>19,158.32</u>

NOTES TO SEPARATE FINANCIAL STATEMENTS



(₹ in Lakhs)

	2021-22	2020-21
NOTE NO. 38		
PURCHASES OF STOCK-IN-TRADE		
Purchases of Stock-in-Trade	<u>2,478.83</u>	<u>684.12</u>
NOTE NO. 39		
CHANGES IN INVENTORIES OF FINISHED GOODS AND WORK-IN-PROGRESS		
Opening stock		
Finished Goods	744.63	4,423.23
Work-in-Progress	<u>2,569.92</u>	<u>2,248.50</u>
	3,314.55	6,671.73
Closing Stock		
Finished Goods	2,010.64	744.63
Work-in-Progress	<u>5,490.45</u>	<u>2,569.92</u>
	7,501.09	3,314.55
Net (Increase) / Decrease in Stock	<u>(4,186.54)</u>	<u>3,357.18</u>
NOTE NO. 40		
EMPLOYEE BENEFITS		
Salaries, Wages and Bonus	7,211.49	4,853.65
Contribution to Provident and Other Funds	776.06	608.89
Staff and Labour Welfare & Training Expenses	<u>442.22</u>	<u>261.47</u>
	8,429.77	5,724.01
Note: Refer to Note No.48 for disclosures pertaining to defined contribution plan and defined benefit obligations under Ind AS 19.		
NOTE NO. 41		
FINANCE COSTS		
Interest on Debts and Borrowings	3,856.32	4,368.66
Interest expense on lease liabilities [Refer to Note No. 49]	10.49	-
Exchange differences on Foreign Currency Borrowings regarded as an adjustment to Borrowing cost	<u>429.01</u>	<u>79.67</u>
	4,295.82	4,448.33
Notes: (i) Interest on Term Loans represent interest calculated using the effective interest rate method.		
(ii) The above Finance Costs is net of capitalised portion of ₹ 199.16 Lakhs (PY: ₹ 69.67 Lakhs) attributable to the qualifying assets.		
(iii) Refer to Note No. 54 for information about interest rate risk exposure under Financial Risk Management.		
NOTE NO. 42		
DEPRECIATION AND AMORTISATION EXPENSE		
Depreciation of Plant, Property and Equipment [Refer to Note No. 8]	4,979.94	4,708.90
Depreciation on Investment Properties [Refer to Note No. 10]	0.23	0.23
Amortization of Intangible Assets [Refer to Note No. 11]	<u>68.26</u>	<u>50.77</u>
	5,048.43	4,759.90



NOTES TO SEPARATE FINANCIAL STATEMENTS

(₹ in Lakhs)

2021-22

2020-21

NOTE NO. 43

OTHER EXPENSES

Manufacturing Expenses

Power and Fuel	3,979.09	2,690.93	
Packing Materials Consumption	875.03	539.50	
Repairs to Buildings	342.25	118.37	
Repairs to Plant and Machinery	1,664.49	1,017.84	
Repairs - Wind Mills & Others	1,401.28	1,006.40	
Mercerising expenses - Yarn Processing	520.18	179.71	
Chemical Consumption - Fabric	688.85	378.71	
Job work Charges Paid	500.22	146.13	
	9,971.39	6,077.59	

Establishment Expenses

Managing Director's Remuneration	247.50	247.50	
Rates and Taxes	154.42	137.66	
Insurance	347.96	299.21	
Postage and Telephone	36.85	40.97	
Printing and Stationery	39.10	30.23	
Travelling Expenses	73.75	18.81	
Vehicle Maintenance	134.03	67.50	
Exchange Loss on Foreign Currency Transactions	-	134.91	
Directors Sitting Fees	32.70	27.30	
Lease Rent [Refer to Note (ii) below]	23.51	11.82	
Audit Fees and Legal Expenses	32.11	21.08	
Loss on Sale of Cotton	-	63.21	
Financial Guarantee Expenses	-	90.00	
Provision for PACR Memorial Fund	100.00	-	
Corporate Social Responsibility Expenses	42.88	20.44	
Miscellaneous Expenses	253.31	95.73	
	1,518.12	1,306.37	

Selling Expenses

Sales Commission	655.81	505.45	
Export Expenses	779.46	267.75	
Other Selling Expenses	318.72	178.86	
Impairment allowance for trade receivables	36.05	-	
	1,790.04	952.06	
	13,279.55	8,336.02	

Notes: (i) The details of CSR Expenditure are disclosed in Note No. 55(j).

(ii) The disclosures pertaining to Lease Rent as required under Ind AS 116 are given in Note No. 49.

NOTES TO SEPARATE FINANCIAL STATEMENTS



(₹ in Lakhs)

2021-22

2020-21

NOTE NO. 44

AUDIT FEES AND EXPENSES (NET OF TAX CREDITS)

Statutory Auditors

Statutory Audit fee	6.00	5.00
Other Certification Work	1.63	5.13
Reimbursement of Expenses	0.05	0.15

Tax Auditors

Tax Audit fee	0.75	0.60
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Cost Auditors

Cost Audit fee	1.50	1.40
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Secretarial Auditors

Secretarial Audit fee	0.65	0.59
Other Certification Work	0.40	0.26
Reimbursement of Expenses	0.09	0.03

	11.07	13.16
--	-------	-------

NOTE NO. 45

COMMITMENTS

	As at 31-03-2022	As at 31-03-2021
(i) Estimated amount of contracts remaining to be executed on capital account and not provided for (net of capital advances)	30,001.04	5,775.60
(ii) Other Commitments		
Liability on Letter of Credit opened for Capital Goods	12,469.65	5,838.61
Liability on Letter of Credit opened for Cotton / Spares	36.49	27.29



NOTES TO SEPARATE FINANCIAL STATEMENTS

(₹ in Lakhs)

As at
31-03-2022

As at
31-03-2021

NOTE NO. 46

CONTINGENT LIABILITIES

Guarantees given by the bankers on behalf of company **247.32** 235.62

Demands / Claims not acknowledged as Debts in respect of matters in appeals relating to -

Income Tax **82.49** 82.49

Other demands **469.71** 469.71

- Income Tax Assessment have been completed upto the Accounting Year ended 31st March, 2017 i.e. AY 2017-18.
- Sales Tax / VAT Assessment has been completed upto the Accounting year 2016-17. The Assessment under CST Act was completed upto the Accounting year 2017-18.
- In respect of Income Tax matter, appeals are pending with Appellate Authorities for a demand amount of ₹ 82.49 Lakhs for the AY 2018-19 (PY: ₹ 82.49 Lakhs) towards dispute in calculation of Book Profit U/s. 115JB of the Income Tax Act, 1961.
- In respect of Electricity matters, Appeals / Writ petition are pending with TNERC / APTEL / High Court for various matters for which no provision has been made in the books of accounts to the extent of ₹ 469.71 Lakhs (PY: ₹ 469.71 Lakhs). In view of the various case laws decided in favour of the Company and in the opinion of the management, there may not be any tax liability on this matter.

NOTE NO. 47

Financial Guarantee given to banks to avail loan facilities by Related parties:

Sri Vishnu Shankar Mill Limited **1,000** 1,000

Sandhya Spinning Mill Limited **4,500** 5,500

Actual amount of loan outstanding against above Financial Guarantees

Sri Vishnu Shankar Mill Limited **300** 500

Sandhya Spinning Mill Limited **3,450** 3,504

NOTES TO SEPARATE FINANCIAL STATEMENTS



(₹ in Lakhs)

31-03-2022

31-03-2021

NOTE NO. 48

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

Defined Contribution Plan:

Employer's Contribution to Provident Fund	498.64	368.14
Employer's Contribution to Superannuation Fund	53.00	42.04

Defined Benefit Plan - Gratuity

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

Defined Benefit Plan (Gratuity):

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

As at the beginning of the year	1,223.07	1,210.25
Current Service Cost	95.12	97.07
Interest Cost	82.12	77.04
Actuarial Loss / (Gain)	8.30	(-) 50.79
Benefits paid	(-) 86.38	(-) 110.50
As at the end of the year	1,322.23	1,223.07

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

As at the beginning of the year	1,162.23	1,048.48
Expected return on plan assets	80.08	71.73
Actuarial gain / (loss)	3.74	(-) 11.93
Employer Contribution	62.95	164.45
Benefits paid	(-) 86.38	(-) 110.50
As at the end of the year	1,222.62	1,162.23

Actual Return on Plan Assets:

Expected Return on Plan Assets	80.08	71.73
Actuarial Gain / (Loss) on Plan Assets	3.74	(-) 11.93
Actual Return on Plan Assets	83.82	59.80



NOTES TO SEPARATE FINANCIAL STATEMENTS

(₹ in Lakhs)

	31-03-2022	31-03-2021
Reconciliation of Fair Value of Assets and Obligations:		
Present value of obligation	1,322.23	1,223.07
Fair value of plan assets	1,222.62	1,162.23
Difference, Amount recognized in Balance Sheet	99.61	60.84
Expenses recognized during the year:		
Current Service Cost	95.12	97.07
Net Interest on Obligations	2.04	5.31
Expenses recognized in Statement of Profit and Loss	97.16	102.38
Amount recognized in the Other Comprehensive Income:		
Actuarial changes arising from:		
Experience adjustments on Plan Liabilities	(-) 65.34	10.21
Experience adjustments on Plan Assets	3.74	(-) 11.93
Changes in financial assumptions	57.03	40.58
Changes in demographic assumptions	-	-
Gain / (Loss) recognized in OCI during the year	(-) 4.57	38.87
Investment Details		
Funds with LIC	1,216.47	1,156.48
Bank Balance	6.15	5.75
Total	1,222.62	1,162.23
Actuarial assumptions:		
LIC 2012-14 Table applied for service mortality rate	Yes	Yes
Discount rate p.a	7.36%	6.96%
Expected rate of Return on Plan Assets p.a.	7.36%	6.96%
Rate of escalation in salary p.a	3.75%	3.75%
Rate of Employee Turnover	0.05%	0.05%
Estimate of Expected Benefit payments		
Year 1	26.12	24.41
Year 2	89.25	46.69
Year 3	59.92	56.69
Year 4	108.32	62.94
Year 5	129.86	113.57
Next 5 Years	679.38	630.41

NOTES TO SEPARATE FINANCIAL STATEMENTS



(₹ in Lakhs)

31-03-2022 31-03-2021

Quantitative Sensitivity Analysis for Significant Assumptions

0.50% Increase in Discount Rate	100.45	88.56
0.50% Decrease in Discount Rate	115.85	102.41
0.50% Increase in Salary Growth Rate	116.13	102.63
0.50% Decrease in Salary Growth Rate	100.15	88.31

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

Defined Benefit Plan (Leave encashment plan):

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

As at the beginning of the year	284.95	415.26
Current Service Cost	30.39	31.41
Interest Cost	15.21	26.21
Actuarial Loss	85.77	(-) 143.29
Benefits paid	(-) 132.88	(-) 44.64
As at the end of the year	283.44	284.95

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

As at the beginning of the year	NIL	NIL
Expected return on plan assets	NIL	NIL
Actuarial gain / (loss)	NIL	NIL
Employer Contribution	132.88	44.64
Benefits paid	(-)132.88	(-) 44.64
As at the end of the year	NIL	NIL

Actual Return of plan assets:

Expected Return on Plan Assets	NIL	NIL
Actuarial Gain / (Loss) on Plan Assets	NIL	NIL
Actual Return on Plan Assets	NIL	NIL

Reconciliation of Fair Value of Assets and Obligations:

Fair value of plan assets	NIL	NIL
Present value of obligation	283.44	284.95
Difference, Amount Recognized in Balance Sheet	283.44	284.95



NOTES TO SEPARATE FINANCIAL STATEMENTS

(₹ in Lakhs)

31-03-2022 31-03-2021

Expenses recognized during the year:

Current Service Cost	30.39	31.41
Net Interest on obligations	15.21	26.21
Actuarial Gain recognized during the year	85.77	(-) 143.29
Expenses recognized in the Statement of Profit & Loss	131.37	(-) 85.67

Amount recognized in the Other Comprehensive Income:

Actuarial changes arising from:		
Experience adjustments on Plan Liabilities	NIL	NIL
Experience adjustments on Plan Assets	NIL	NIL
Changes in financial assumptions	NIL	NIL
Changes in demographic assumptions	NIL	NIL
Amount recognized in OCI during the year	NIL	NIL

Investment Details

Funds with LIC	NIL	NIL
Bank Balance	NIL	NIL
Total	NIL	NIL

Actuarial assumptions:

LIC 2012-14 Table applied for service mortality rate		
Discount rate p.a	7.36%	6.96%
Expected rate of Return on Plan Assets p.a.	NIL	NIL
Rate of escalation in salary p.a	3.75%	3.75%
Rate of Employee Turnover	0.05%	0.05%

Estimate of Expected Benefit payments

Year 1	3.99	2.71
Year 2	26.06	13.18
Year 3	15.36	26.61
Year 4	19.10	10.13
Year 5	26.52	22.51
Next 5 Years	149.33	175.47

Quantitative Sensitivity Analysis for Significant Assumptions

0.50% Increase in Discount Rate	41.23	28.36
0.50% Decrease in Discount Rate	46.99	32.64
0.50% Increase in Salary Growth Rate	47.09	32.71
0.50% Decrease in Salary Growth Rate	41.11	28.28

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

NOTES TO SEPARATE FINANCIAL STATEMENTS



NOTE NO. 49

DISCLOSURES PERTAINING TO IND AS 116 - LEASES

COMPANY AS A LESSEE

Nature of leasing activities

The Company has entered into operating lease on certain assets i.e land and building. Lease rentals are determined based on agreed terms. There is escalation clause in certain lease agreements after a specified period and no restriction imposed by the lease arrangements.

Maturity analysis of Lease Liabilities:

(₹ in Lakhs)

Particulars	31-03-2022	31-03-2021
Not later than one year	28.46	NIL
One to five years	161.32	NIL
More than five years	650.48	NIL
Total Undiscounted lease liabilities as at 31 st March	840.26	NIL

Other disclosures as required by Ind AS 116:

Particulars	31-03-2022	31-03-2021
Depreciation charge for Right-of-use asset	17.05	6.94
Interest on lease liabilities	10.49	NIL
Expenses relating to short-term leases	23.51	11.82
Total cash outflow for leases including principal and interest	78.59	NIL
Additions to Right-of-use assets	570.88	NIL
Carrying amount of Right-of-use assets at 31 st March	1,255.65	701.81

Notes: (a) Expenses relating to Short-term lease include leases whose lease term ends within 12 months from date of initial application and leases whose non-cancellable period is less than 12 months, irrespective of the actual tenure agreed as per the arrangement.

COMPANY AS A LESSOR

The Company has entered into operating leases i.e. Land & Building. The Company has not entered into any Finance leases. Future minimum rental receivable under non-cancellable operating leases as at the reporting date is given below:

Particulars	31-03-2022	31-03-2021
Not later than one year	1.05	1.05
One to five years	6.40	6.11
More than five years	9.37	12.25

NOTE NO. 50

EARNINGS PER SHARE

Particulars	31-03-2022	31-03-2021
Net profit / (loss) after tax (₹ in Lakhs) (A)	3,828.46	(-) 2,663.36
Weighted average number of Equity shares [In Lakhs] (B)	86.05	73.76
Nominal value per equity share (in ₹)	10	10
Basic & Diluted Earnings per share (A)/(B) (in ₹)	44	(-) 36



NOTES TO SEPARATE FINANCIAL STATEMENTS

NOTE NO. 51

RELATED PARTY TRANSACTIONS

Information on names of Related parties and nature of Relationship as required by Ind AS 24 on Related party disclosures for the year ended 31st March, 2022:

A) Associates

Name of the Company	Place of Business / Country of Incorporation	% of Shareholding as at	
		31-03-2022	31-03-2021
The Ramco Cements Limited	India	13.81%	14.02%
Ramco Industries Limited	India	9.69%	9.69%
Ramco Systems Limited	India	2.38%	2.39%

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

Name of the Key Management Personnel	Designation
Shri P.R. Venketrama Raja	Chairman
Smt. R. Sudarsanam	Managing Director (Upto 31-05-2022)
Smt. P.V. Nirmala Raju	Managing Director (From 01-06-2022)
Shri S.S. Ramachandra Raja	Non-Executive Director
Shri N.K. Ramasuwami Raja	Independent Director
Shri A.V. Dharmakrishnan	Non-Executive Director
Justice Shri P.P.S. Janarthana Raja	Independent Director
Shri V. Santhana Raman	Independent Director
Shri K.B. Nagendra Murthy	Independent Director
Smt. Soundara Kumar	Independent Director
Shri P.V. Abinav Ramasubramaniam Raja	Non-Executive Director
Shri P.A.S Alaghar Raja	Independent Director
Shri B. Gnanagurusamy	Chief Financial Officer
Shri A. Arulpranavam	Secretary

C) Relatives of Key Managerial Personnel

Name of the Relative of KMP	Relationship
Smt. R. Chittammal	Spouse of Shri S.S. Ramachandra Raja
Smt. Nalina Ramalakshmi	Sister of Shri P.R. Venketrama Raja
Smt. Sharada Deepa	Sister of Shri P.R. Venketrama Raja
Smt. B. Sri Sandhya Raju	Daughter of Shri P.R. Venketrama Raja

NOTES TO SEPARATE FINANCIAL STATEMENTS



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

The Ramaraju Surgical Cotton Mills Limited	Ramco Industrial and Technology Services Limited
Sri Vishnu Shankar Mill Limited	Ramco Wind farms Limited
Thanjavur Spinning Mill Limited	Ramco Management Private Limited
Sandhya Spinning Mill Limited	RCDC Securities & Investments Private Limited
Sri Harini Textiles Limited	Shri Harini Media Limited
Rajapalayam Textile Limited	

E) Employee Benefit Funds where control exists

Rajapalayam Mills Limited Officers' Superannuation Fund
Rajapalayam Mills Limited Employees' Gratuity Fund

F) Other entities over which there is a significant influence

Smt. Lingammal Ramaraju Shastra Prathishta Trust	PACR Sethurammammal Charity Trust
Ramco Welfare Trust	PACR Sethurammammal Charities
Raja Charity Trust	PAC Ramasamy Raja Education Charity Trust
Gowri Metal Works LLP	PACR Centenary Trust
Ramco Organic Farming Centre	PACR Rotary Blood Bank

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

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

i. Good Supplied / Services rendered (₹ in Lakhs)

Name of the Related party	Value	
	2021-22	2020-21
Associates		
The Ramco Cements Limited	71.86	0.07
Ramco Industries Limited	716.85	837.63
Ramco Systems Limited	0.81	0.81
Companies over which KMP / Relative of KMP exercise significant Influence		
The Ramaraju Surgical Cotton Mills Limited	1,798.82	460.77
Sri Vishnu Shankar Mill Limited	3,912.59	1,909.27
Sandhya Spinning Mill Limited	1,110.33	925.40
Rajapalayam Textile Limited	412.52	736.74
Sri Harini Textiles Limited	8.09	19.87
Other entities over which there is a significant influence		
PACR Education Charity Trust	0.35	0.35
PACR Rotary Blood Bank	0.35	0.71
PACR Sethurammammal Charity Trust	0.01	NIL



NOTES TO SEPARATE FINANCIAL STATEMENTS

		(₹ in Lakhs)	
		Value	
Name of the Related party		2021-22	2020-21
ii. Sale of Fixed Assets			
Associates			
Ramco Industries Limited		0.21	0.89
Companies over which KMP / Relative of KMP exercise significant Influence			
Sri Vishnu Shankar Mill Limited		NIL	0.59
Sandhya Spinning Mill Limited		NIL	981.28
Rajapalayam Textile Limited		119.35	7.67
Raja Charity Trust		NIL	1.80
iii. Cost of Goods & Services purchased / availed			
Associates			
The Ramco Cements Limited		20.20	9.43
Ramco Industries Limited		727.17	605.81
Ramco Systems Limited		33.10	25.03
Companies over which KMP / Relative of KMP exercise significant Influence			
The Ramaraju Surgical Cotton Mills Limited		1,874.17	564.70
Sri Vishnu Shankar Mill Limited		2,248.71	1,609.95
Ramco Windfarms Limited		386.90	380.52
Sandhya Spinning Mill Limited		857.07	1,089.83
Rajapalayam Textile Limited		518.42	1,292.43
Shri Harini Media Limited		0.74	1.47
Ramco Industrial and Technology Services Limited		13.72	NIL
Other entities over which there is a significant influence			
PACR Sethurammam Charity Trust		205.66	180.72
PACR Centenary Trust		10.24	NIL
Gowrihouse Metal Works LLP		0.48	0.08
Ramco Organic Farming Centre		0.32	0.08
iv. Purchase of Fixed Assets			
Associates			
The Ramco Cements Limited		5.34	NIL
Ramco Industries Limited		0.98	153.46
Ramco Systems Limited		468.17	NIL
Companies over which KMP / Relative of KMP exercise significant Influence			
The Ramaraju Surgical Cotton Mills Limited		1.48	NIL
Rajapalayam Textile Limited		6.58	5.01

NOTES TO SEPARATE FINANCIAL STATEMENTS



(₹ in Lakhs)

Name of the Related party	Value	
	2021-22	2020-21
v. Leasing Arrangements - Rent Paid		
Associates		
The Ramco Cements Limited	0.08	0.08
Companies over which KMP / Relative of KMP exercise significant Influence		
Sandhya Spinning Mill Limited	64.35	NIL
Relative of Key Managerial Personnel		
Smt. Sharada Deepa	1.51	1.56
vi. Reimbursement of Expenses Paid / (Received)		
Associates		
The Ramco Cements Limited	14.94	18.95
Ramco Industries Limited	(66.26)	NIL
Ramco Systems Limited	(0.54)	NIL
Companies over which KMP / Relative of KMP exercise significant Influence		
The Ramaraju Surgical Cotton Mills Limited	(71.52)	(22.43)
Sri Vishnu Shankar Mill Limited	(34.94)	(12.28)
Sandhya Spinning Mill Limited	(50.20)	(9.75)
Rajapalayam Textile Limited	(8.42)	(3.26)
Sri Harini Textiles Limited	(5.56)	(3.27)
vii. Dividend Paid		
Key Managerial Personnel		
Shri P.R. Venketrama Raja	9.18	14.66
Smt. R. Sudarsanam	0.37	0.64
Smt. P.V. Nirmala Raju	0.08	0.14
Shri P.V. Abinav Ramasubramaniam Raja	11.39	19.52
Shri S.S. Ramachandra Raja	0.14	0.24
Shri N.K. Ramasuwami Raja	0.09	0.15
Shri A.V. Dharmakrishnan	0.01	0.01
Shri P.A.S. Alaghar Raja	0.04	0.07
Associates		
The Ramco Cements Limited	0.17	0.26
Ramco Industries Limited	0.74	1.27
Companies over which KMP / Relative of KMP exercise significant Influence		
The Ramaraju Surgical Cotton Mills Limited	0.79	1.35
Sri Vishnu Shankar Mill Limited	0.17	0.30
Sandhya Spinning Mill Limited	-	0.01
Ramco Management Private Limited	0.01	0.02
Relative of Key Managerial Personnel		
Smt. R. Chittammal	0.48	0.83
Smt. R. Nalina Ramalakshmi	0.04	0.07
Smt. S. Sharada Deepa	0.06	0.11
Smt. B. Sri Sandhya Raju	0.10	0.17



NOTES TO SEPARATE FINANCIAL STATEMENTS

Name of the Related party	(₹ in Lakhs)	
	Value	
	2021-22	2020-21
viii. Dividend Received		
Associates		
The Ramco Cements Limited	NIL	991.95
Ramco Industries Limited	NIL	84.02
Companies over which KMP / Relative of KMP exercise significant Influence		
The Ramaraju Surgical Cotton Mills Limited	0.02	0.02
Thanjavur Spinning Mill Limited	225.00	225.00
ix. Right Issue Amount Received		
Key Managerial Personnel		
Shri P.R. Venketrama Raja	2,109.54	NIL
Smt. R. Sudarsanam	60.46	NIL
Smt. P.V. Nirmala Raju	13.20	NIL
Shri P.V. Abinav Ramasubramaniam Raja	1,851.10	NIL
Shri S.S. Ramachandra Raja	23.22	NIL
Shri N.K. Ramasuwami Raja	14.60	NIL
Shri A.V. Dharmakrishnan	1.82	NIL
Shri P.A.S. Alaghar Raja	5.69	NIL
Associates		
The Ramco Cements Limited	42.96	NIL
Ramco Industries Limited	120.78	NIL
Companies over which KMP / Relative of KMP exercise significant Influence		
The Ramaraju Surgical Cotton Mills Limited	128.21	NIL
Sri Vishnu Shankar Mill Limited	28.20	NIL
Sandhya Spinning Mill Limited	0.47	NIL
Ramco Management Private Limited	1.93	NIL
Relative of Key Management Personnel		
Smt. R. Chittammal	78.36	NIL
Smt. R. Nalina Ramalakshmi	6.37	NIL
Smt. S. Sharada Deepa	10.39	NIL
Smt. B. Sri Sandhya Raju	15.70	NIL
x. Interest Paid / (Received)		
Key Managerial Personnel		
Shri P.R. Venketrama Raja	3.21	5.41
Smt. R. Sudarsanam	21.10	5.53
Smt. P.V. Nirmala Raju	0.51	0.94
Shri P.V. Abinav Ramasubramaniam Raja	3.53	0.88
Companies over which KMP / Relative of KMP exercise significant Influence		
Sri Harini Textiles Limited	(87.88)	(99.76)
Lynks Logistics Limited	(3.89)	NIL
Thanjavur Spinning Mill Limited	194.55	181.02

NOTES TO SEPARATE FINANCIAL STATEMENTS



		(₹ in Lakhs)	
Name of the Related party		Value	
		2021-22	2020-21
xi. Director's Sitting Fees			
Key Managerial Personnel			
Shri P.R. Venketrama Raja		2.70	2.10
Smt. R. Sudarsanam		1.50	1.50
Smt. P.V. Nirmala Raju		2.10	1.50
Shri S.S. Ramachandra Raja		1.80	1.80
Shri N.K. Ramasuwami Raja		3.90	3.30
Shri A.V. Dharmakrishnan		4.20	3.00
Justice Shri P.P.S. Janarthana Raja		5.10	3.90
Shri V. Santhanaraman		1.80	1.80
Shri K.B. Nagendra Murthy		3.60	3.00
Smt Soundara Kumar		1.80	1.80
Shri P.V. Abinav Ramasubramaniam Raja		2.40	1.80
Shri P.A.S Alaghar Raja		1.80	1.80
xii. Remuneration to Key Managerial Personnel (Other than Sitting Fees)			
Key Managerial Personnel			
Smt. R. Sudarsanam, Managing Director		247.50	247.50
Shri B. Gnanagurusamy, Chief Financial Officer		68.67	33.55
Shri A. Arulpranavam, Secretary		15.23	9.93
xiii. CSR / Donation given			
Other entities over which there is a significant influence			
PACR Sethuramammal Charities		NIL	5.00
PACR Ramasuwami Raja Educational Charity Trust		0.50	NIL
PACR Rotary Blood Bank		1.00	NIL
xiv. Contribution to Superannuation Fund / Gratuity Fund			
Other entities over which there is a significant influence			
Rajapalayam Mills Limited Officers' Superannuation Fund		53.00	42.04
Rajapalayam Mills Limited Employees' Gratuity Fund		101.73	63.51
xv. Maximum amount of loans and advance / (borrowings) outstanding during the year			
Key Managerial Personnel			
Shri P.R. Venketrama Raja		(501.70)	(77.81)
Smt. R. Sudarsanam		(551.35)	(334.63)
Smt. P.V. Nirmala Raju		(13.76)	(13.54)
Shri P.V. Abinav Ramasubramaniam Raja		(53.92)	(50.81)
Companies over which KMP / Relative of KMP exercise significant Influence			
Sri Harini Textiles Limited		950.00	950.00
Lynks Logistics Limited		700.00	NIL
Thanjavur Spinning Mill Limited		(3,183.53)	(2,635.23)



NOTES TO SEPARATE FINANCIAL STATEMENTS

(₹ in Lakhs)

	Value	
Name of the Related party	2021-22	200-21
b. Outstanding balance including commitments		
i. Loans and advances		
Companies over which KMP / Relative of KMP exercise significant Influence		
Sri Harini Textiles Limited	950.00	950.00
Lynks Logistics Limited	700.00	NIL
ii. Borrowings:		
Key Managerial Personnel		
Shri P.R. Venketrama Raja	501.70	77.81
Smt. R. Sudarsanam	3.62	334.63
Smt. P.V. Nirmala Raju	0.99	13.54
Shri P.V. Abinav Ramasubramaniam Raja	3.99	50.81
Companies over which KMP / Relative of KMP exercise significant Influence		
Thanjavur Spinning Mill Limited	2,732.60	2,635.23
iii. Corporate Guarantee given to lender of Related parties		
Companies over which KMP / Relative of KMP exercise significant Influence		
Sri Vishnu Shankar Mill Limited	1,000	1,000
Sandhya Spinning Mill Limited	4,500	5,500
Notes: (a) These Guarantees have been given as an additional security to secure the borrowings of the above Companies for their modernization / expansion.		
(b) The loan balance with Banks by the related parties, on the strength of the above Corporate Guarantees given by the Company are furnished below:		
Sri Vishnu Shankar Mill Limited	300	500
Sandhya Spinning Mill Limited	3,450	3,504
iv. Trade Receivables		
Associates		
The Ramco Cements Limited	NIL	0.04
Companies over which KMP / Relative of KMP exercise significant Influence		
Sandhya Spinning Mill Limited	NIL	980.10

Note: (a) The above outstanding balance at the respective reporting dates are unsecured and settlement occurs in cash or through provision of goods / services, in case of unadjusted advances.

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

Particulars	31-03-2022	31-03-2021
Short - Term Benefits ^[1]	309.10	281.03
Defined Contribution Plan ^[2]	12.59	11.45
Defined Benefit Plan / Other Long-Term Benefits ^[3]	11.21	-
Total	332.90	292.48

1. It includes bonus, sitting fees, and value of perquisites.

2. It includes contribution to Provident fund and Superannuation fund.

3. As the liability for gratuity and compensated absences are provided on actuarial basis for the Company as a whole, amounts accrued pertaining to key managerial personnel are not included above. However, amount paid towards compensated absence is included whenever Company makes such payment to KMPs.



NOTES TO SEPARATE FINANCIAL STATEMENTS

NOTE NO. 52

SEGMENT INFORMATION FOR THE YEAR ENDED 31-03-2022

(₹ in Lakhs)

Particulars	Textiles		Power from Windmills		Total	
	31-03-2022	31-03-2021	31-03-2022	31-03-2021	31-03-2022	31-03-2021
REVENUE						
External Sales / Other Operating Income	68,965.47	41,184.44	-	-	68,965.47	41,184.44
Inter Segment Sale	-	-	3,927.23	3,758.58	3,927.23	3,758.58
Total	68,965.47	41,184.44	3,927.23	3,758.58	72,892.70	44,943.02
Other Income	1,173.04	252.78	-	-	1,173.04	252.78
Total Revenue	70,138.51	41,437.22	3,927.23	3,758.58	74,065.74	45,195.80
RESULT						
Segment Profit	6,832.71	(2,682.20)	2,154.45	2,099.88	8,987.16	(582.32)
Unallocated Income	-	-	-	-	225.02	1,300.98
Unallocated Expenses	-	-	-	-	-	-
Operating Profit	-	-	-	-	9,212.18	718.66
Interest Expenses	-	-	-	-	4,295.82	4,448.33
Interest Income	-	-	-	-	162.43	173.98
Provision for Taxation						
Current Tax	-	-	-	-	15.20	-
Withdrawal of MAT Credit relating to earlier years due to adoption of New Tax Regime	-	-	-	-	3,273.11	-
Deferred Tax	-	-	-	-	549.33	(1,168.48)
Profit from ordinary activities	-	-	-	-	1,241.15	(2,387.21)
Other Comprehensive Income after Tax	-	-	-	-	16.36	72.69
Exceptional Items	-	-	-	-	2,586.77	(276.15)
Net Profit after Tax	-	-	-	-	3,844.28	(2,590.67)
OTHER INFORMATION						
Segment Assets	1,08,594.65	79,057.57	5,112.05	5,528.75	1,13,706.70	84,586.32
Unallocated Assets	-	-	-	-	11,354.05	10,697.76
Total Assets	-	-	-	-	1,25,060.75	95,284.08
Segment Liabilities	8,061.61	5,696.69	-	-	8,061.61	5,696.69
Unallocated Liabilities	-	-	-	-	79,111.44	62,446.74
Total Liabilities	-	-	-	-	87,173.05	68,143.43
Capital Expenditure	18,867.90	4,251.64	-	-	18,867.90	4,251.64
Unallocated Capital Expenditure	-	-	-	-	-	-
Depreciation	4,631.73	4,343.20	416.70	416.70	5,048.43	4,759.90
Unallocated Depreciation Expenditure	-	-	-	-	-	-
Non-Cash expenses other than Depreciation	-	-	-	-	-	-



NOTES TO SEPARATE FINANCIAL STATEMENTS

NOTE NO. 53

DISCLOSURE OF FAIR VALUE MEASUREMENTS

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

Financial Instruments by category

(₹ in Lakhs)

Particulars	Amortised Cost	FVTPL	FVTOCI	Carrying Amount	Fair Value
As at 31-03-2022					
Financial Assets					
Investments - Preference Shares	2,500.00	–	–	2,500.00	2,500.00
Other Investments	–	–	161.42	161.42	161.42
Loans	1,650.00	–	–	1,650.00	1,650.00
Trade Receivables	10,335.98	–	–	10,335.98	10,335.98
Cash and Bank Balances	661.43	–	–	661.43	661.43
Other Financial Assets	1,497.13	–	–	1,497.13	1,497.13
Financial Liabilities					
Borrowings	74,188.76	–	–	74,188.76	74,188.76
Lease Liabilities	502.79	–	–	502.79	502.79
Trade Payables	1,813.66	–	–	1,813.66	1,813.66
Other Financial Liabilities	3,836.27	–	–	3,836.27	3,836.27
As at 31-03-2021					
Financial Assets					
Investments - Preference Shares	2,500.00	–	–	2,500.00	2,500.00
Other Investments	–	–	140.49	140.49	140.49
Loans	950.00	–	–	950.00	950.00
Trade Receivables	7,681.04	–	–	7,681.04	7,681.04
Cash and Bank Balances	566.02	–	–	566.02	566.02
Other Financial Assets	2,564.24	–	–	2,564.24	2,564.24
Financial Liabilities					
Borrowings	61,845.95	–	–	61,845.95	61,845.95
Trade Payables	1,455.84	–	–	1,455.84	1,455.84
Other Financial Liabilities	2,732.41	–	–	2,732.41	2,732.41

NOTES TO SEPARATE FINANCIAL STATEMENTS



Fair value hierarchy

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

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

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

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

The details of financial instruments that are measured at fair value on recurring basis are given below:

(₹ in Lakhs)

Particulars	Level 1	Level 2	Level 3	Total
Financial Instruments at FVTOCI				
Investments in listed equity securities				
As at 31-03-2022	13.58	–	–	13.58
As at 31-03-2021	12.19	–	–	12.19
Investment in unlisted securities				
As at 31-03-2022	–	–	147.84	147.84
As at 31-03-2021	–	–	128.30	128.30
Financial Instruments at FVTPL				
Foreign exchange forward contracts				
As at 31-03-2022 (Liability)	–	263.57	–	263.57
As at 31-03-2021 (Liability)	–	80.32	–	80.32

Valuation techniques used to determine the fair value

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

Nature of Financial Instrument	Valuation Technique	Remarks
Investment in Listed securities / Mutual Funds	Market Value	Closing Price as at reporting date in Stock Exchange.
Investment in Unlisted securities	Adjusted Net Assets	Net Assets value as per Balance Sheet of respective Companies as at reporting date.
Foreign exchange forward contracts	Mark to Market	Based on MTM valuations provided by the Banker.
Financial Guarantee Obligation	Differential Interest Rate	Interest rates quote have been obtained from the Banker.

NOTE NO. 54

FINANCIAL RISK MANAGEMENT

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



NOTES TO SEPARATE FINANCIAL STATEMENTS

The Company has the following financial risks:

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

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

Credit Risk

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

Receivables

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

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

(₹ in Lakhs)

Particulars	Due less than 45 days	46 to 90 days	91 to 180 days	More than 180 days	Total
As at 31-03-2022					
Gross carrying amount	8,981.09	764.92	277.76	348.26	10,372.03
Expected Loss Rate	0%	0%	0%	10.35%	0.35%
Expected Credit Losses	-	-	-	36.05	36.05
Carrying amount of trade receivables net of impairment	8,981.09	764.92	277.76	312.21	10,335.98
As at 31-03-2021					
Gross carrying amount	5,172.01	1,686.44	405.75	416.84	7,681.04
Expected Loss Rate	0%	0%	0%	0%	0%
Expected Credit Losses	-	-	-	-	-
Carrying amount of trade receivables net of impairment	5,172.01	1,686.44	405.75	416.84	7,681.04

NOTES TO SEPARATE FINANCIAL STATEMENTS



Financial Instruments and Cash deposits

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

Liquidity Risk

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

Fund Management

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

Financial arrangements

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

Particulars	31-03-2022	31-03-2021
Expiring within one year		
Bank Overdraft and other facilities	14,499.01	30,891.93
Term Loans	28,995.83	3,000.00
Expiring beyond year		
Term Loans	-	-

Maturities of Financial Liabilities

Nature of Financial Liability	< 1 Year	1 - 5 Years	> 5 years	Total
As at 31-03-2022				
Borrowings from Banks	43,025.97	28,756.99	2,405.80	74,188.76
Trade payables	1,813.66	-	-	1,813.66
Other Financial Liabilities (Incl. Interest)	3,836.27	-	-	3,836.27
As at 31-03-2021				
Borrowings from Banks	31,663.08	25,447.75	4,735.12	61,845.95
Trade payables	1,455.84	-	-	1,455.84
Other Financial Liabilities (Incl. Interest)	2,732.41	-	-	2,732.41

Foreign Currency Risk

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

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



NOTES TO SEPARATE FINANCIAL STATEMENTS

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

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

As at 31-03-2022

In Millions

Type	Particulars	USD	Euro	CHF	JPY
Hedged Items	Financial Assets / Firm commitments related to Financial Assets				
	(a) Trade Receivables	3.84	0.98	-	-
	Financial Liabilities / Firm Commitments related to Financial Liabilities				
	(a) Buyers Credit Loan	14.44	-	-	-
	(b) Contracts for import of materials	14.86	8.54	0.83	440.28
Hedging Instruments (Forward contracts)	Instruments for hedging the currency risk on Financial Assets				
	(a) PCFC Loan	3.84	0.98	-	-
	Instruments for hedging the currency risk on Financial Liabilities				
	(a) Forward contracts for Buyers Credit Loan	14.44	-	-	-
	(b) Forward contract for imports	14.86	8.54	0.83	440.28
	(c) Forward Contracts for Exports	9.73	2.00	-	-

As at 31-03-2021

In Millions

Type	Particulars	USD	Euro
Hedged Items	Financial Assets / Firm commitments related to Financial Assets		
	(a) Trade Receivables	1.79	0.47
	Financial Liabilities / Firm Commitments related to Financial Liabilities		
	(a) Buyers Credit Loan	8.05	-
	(b) Contracts for import of materials	5.18	5.11
Hedging Instruments (Forward contracts)	Instruments for hedging the currency risk on Financial Assets		
	(a) PCFC Loan	1.79	0.47
	Instruments for hedging the currency risk on Financial Liabilities		
	(a) Forward contracts for Buyers Credit Loan and Interest thereon	8.05	-
	(b) Forward contract for Imports	5.18	5.11

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

Particulars	Foreign currency (in Lakhs)		Nominal Amount (₹ in Lakhs)	
	31-03-2022	31-03-2021	31-03-2022	31-03-2021
USD / INR buy forward	293.04	132.28	22,210.35	9,670.99
USD / INR sell forward	97.29	NIL	7,373.67	NIL
EURO / INR buy forward	85.44	51.06	7,195.49	4,378.40
EURO / INR sell forward	20.01	NIL	1,685.24	NIL
CHF / INR buy forward	8.34	NIL	683.72	NIL
JPY / INR buy forward	4,402.80	NIL	2,736.45	NIL

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

NOTES TO SEPARATE FINANCIAL STATEMENTS



Cash flow and fair value interest rate risk

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

Interest rate risk exposure

(₹ in Lakhs)

Particulars	31-03-2022	31-03-2021
Variable rate borrowings	74,138.76	61,845.95
Fixed rate borrowings	50.00	-

The Company does not have any interest rate swap contracts

Sensitivity on Interest rate fluctuation

Incremental Interest Cost works out to	31-03-2022	31-03-2021
1% Increase in Interest Rate	741.39	618.46

NOTE NO. 55

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

a) Trade Payables Ageing Schedule

Particulars	Outstanding for following periods from due date of payment					
	Not due	< 1 Year	1 - 2 Years	2 - 3 years	> 3 years	Total
As at 31-03-2022						
MSME	261.25	-	-	-	-	261.25
Others	1,071.82	422.66	1.93	0.92	-	1,497.33
Disputed Dues - MSME	-	-	-	-	-	-
Disputed Dues - Others	-	17.52	20.99	13.20	3.37	55.08
Unbilled dues	-	-	-	-	-	-
Total	1,333.07	440.18	22.92	14.12	3.37	1,813.66
As at 31-03-2021						
MSME	224.49	-	-	-	-	224.49
Others	754.79	421.27	6.75	-	-	1,182.81
Disputed Dues - MSME	-	-	-	-	-	-
Disputed Dues - Others	-	-	32.81	15.73	-	48.54
Unbilled dues	-	-	-	-	-	-
Total	979.28	421.27	39.56	15.73	-	1,455.84



NOTES TO SEPARATE FINANCIAL STATEMENTS

b) Capital Work-in-Progress Ageing Schedule

(₹ in Lakhs)

Particulars	Amount in CWIP for a period of				Total
	< 1 Year	1 – 2 Years	2 - 3 years	> 3 years	
As at 31-03-2022	3,663.27	44.59	–	–	3,707.86
As at 31-03-2021	993.38	20.31	–	–	1,013.69

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

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

(iii) The Company has no intangible assets under development.

c) Trade Receivables Ageing Schedule

Particulars	Outstanding for following periods from due date of payment						Total
	Not due	Less than 6 months	6 months - 1 year	1 - 2 years	2 - 3 years	> 3 years	
As at 31-03-2022							
Undisputed Trade receivables - considered good	9,340.75	686.53	0.02	205.17	103.51	–	10,335.98
Undisputed Trade receivables - which have significant increase in credit risk	–	–	–	36.05	–	–	36.05
Disputed Trade receivables - considered good	–	–	–	–	–	–	–
Disputed Trade receivables - which have significant increase in credit risk	–	–	–	–	–	–	–
Total	9,340.75	686.53	0.02	241.22	103.51	–	10,372.03
As at 31-03-2021							
Undisputed Trade receivables - considered good	5,836.10	1,377.39	339.97	127.58	–	–	7,681.04
Undisputed Trade receivables - which have significant increase in credit risk	–	–	–	–	–	–	–
Disputed Trade receivables - considered good	–	–	–	–	–	–	–
Disputed Trade receivables - which have significant increase in credit risk	–	–	–	–	–	–	–
Total	5,836.10	1,377.39	339.97	127.58	–	–	7,681.04

NOTES TO SEPARATE FINANCIAL STATEMENTS



d) Details of Loans Granted to Promoters, Directors, KMPs and related parties: (₹ in Lakhs)

Type of the Borrower	Amount of Loan outstanding as on 31-03-2022	% to the Total Loans and advances in the nature of Loans
Sri Harini Textiles Limited [a related party refer to Note No. 51(b)(i)]	950	58%
Lynks Logistics Limited [a related party refer to Note No. 51(b)(i)]	700	42%

e) Undisclosed Income

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

f) Relationship with Struck off Companies

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

g) Details of Crypto Currency or Virtual Currency

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

h) The Company has neither advanced or loaned or invested, nor received any fund, to or from, any other persons or entities (intermediaries) with the understanding that the intermediary shall:

- i) directly or indirectly lend or invest in other persons or entities identified in any manner whatsoever by or onbehalf of the Company or
- ii) provide any guarantee, security or the like to or onbehalf of the ultimate beneficiaries.

i) Key Financial Ratios

Particulars	UOM	31-03-2022	31-03-2021	Variation in %
(a) Current Ratio	In multiple	1.08	0.94	15%
(b) Debt-Equity Ratio	In multiple	1.96	2.28	(-) 14%
(c) Debt Service Coverage Ratio	In multiple	1.08	0.56	89%
(d) Return on Equity Ratio	In %	10%	(-) 9%	-
(e) Inventory Turnover Ratio	In Days	100	123	(-) 18%
(f) Trade receivables Turnover Ratio	In Days	48	56	(-) 16%
(g) Trade payables Turnover Ratio	In Days	9	13	(-) 36%
(h) Net Capital Turnover Ratio	In Days	139	166	(-) 16%
(i) Net Profit Ratio	In %	11%	(-) 9%	-
(j) Return on Capital Employed	In %	21%	2%	974%
(k) Return on Investment (Assets)	In %	4%	(-) 3%	-



NOTES TO SEPARATE FINANCIAL STATEMENTS

Formula adopted for above Ratios:

- (a) Current Ratio = Current Assets / (Total Current Liabilities - Security Deposits payable on Demand - Current maturities of Long Term Debt)
- (b) Debt-Equity Ratio = Total Debt / Total Equity
- (c) Debt Service Coverage Ratio = (EBITDA - Current Tax) / (Principal Repayment + Gross Interest)
- (d) Return on Equity Ratio = Total Comprehensive Income / Average Total Equity
- (e) Inventory Turnover Ratio (Average Inventory days) = 365 / (Net Revenue / Average Inventories)
- (f) Trade receivables Turnover Ratio (Average Receivables days) = 365 / (Net Revenue / Average Trade receivables)
- (g) Trade Payables Turnover Ratio (Average Payable days) = 365 / (Net Revenue / Average Trade payables)
- (h) Net Capital Turnover Ratio = (Inventory Turnover Ratio + Trade receivables turnover ratio - Trade payables turnover ratio)
- (i) Net Profit Ratio = Net Profit / Net Revenue
- (j) Return on Capital employed = (Total Comprehensive Income + Interest) / (Average of (Equity + Total Debt))
- (k) Return on Investment (Assets) = Total Comprehensive Income / Average Total Assets

Reasons for Variation if more than 25%:

Wherever there is a change in value from negative to positive or vice-versa, the computation of variation will be misleading and hence not computed.

Debt Service Coverage Ratio / Return on Capital Employed:

The improvement in these ratios are due to better performance of the Company during the financial year 2021-22 as compared to previous financial year 2020-21. In addition to low base effect of financial year 2020-21, the demand for cotton yarn and fabric has picked-up during the financial year 2021-22 and the Company's focus to produce value added yarn has started yielding results.

Trade payables Turnover Ratio:

The reduction in trade payable turnover ratio is due to increase in the turnover during the financial year 2021-22. The turnover has increased on account of increase in selling prices of yarn & fabric. There was also increase in sale volume during the financial year 2021-22 due to better machinery utilization and capacity addition.

j) Disclosures related to CSR activities

(₹ in Lakhs)

Particulars	Amount
Amount required to be spent by the company during the year	NIL
Amount of expenditure incurred	42.88
Shortfall at the end of the year	NIL
Total of previous years shortfall	NIL
Reason for shortfall	NA
Nature of CSR activities	Please refer to Table-A below
Details of related party transactions	Please refer to Table-B below

Note : The Company has not made any provision related to CSR activities for the financial years 2021-22 and 2020-21.

NOTES TO SEPARATE FINANCIAL STATEMENTS



Table – A Nature of CSR activities:

Nature	Amount
Eradication of Hunger and Promotion of Healthcare including Preventive Healthcare	14.63
Promotion of Education including Special Education and Livelihood Enhancement Projects	0.75
Ensuring Environmental Sustainability	3.34
Restoration of Building and Sites of Historical Importance and Works of Art	3.87
Rural Development Project	12.29
Disaster Management - Covid Contribution	8.00
Total	42.88

Table – B Details of related party transactions:

Name of the related party	Nature of CSR activities	Amount
P.A.C. Ramasamy Raja Education Charity Trust	Promotion of Education	0.50

NOTE NO. 56

a) Exceptional Items:

i) Profit on sale of Investment

The Company has decided to sell some of the investments held in the Shares of one of its associates viz. The Ramco Cements Limited as a means of finance to fund its capital expenditure for expansion of Fabric production capacity and for establishment of fabric processing unit. The Company has sold 4,39,736 Shares of The Ramco Cements Limited during the FY 2021-22 for a sale consideration of ₹ 3,456.57 Lakhs. After adjusting cost of sale ₹ 9.68 Lakhs and carrying cost of investment of ₹ 64.70 Lakhs, the net profit on sale of investment of ₹ 3,382.19 Lakhs (PY: NIL) has been presented in the Statement of Profit and Loss as "Profit on Sale of Investment" under Exceptional Items.

ii) Loss on Sale of Property, Plant & Equipment and Investment Property

The Company has modernized its open end machineries and sold the old machineries during the financial year 2021-22. It has also demolished a building located at Bangalore wherein the Company was having a Tissue Culture unit, the operations of the Unit were closed during the financial year 2012-13. The old machineries and scraped items from demolished building were sold for a sale consideration of ₹ 446.10 Lakhs. The WDV of old machineries and building (Investment Property) as on 31-03-2022 was ₹ 1,241.52 Lakhs. The Company has incurred loss on sale of the above old machineries and investment property to the extent of ₹ 795.42 Lakhs (PY: ₹ 276.15 Lakhs) and the same is shown as an Exceptional Items in the Statement of Profit and Loss.

b) Impact of COVID-19:

The resurgence of COVID-19 in India has forced State Government to impose complete lockdown from 24-05-2021 to 31-05-2021 and Mills were temporarily shutdown during that period. The operations and financial results for the Financial Year ended 31-03-2022 have been impacted to such extent.



NOTES TO SEPARATE FINANCIAL STATEMENTS

NOTE NO. 57

Events after the reporting period – Distribution made and proposed (₹ in Lakhs)

Particulars	31-03-2022	31-03-2021
Cash Dividends on Equity Shares declared and paid		
Final dividend for the year ended 31 st March, 2021: ₹ 0.50/- per share PY: ₹ 1/- per share)	43.03	73.76
Proposed Dividends on Equity Shares		
Final dividend for the year ended 31 st March, 2022: ₹ 1/- per share (PY: ₹ 0.50/- per share)	86.06	43.03

NOTE NO. 58

Capital Management

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

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

Particulars	31-03-2022	31-03-2021
Long Term Borrowings	31,162.79	30,182.87
Short Term Borrowings	43,025.97	31,663.08
Less: Cash and Cash Equivalents	147.99	48.15
Net Debt (A)	74,040.77	61,797.80
Equity Share Capital	860.55	737.62
Other Equity	37,027.15	26,403.03
Total Equity (B)	37,887.70	27,140.65
Total Capital Employed (C) = (A) + (B)	1,11,928.47	88,938.45
Capital Gearing Ratio (A) / (C)	66%	69%

The decreased in capital gearing ratio as at 31-03-2022 was due to raising of Equity Capital through Rights Issue / Better performance of the Company which has increased the other Equity. However, increased Working Capital Borrowings due to higher cotton / yarn prices has offset this benefit to some extent. The Capital Gearing Ratio is expected to come down in the forthcoming years.

There are no significant changes in the objectives, policies or processes for managing capital during the years ended 31-03-2022 and 31-03-2021.

As per our report annexed

For N.A. JAYARAMAN & CO.
Chartered Accountants
Firm Registration No. 001310S

R. PALANIAPPAN
Partner
Membership No. 205112

RAJAPALAYAM
25th May, 2022

For SRSV & ASSOCIATES
Chartered Accountants
Firm Registration No. 015041S

R. SUBBURAMAN
Partner
Membership No. 020562

Shri P.R. VENKETRAMA RAJA
Chairman

B. GNANAGURUSAMY
Chief Financial Officer

Smt. R. SUDARSANAM
Managing Director

A. ARULPRANAVAM
Secretary



CONSOLIDATED FINANCIAL STATEMENTS



AUDITORS' REPORT TO SHAREHOLDERS

INDEPENDENT AUDITORS' REPORT

To the Members of M/s. RAJAPALAYAM MILLS LIMITED

Report on the Audit of the Consolidated Financial Statements

Opinion

We have audited the Consolidated financial statements of RAJAPALAYAM MILLS LIMITED ("the Company") and the share of profits and total comprehensive income of its associates, comprising of the consolidated balance sheet as at 31st March, 2022, the consolidated statement of profit and loss, the Consolidated Statement of Change in equity, the consolidated cash flow statement for the year then ended, and a summary of the significant accounting policies and other explanatory information ("the consolidated financial statements").

In our opinion and to the best of our information and according to the explanations given to us, the aforesaid consolidated financial statements give the information required by the Act in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India, of their consolidated state of affairs of the Company as at 31st March, 2022, and the consolidated profit / loss, and its consolidated cash flows for the year ended and consolidated changes in the equity on that date.

Basis for Opinion

We conducted our audit in accordance with the Standards on Auditing (SAs) specified under Section 143(10) of the Companies Act, 2013. Our responsibilities under those Standards are further described in the *Auditor's Responsibilities for the Audit of the Consolidated Financial Statements* section of our report. We are independent of the Company in accordance with the *Code of Ethics* issued by Institute of Chartered Accountants of India, and we have fulfilled our other ethical responsibilities in accordance with these requirements and the Code of Ethics. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Emphasis of Matter

We draw attention to Note No. 57 to the consolidated financial statements, which describes the uncertainties and the impact of the COVID-19 pandemic on the operations and results as assessed by the Management. The Management has assessed that there is no material impact on the financial statements due to lockdown and related restrictions imposed towards controlling the COVID-19 pandemic. Our opinion is not modified in respect of this matter.

AUDITORS' REPORT TO SHAREHOLDERS



Key Audit Matters

Key audit matters are those matters that, in our professional judgement, 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.

S.No.	Key Audit Matter	Auditor's Response
1	<p>Recognition and measurement of deferred taxes</p> <p>The recognition and measurement of deferred tax items requires determination of differences between the recognition and the measurement of assets, liabilities, income and expenses in accordance with the Income Tax Act and other applicable tax laws including application of ICDS and financial reporting in accordance with Ind AS.</p> <p>Assessment of Deferred Tax Assets is done by the management at the close of each financial year taking into account forecasts of future taxable results.</p> <p>We have considered the assessment of deferred tax liabilities and assets as a key matter due to the importance of management's estimation and judgment and the materiality of amounts.</p> <p>(Refer to Note No. 6D(iv), (v), (vii) & 8(iv) to the Consolidated Financial Statements)</p>	<p>Principal Audit Procedures</p> <p>The key matter was addressed by performing audit procedures which involved assessment of underlying process and evaluation of internal financial controls with respect to measurement of deferred tax and assessment of the items leading to recognition of deferred tax in light of prevailing tax laws and applicable financial reporting standards.</p> <p>Furthermore we assessed the adequacy and appropriateness of the disclosures in the consolidated financial statements.</p>
2	<p>Evaluation of uncertain Tax Position / Other contingent liabilities</p> <p>The Company has material uncertain tax position in respect of possible or actual taxation disputes, litigations and claims. The provisions are estimated using a significant degree of management judgment in interpreting the various relevant rules, regulations and practices and in considering precedents in various legal forums.</p> <p>(Refer to Note No. 46 to the Consolidated Financial Statements)</p>	<p>Principal Audit Procedures</p> <p>The Audit addressed this Key Audit Matter by assessing the adequacy of tax Provisions by reviewing the management's underlying assumptions in estimating the tax provisions and the possible outcome of the disputes. We reviewed the significant litigations and claims and discussed with the Company's legal counsel, external advisors about their views regarding the likely outcome and magnitude of and exposure to relevant litigation and claims.</p>



AUDITORS' REPORT TO SHAREHOLDERS

S.No.	Key Audit Matter	Auditor's Response
		Furthermore we assessed the adequacy and appropriateness of the disclosures in the Consolidated financial statements.
3.	<p>Existence and impairment of Trade Receivables</p> <p>Trade Receivables are significant to the Company's financial statements. The Collectability of trade receivables is a key element of the company's working capital management, which is managed on an ongoing basis by its management. Due to the nature of the Business, the requirements of customers and various contract terms are in place, there is a risk that the carrying values may not reflect of their recoverable amounts as at the reporting date, which would require an impairment provision. Where there are indicators of impairment, the company undertakes assessment of the recoverability of the amounts. Given the magnitude and inherent uncertainty involved in the judgement, in estimating impairment assessment of trade receivables, we have identified this as a key audit matter.</p> <p>(Refer to Note No. 19 to the Consolidated Financial Statements)</p>	<p>Principal Audit Procedures</p> <p>We performed audit procedures on the assessment of trade receivables, which included substantive testing of revenue transactions, obtaining trade receivable external confirmations and testing the subsequent payments received. Assessing the impact of impairment on trade receivables requires judgement and we evaluated management's assumptions in determining the provision for impairment of trade receivables, by analyzing the ageing of receivables, assessing significant overdue individual trade receivables and specific local risks, combined with the legal documentations, where applicable.</p> <p>We tested the timing of revenue and trade receivables recognition based on the terms agreed with the customers. We also reviewed, on a sample basis, terms of the contract with the customers, invoices raised, etc., as a part of our audit procedures.</p> <p>Furthermore we assessed the adequacy and appropriateness of the disclosures in the consolidated financial statements.</p>

Information Other than the Consolidated Financial Statements and Auditors' Report Thereon

The Company's management and board of directors are responsible for the other information. The other information comprises the information included in the Company's annual report but does not include the financial statements and our auditor's report thereon.

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

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

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



Responsibilities of Management and those charged with Governance for the Consolidated Financial Statements

The Company's Management and Board of Directors are responsible for the preparation and presentation of these consolidated financial statements in term of the requirements of the Companies Act, 2013 that give a true and fair view of the consolidated state of affairs, consolidated profit / loss including other comprehensive income, consolidated statement of changes in equity and consolidated cash flows of the Company including its Associates in accordance with the accounting principles generally accepted in India, including the Accounting Standards specified under Section 133 of the Act. The respective Board of Directors of the Company including its Associates are responsible for maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding the assets of the each entity 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 the design, implementation and maintenance of adequate internal financial controls, that were operating effectively for ensuring accuracy and completeness of the accounting records, relevant to the preparation and presentation of the consolidated financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error, which have been used for the purpose of preparation of the consolidated financial statements by the Directors of the Company, as aforesaid.

In preparing the consolidated financial statements, the respective Management and Board of Directors of the Company and of its Associates are responsible for assessing the ability of the Company and its Associates 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 entity or to cease operations, or has no realistic alternative but to do so.

The respective Board of Directors of the Company and its Associates are responsible for overseeing the financial reporting process of each entity.

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

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

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



AUDITORS' REPORT TO SHAREHOLDERS

- 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 controls relevant to the audit in order to design audit procedures that are appropriate in the circumstances. Under Section 143(3)(i) of the Companies Act, 2013 we are also responsible for expressing our opinion on whether the company has adequate internal financial controls with reference to consolidated financial statements in place and the operating effectiveness of such controls.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
- Conclude on the appropriateness of management's use of the going concern basis of accounting in preparation of consolidated financial statements and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the appropriateness this assumptions. 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 Company and its associates 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 to express an opinion on the consolidated financial statements. We are responsible for the direction, supervision and performance of the audit of the financial statements of such entities included in the consolidated financial statements of which we are the independent auditors. For the other entities included in the consolidated financial statements, which have been audited by other auditors, such other auditors remain responsible for the direction, supervision and performance of the audits carried out by them. We remain solely responsible for our audit opinion.

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.

AUDITORS' REPORT TO SHAREHOLDERS



We communicate with those charged with governance of company and such other entities included in the consolidated financial statements of which we are 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

The consolidated financial statements also include the Company's share of profit after tax of ₹ 14,774.07 Lakhs and total comprehensive income of ₹ 14,728.60 Lakhs for the year ended 31st March, 2022 as considered in the consolidated audited financial statements in respect of all the three Associates. The financial results / financial information of two Associates have been audited by one of us along with another joint auditor and one Associate has been audited by an Independent Auditor, whose reports have been furnished to us by the management and our report on the consolidated financial statements in so far as it relates to the amounts that have been derived from such audited financial statements is solely based on the reports of the other auditors.

Our opinion on the consolidated financial statements, and our report on Other Legal and Regulatory Requirements below, is based on the financial statements/financial information certified by the Management.

Report on Other Legal and Regulatory Requirements

With respect to the matter specified in paragraph 3(xxi) and 4 of the Companies (Auditors Report) order, 2020 (the "Order" / "CARO") issued by the Central Government in terms of Section 143(11) of the Act, to be included in the Auditor's Report, according to the information and explanation given to us, and based on the CARO reports issued by us for the Company and its Associates included in the Consolidated Financial Statements of the Company, to which reporting under CARO in applicable, we report that there are no qualifications or adverse remarks in there CARO reports.



AUDITORS' REPORT TO SHAREHOLDERS

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

- (a) We have sought and obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purposes of our audit 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 and the reports of the other auditors.
- (c) The Consolidated Balance Sheet, the Consolidated Statement of Profit and Loss (including other comprehensive income), and the Consolidated Statement of Cash Flow dealt with by this Report are in agreement with the 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, read with Rule 7 of the Companies (Accounts) Rules, 2014.
- (e) On the basis of the written representations received from the directors of the Company as on 31st March, 2022 taken on record by the Board of Directors of the Company and the report of the statutory auditors of its Associates incorporated in India, none of the Directors of the Company and its Associates incorporated in India is disqualified as on 31st March, 2022 from being appointed as a Director of that company in terms of sub-section 2 of Section 164 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", which is based on the auditor's reports of the company and its Associate companies incorporated in India. Our report expresses an unmodified opinion on the adequacy and operating effectiveness of the internal financial control over financial reporting of those companies, for reason stated there in.
- (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 best of our information and according to the explanations given to us, the remuneration paid to the directors during the current year by the Company and its Associates which are incorporated in India is in accordance with the provision of Section 197 (16) of the Act. The remuneration paid to any director by the Company and its Associates which are incorporated in India, is not in excess of limit laid down under Section 197 of the Act. The Ministry of Corporate Affairs has not prescribed other details under Section 197(16) which are required to be commented upon by us.

AUDITORS' REPORT TO SHAREHOLDERS



- (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 Company and its Associates.
- ii. Provision has been made in the consolidated financial statements, as required under the applicable law or Ind AS, 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 and its Associate companies incorporated in India during the year ended 31st March, 2022.
- iv.
 - (a) The Management has represented that, to the best of its knowledge and belief, no funds have been advanced or loaned or invested (either from borrowed funds or share premium or any other sources or kind of funds) by the Company to or in any other persons or entities, including foreign entities ("Intermediaries"), with the understanding, whether recorded in writing or otherwise, that the Intermediary shall, directly or indirectly lend or invest in other persons or entities identified in any manner whatsoever ("Ultimate Beneficiaries") by or on behalf of the Company or provide any guarantee, security or the like on behalf of the Ultimate Beneficiaries.
 - (b) The Management has represented that, to the best of its knowledge and belief, no funds have been received by the Company from any persons or entities, including foreign entities ("Funding Parties"), with the understanding, whether recorded in writing or otherwise, that the Company shall directly or indirectly, lend or invest in other persons or entities identified in any manner whatsoever ("Ultimate Beneficiaries") by or on behalf of the Funding Parties or provide any guarantee, security or the like on behalf of the Ultimate Beneficiaries.
 - (c) Based on the audit procedures performed that have been considered reasonable and appropriate in the circumstances, nothing has come to our notice that has caused us to believe that the representations under sub-clause (i) and (ii) of Rule 11(e) of Companies (Audit and Auditors) Rules, 2014, as provide under (a) and (b) above, contain any material mis-statement.



AUDITORS' REPORT TO SHAREHOLDERS

- v. As stated in Note No. 59 to the Consolidated financial statements, the dividend proposed in the previous year, declared and paid by the Company during the year is in accordance with Section 123 of the Act, as applicable.

For N.A. JAYARAMAN & CO
Chartered Accountants
Firm Registration No. 001310S

For SRSV & ASSOCIATES,
Chartered Accountants
Firm Registration No. 015041S

R. PALANIAPPAN
Partner
Membership No. 205112
UDIN: 22205112AJNWRF1884

R.SUBBURAMAN
Partner
Membership No. 020562
UDIN: 22020562AJNXIO5196

RAJAPALAYAM,
25th May, 2022.



AUDITORS' REPORT TO SHAREHOLDERS

"ANNEXURE" TO THE INDEPENDENT AUDITORS' REPORT

Referred to in Paragraph (f) of Report on Other Legal and Regulatory Requirements of our Report of even date

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

In conjunction with our audit of the consolidated financial statements of Rajapalayam Mills Limited (The Company) as of and for the year ended 31st March, 2022, we have audited the internal financial controls over financial reporting of the Company and its Associate companies which are companies incorporated in India, as of that date.

Management's Responsibility for Internal Financial Controls

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

Auditors' Responsibility

Our responsibility is to express an opinion on the internal financial controls over financial reporting with reference to financial statements of the Company and its Associates which are incorporated in India, based on our audit. We conducted our audit in accordance with the Guidance Note, issued by ICAI and the Standards on Auditing, issued by ICAI and deemed to be prescribed under section 143(10) of the Act, to the extent applicable to an audit of internal financial controls, both applicable to an audit of Internal Controls and, both issued by the ICAI. 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



AUDITORS' REPORT TO SHAREHOLDERS

exists, and testing and evaluating the design and operating effectiveness of internal control based on the assessed risk. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. We believe that the audit evidence we have obtained and the audit evidence obtained by the other auditors in terms of their reports and the information and explanation provided by the management 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, based on the test checks conducted by us, the Company and its Associate companies which are companies incorporated in India, have, in all material respects, reasonably adequate internal financial controls system over financial reporting and such internal financial controls over financial reporting were prima facie operating effectively as at 31st March, 2022, 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.

AUDITORS' REPORT TO SHAREHOLDERS



Other Matter

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 with reference to there Consolidated Financial Statements, in so far as it relates to the Associate 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 matter.

For N.A. JAYARAMAN & CO
Chartered Accountants
Firm Registration No. 001310S

For SRSV & ASSOCIATES,
Chartered Accountants
Firm Registration No. 015041S

R. PALANIAPPAN
Partner
Membership No. 205112
UDIN: 22205112AJNWRF1884

R.SUBBURAMAN
Partner
Membership No. 020562
UDIN: 22020562AJNXIO5196

RAJAPALAYAM,
25th May, 2022.



CONSOLIDATED BALANCE SHEET AS AT 31ST MARCH 2022

(₹ in Lakhs)

	Note No.	As at 31-03-2022	As at 31-03-2021	
I ASSETS				
(1) Non-Current Assets				
(a) Property, Plant and Equipment	9	65,329.18	55,775.36	
(b) Capital Work-in-progress	10	3,707.86	1,013.69	
(c) Investment Property	11	88.75	144.48	
(d) Intangible Assets	12	620.27	291.78	
(e) Investment in Associates	13	1,81,709.06	1,68,989.54	
(f) Financial Assets				
<i>Other Investment</i>	14	2,661.42	2,640.49	
<i>Loans</i>	15	1,650.00	950.00	
<i>Other Financial Assets</i>	16	773.28	937.08	
(g) Other Non-Current Assets	17	2,415.45	1,085.37	
		2,58,955.27	1,085.37	2,31,827.79
(2) Current Assets				
(a) Inventories	18	24,909.33	12,986.74	
(b) Financial Assets				
<i>Trade Receivables</i>	19	10,335.98	7,681.04	
<i>Cash and Cash Equivalents</i>	20	147.99	48.15	
<i>Bank Balance other than Cash and Cash Equivalents</i>	21	513.44	517.87	
<i>Other Financial Assets</i>	22	723.85	1,627.16	
(c) Current Tax Asset	23	240.25	124.47	
(d) Other Current Assets	24	3,901.13	2,353.13	25,338.56
		40,771.97	2,353.13	25,338.56
TOTAL ASSETS		2,99,727.24	2,353.13	2,57,166.35
II EQUITY & LIABILITIES				
(1) Equity				
(a) Equity Share Capital	25	858.94	736.01	
(b) Other Equity	26	2,11,695.25	1,88,286.91	
Total Equity		2,12,554.19	1,89,022.92	1,89,022.92
(2) Liabilities				
A) Non Current Liabilities				
(a) Financial Liabilities				
<i>(i) Borrowings</i>	27	31,162.79	30,182.87	
<i>(ii) Lease Liabilities</i>	28	499.39	-	
(b) Deferred Tax Liabilities (Net)	29	4,423.21	600.77	
		36,085.39	600.77	30,783.64
B) Current Liabilities				
(a) Financial Liabilities				
<i>(i) Borrowings</i>	30	43,025.97	31,663.08	
<i>(ii) Lease Liabilities</i>	31	3.40	-	
<i>(iii) Trade Payables</i>	32			
<i>(a) Total outstanding dues of micro enterprises and small enterprises</i>		261.25	224.49	
<i>(b) Total outstanding dues of creditors other than micro enterprises and small enterprises</i>		1,552.41	1,231.35	
<i>(iv) Other Financial Liabilities</i>	33	3,836.27	2,732.41	
(b) Provisions	34	2,408.36	1,508.46	37,359.79
		51,087.66	1,508.46	37,359.79
TOTAL EQUITY AND LIABILITIES		2,99,727.24	2,353.13	2,57,166.35
Significant Accounting Policies, Judgments and Estimates	1 - 8			
See accompanying notes to the financial statements.	9 - 59			

As per our report annexed

For N.A. JAYARAMAN & CO.
Chartered Accountants
Firm Registration No. 001310S

For SRSV & ASSOCIATES
Chartered Accountants
Firm Registration No. 015041S

Shri P.R. VENKETRAMA RAJA
Chairman

Smt. R. SUDARSANAM
Managing Director

R. PALANIAPPAN
Partner
Membership No. 205112

R. SUBBURAMAN
Partner
Membership No. 020562

B. GNANAGURUSAMY
Chief Financial Officer

A. ARULPRANAVAM
Secretary

RAJAPALAYAM
25th May, 2022

CONSOLIDATED STATEMENT OF PROFIT AND LOSS FOR THE YEAR ENDED 31ST MARCH 2022



		Note No.	For the year ended 31-03-2022	(₹ in Lakhs) For the year ended 31-03-2021
INCOME				
I	Revenue from Operations	35	68,965.47	41,184.44
II	Finance Income	36	266.71	290.97
III	Other Income	37	1,293.79	360.80
IV	Total Income (I + II + III)		70,525.97	41,836.21
V EXPENSES				
	Cost of Materials Consumed	38	36,101.32	19,158.32
	Purchases of Stock-in-Trade	39	2,478.83	684.12
	Changes in Inventories of Finished Goods, Stock-in-Trade and Work-in-progress	40	(4,186.54)	3,357.18
	Employee Benefit Expenses	41	8,429.77	5,724.01
	Finance Costs	42	4,295.82	4,448.33
	Depreciation and Amortization Expense	43	5,048.43	4,759.90
	Other Expenses	44	13,279.55	8,336.00
	Total Expenses		65,447.18	46,467.86
VI	Profit / (Loss) Before Tax (IV-V)		5,078.79	(4,631.65)
VII Exceptional Items [Refer to Note No. 58]				
	Profit on Sale of Investment in Associates		1,437.81	-
	Loss on Sale of Property, Plant & Equipment and Investment Property		(795.42)	(276.15)
VIII	Profit Before Tax (VI + VII)		5,721.18	(4,907.80)
IX Tax Expenses / (Savings)				
	Current Tax	29	15.20	-
	Withdrawal of MAT Credit relating to earlier years due to adoption of New Tax Regime		3,273.11	-
	Deferred Tax Expenses / (Savings)		549.33	(1,168.48)
	Total Tax Expenses		3,837.64	(1,168.48)
X	Profit for the year before share of profit / (Loss) of Associates (VIII-IX)		1,883.54	(3,739.32)
XI	Share of Net Profit After Tax (PAT) of Associates accounted for using the equity method		14,774.07	13,857.80
XII	Profit for the period (X+XI)		16,657.61	10,118.48
XIII Other Comprehensive Income				
	Item that will not be reclassified to Profit or Loss:			
	Remeasurement Losses on defined benefit obligations (net)		(4.57)	38.87
	Fair Value gain / (loss) on Equity Instruments through OCI (net)		20.93	33.82
	Current Tax		-	-
	Deferred Tax Expenses / (Savings)		-	-
	Other Comprehensive Income / (Loss) for the year, net of tax		16.36	72.69
	Share of OCI of Associates accounted for using the equity method		(45.47)	25.50
	Total Other Comprehensive Income / (Loss) for the year, net of tax		(29.11)	98.19
XIV	Total Comprehensive Income for the year, net of tax (XII+XIII)		16,628.50	10,216.67
XV Earnings per Equity Share of face value of ₹ 10/- each				
	Basic & Diluted (in Rupees) [Refer to Note No. 51]		194	137
	Significant Accounting Policies, Judgements and Estimates	1 - 8		
	See accompanying notes to the financial statements.	9 - 59		

As per our report annexed

For N.A. JAYARAMAN & CO.
Chartered Accountants
Firm Registration No. 001310S

R. PALANIAPPAN
Partner
Membership No. 205112

RAJAPALAYAM
25th May, 2022

For SRSV & ASSOCIATES
Chartered Accountants
Firm Registration No. 015041S

R. SUBBURAMAN
Partner
Membership No. 020562

Shri P.R. VENKETRAMA RAJA
Chairman

B. GNANAGURUSAMY
Chief Financial Officer

Smt. R. SUDARSANAM
Managing Director

A. ARULPRANAVAM
Secretary



CONSOLIDATED STATEMENT OF CHANGES IN EQUITY FOR THE YEAR ENDED 31ST MARCH 2022

A. Equity Share Capital [Refer to Note No. 25] (₹ in Lakhs)

(1) For the year ended 31-03-2022		
Balance as at 01-04-2021		736.01
Add: Shares allotted pursuant to Rights Issue		122.93
Less: Treasury Shares adjustment		-
Balance as at 31-03-2022		858.94
(2) For the year ended 31-03-2021		
Balance as at 01-04-2020		736.01
Changes in Equity Share Capital during the year 2020-21		-
Less: Treasury Shares adjustment		-
Balance as at 31-03-2021		736.01

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

B. Other Equity [Refer to Note No. 26]

(1) For the year ended 31-03-2022

Particulars	Reserves and Surplus					Items of OCI			Total Other Equity
	Capital Reserve	Capital Reserve on Consolidation	Security Premium	General Reserve	Retained Earnings	FVTOCI Equity Instruments	Re-measurements of Defined Benefit Obligations	Share of OCI of Associates	
Other Equity as at 01-04-2020	3.75	1,05,407.59	1,490.48	80,844.50	501.75	38.84	-	-	1,88,286.91
Financial year 2021-22									
Add: Profit for the year	-	-	-	-	16,657.61	-	-	-	16,657.61
Add: Other Comprehensive Income	-	-	-	-	-	20.93	(4.57)	(45.47)	(29.11)
Total Comprehensive Income	-	-	-	-	16,657.61	20.93	(4.57)	(45.47)	16,628.50
Add: Rights Issue Allotment during the year	-	-	6,872.13	-	-	-	-	-	6,872.13
Less: Rights Issue Expenses	-	-	(49.26)	-	-	-	-	-	(49.26)
Less: Dividend Distribution to Shareholders	-	-	-	-	(43.03)	-	-	-	(43.03)
Less: Transfer to Retained Earnings - sale / deemed sale of investments in Associates	-	(1,455.38)	-	-	1,455.38	-	-	-	-
Less: Transfer to Retained Earnings	-	-	-	-	-	-	4.57	-	4.57
Add: Transfer from OCI	-	-	-	-	(4.57)	-	-	-	(4.57)
Add: Transfer to General Reserve	-	-	-	-	(631.79)	-	-	-	(631.79)
Add: Transfer from Retained Earnings	-	-	-	631.79	-	-	-	-	631.79
Balance as at 31st March, 2022	3.75	1,03,952.21	8,313.35	81,476.29	17,935.35	59.77	-	(45.47)	2,11,695.25

(2) For the year ended 31-03-2021

Particulars	Reserves and Surplus					Items of OCI			Total Other Equity
	Capital Reserve	Capital Reserve on Consolidation	Security Premium	General Reserve	Retained Earnings	FVTOCI Equity Instruments	Re-measurements of Defined Benefit Obligations	Share of OCI of Associates	
Other Equity as at 01-04-2020	3.75	1,05,407.59	1,490.48	68,037.16	3,200.00	5.02	-	-	1,78,144.00
Financial year 2020-21									
Add: Profit for the year	-	-	-	-	10,118.48	-	-	-	10,118.48
Add: Other Comprehensive Income	-	-	-	-	-	33.82	38.87	25.50	98.19
Total Comprehensive Income	-	-	-	-	10,118.48	33.82	38.87	25.50	10,216.67
Less: Transfer to Retained Earnings	-	-	-	-	-	-	(38.87)	(25.50)	(64.37)
Less: Dividend Distribution to Shareholders	-	-	-	-	(73.76)	-	-	-	(73.76)
Add: Transfer from OCI	-	-	-	-	64.37	-	-	-	64.37
Add: Transfer to General Reserve	-	-	-	-	(12,807.34)	-	-	-	(12,807.34)
Add: Transfer from Retained Earnings	-	-	-	12,807.34	-	-	-	-	12,807.34
Balance as at 31st March, 2021	3.75	1,05,407.59	1,490.48	80,844.50	501.75	38.84	-	-	1,88,286.91

As per our report annexed

For N.A. JAYARAMAN & CO.
Chartered Accountants
Firm Registration No. 001310S

R. PALANIAPPAN
Partner
Membership No. 205112

RAJAPALAYAM
25th May, 2022

For SRSV & ASSOCIATES
Chartered Accountants
Firm Registration No. 015041S

R. SUBBURAMAN
Partner
Membership No. 020562

Shri P.R. VENKETRAMA RAJA
Chairman

B. GNANAGURUSAMY
Chief Financial Officer

Smt. R. SUDARSANAM
Managing Director

A. ARULPRANAVAM
Secretary

CONSOLIDATED STATEMENT OF CASH FLOWS FOR THE YEAR ENDED 31ST MARCH 2022



(₹ in Lakhs)

31-03-2022 31-03-2021

A. Cash Flow from Operating Activities

Profit / (Loss) before Exceptional items and Tax	5,078.79	(4,631.65)
Adjustments to reconcile profit before tax to net cash flows:		
Depreciation & Amortisation	5,048.43	4,759.90
Finance Costs	4,295.82	4,448.33
Interest Income	(266.71)	(290.97)
Dividend Income	(225.02)	(225.02)
Rent Receipts from Investment Properties	(0.68)	(0.68)
Impairment allowance for Trade Receivables	36.05	–
Fair Value movement and Financial Guarantee obligation	266.25	214.17
Operating Profit before Working capital Changes	<u>14,232.93</u>	4,274.08
Movements in Working Capital		
Trade Receivables	(2,690.99)	(2,618.36)
Loans and Advances	(232.92)	(217.22)
Unutilised Tax Credit - Indirect Tax	(1,298.01)	(57.70)
Inventories	(11,922.59)	1,697.50
Trade Payables & Current Liabilities	2,519.12	435.41
Cash generated from Operations	<u>607.54</u>	3,513.71
Direct Taxes Paid (Net)	(255.89)	(122.86)
Net Cash generated from Operating Activities	A	<u>351.65</u>

B. Cash Flow from Investing Activities

Purchase of Property, Plant and Equipment, Intangible Asset & Investment property (Including Capital work-in-progress, Capital Advance and payable for Capital Goods)	(18,867.90)	(4,251.64)
Inter-Corporate Loans (Given)	(700.00)	–
Proceeds from Sales of Equity Shares of Associates	3,446.89	–
Proceeds from Sale of Investment in Equity Shares - Others	–	0.77
Proceeds from Sale of Assets / Investment Property	446.10	169.87
Interest Received	266.71	290.97
Dividend Received	225.02	1,300.99
Rent Receipts from Investment Properties	0.68	0.68
Net Cash used in Investing Activities	B	<u>(15,182.50)</u>

**CONSOLIDATED STATEMENT OF CASH FLOWS FOR THE YEAR ENDED 31ST MARCH 2022****(₹ in Lakhs)****31-03-2022 31-03-2021****C. Cash Flow from Financing Activities**

Proceeds from Right Issue, net of issue expenses		6,945.80	–
Proceeds from Long Term Borrowings		11,004.17	6,611.29
Proceeds from of Loan - Related Parties		130.89	537.04
Repayment of Long Term Borrowings		(7,922.66)	(7,218.00)
Availment of Short Term Borrowings (Net)		9,117.35	3,615.81
Payment of Principal portion of Lease Liabilities		(10.44)	–
Payment of Dividend including TDS on Dividend		(43.03)	(73.76)
Interest Paid		(4,295.82)	(4,448.33)
Net Cash Generated from Financing Activities	C	14,926.26	(975.95)
Net Increase / (Decrease) in Cash and Cash Equivalent	D = (A+B+C)	95.41	(73.46)
Opening balance of Cash and Cash Equivalents	E	566.02	639.48
Closing balance of Cash and Cash Equivalents	D + E	661.43	566.02

Notes:

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

Particulars	31-03-2022	31-03-2021
Cash and Cash Equivalents [Refer to Note No.20]	147.99	48.15
Bank Balances other than Cash and Cash Equivalents [Refer to Note No. 21]	513.44	517.87
	661.43	566.02

See accompanying notes to the financial statements [Refer to Note No. 9 to 59]

As per our report annexed

For N.A. JAYARAMAN & CO.
Chartered Accountants
Firm Registration No. 001310S

R. PALANIAPPAN
Partner
Membership No. 205112

RAJAPALAYAM
25th May, 2022

For SRSV & ASSOCIATES
Chartered Accountants
Firm Registration No. 015041S

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B. GNANAGURUSAMY
Chief Financial Officer

Smt. R. SUDARSANAM
Managing Director

A. ARULPRANAVAM
Secretary



1. Corporate Information

Rajapalayam Mills Limited is a Public Limited Company domiciled and headquartered in India and incorporated under the provisions of the Companies Act, 1913. The Registered office of the Company is located at Rajapalayam Mills Premises, P.A.C.Ramasamy Raja Salai, Rajapalayam - 626 117, Tamil Nadu. The Company's shares are listed in BSE Limited.

The Company is principally engaged in manufacture of cotton yarn and fabrics. The Company is also engaged in generation of electricity from its windmills for its captive requirements.

The consolidated financial statements of the Company for the year ended 31-03-2022 were approved and adopted by Board of Directors of the Company in their meeting dated 25-05-2022.

2. Statement of Ind AS Compliance

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

3. Basis of Preparation of Consolidated Financial Statements

- (i) The significant accounting policies used in preparing the financial statements are set out in Note No. 6.
- (ii) The Company has considered its operating cycle to be 12 months for the purpose of Current and Non-current classification of assets and liabilities.
- (iii) An asset is classified as current when it is expected to be realised or intended to be sold or consumed in the normal operating cycle or held primarily for the purpose of trading or expected to be realised within 12 months after the reporting period or cash or cash equivalents unless restricted from being exchanged or used to settle a liability 12 months after the reporting period. All other assets are classified as non-current.
- (iv) A liability is classified as current when it is expected to be settled in normal operating cycle or held primarily for the purpose of trading or due for settlement within 12 months after the reporting period or there is no unconditional right to defer the settlement of the liability for at least 12 months after the reporting period. All other liabilities are classified as non-current. Deferred tax assets and liabilities are classified as non-current assets and liabilities.
- (v) The CFS are presented in Indian Rupees rounded to the nearest Lakhs with two decimals. The amount below the round off norm adopted by the Company is denoted as ₹ 0.00 Lakhs.
- (vi) Pursuant to General Circular No.39/2014 dated 14-10-2014 issued by the Ministry of Corporate Affairs that the disclosures made already under the separate financial statements are not merely repeated and thus the disclosures that are relevant arising out of consolidation have only been presented.



NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

- (vii) The CFS comprises the financial statements of Rajapalayam Mills Limited and its Associate Companies. The following companies are considered as Associates based on existence of significant influence over such companies:

Name of the Company	% of Holding & Voting Rights	
	2021-22	2020-21
The Ramco Cements Limited	13.81%	14.02%
Ramco Industries Limited	9.69%	9.69%
Ramco Systems Limited	2.38%	2.39%

- (viii) The above Companies are incorporated in India and financial statements of the respective Companies are drawn upto the same reporting date as that of the Company (i.e) 31-03-2022.
- (ix) Previous year figures have been regrouped / restated, wherever necessary and appropriate.

4. Principles of Consolidation

- a) The CFS includes the share of profit / loss of the Associate Companies that are accounted for using equity method in accordance with Ind AS 28. Accordingly, the share of profit / loss of the associates (the loss being restricted to the cost of investment) has been added / deducted from the cost of investment. The most recent available financial statements of the associates are used in applying the equity method.
- b) The Consolidated Statement of Profit and Loss reflects the share of results of its associates. Any change in OCI of those investees is presented as part of the Consolidated OCI.
- c) Under equity method of accounting, the investments are initially recognized at the fair value of net asset of Associate Companies from the date on which it becomes an associate and any difference between the cost of the investment and the Parent's share of the net fair value of the investee's identifiable assets and liabilities is accounted for as follows:
- Any excess of the entity's share of the net fair value of the investee's identifiable assets and liabilities over the cost of the investment is recognised directly in equity as capital reserve in the period in which the investment is acquired.
 - Subsequently, the carrying amount of investment is adjusted to recognize the share of post-acquisition profits or losses of its Associates in the Parent's Statement of Profit & Loss.
 - The equity method shall be discontinued from the date when the investment ceases to be an Associate and the retained interest shall be measured at fair value. The fair value of the retained interest shall be regarded as its fair value on initial recognition as a financial asset. The difference between the fair value of retained interest & any proceeds from disposing of a part interest in the Associate and the carrying amount of investment at the date the equity method was discontinued will be recognized in profit or loss.



- d) Dividend received or receivable from Associates are recognized as a reduction in the carrying amount of the Investment.
- e) Unrealised gains on transactions between the Company and its associates are eliminated to the extent of the Company's interest in these entities. Unrealised losses are also eliminated to the extent of the Company's interest in these entities unless the transaction provides evidence of an impairment of the asset transferred.
- f) At each reporting date, the Company determines whether there is any objective evidence that the investment in the associate is impaired. If there is such evidence, the Company provides for impairment as the difference between the recoverable amount of the associate and its carrying value, and then recognizes the loss as 'Share of profit of an associates' in the Statement of Profit & Loss.
- g) The CFS has been prepared using uniform accounting policies for like transactions and other events in similar circumstances and is presented, to the extent possible, in the same manner as the Company's separate financial statements.

5. Basis of Measurement

The consolidated financial statements have been prepared on accrual basis under historical cost convention except for certain financial instruments (Refer to Note No. 6(S) - Accounting Policy for Financial Instruments) and defined benefit plan assets which are measured at fair value.

6. Significant Accounting Policies

A. Inventories

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



NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

goods include stock-in-trade also which comprises cost of purchase and other cost incurred in bringing the inventories to the present location and condition. Cost is determined on a moving weighted average basis.

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

B. Statement of Cash Flows

- (i) Cash flows are presented using indirect method, whereby profit / (loss) before exceptional item and tax is adjusted for the effects of transactions of non-cash nature and any deferrals or accruals of past or future cash receipts or payments.
- (ii) Cash comprises cash on hand and demand deposits with banks. Cash equivalents are short-term balances with original maturity of less than 3 months, highly liquid investments that are readily convertible into cash, which are subject to insignificant risk of changes in value.
- (iii) Bank borrowings, including Bank overdrafts and Cash Credits are generally considered to be financing activities.

C. Dividend distribution to Equity Shareholders

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

D. Income Taxes

- (i) The Company has an irrevocable option of shifting to a lower tax rate (new tax regime) and simultaneously forgo certain tax incentives, deductions and accumulated MAT credit as per Section 115BAA in the Income Tax Act, 1961. In view of the overall tax benefits available under Section 115BAA, the Company, at the time of filing the Income Tax Return during February, 2022 for the Assessment Year 2021-22 (Financial Year 2020-21), has opted for shifting to lower tax regime.
- (ii) Current tax is the amount of tax payable on the taxable income for the year as determined in accordance with the applicable tax rates, the provisions of the Income Tax Act, 1961 and other applicable tax laws including the relevant transfer pricing regulations prescribed thereunder, read with applicable judicial precedents or interpretations, wherever relevant.
- (iii) Current tax assets and liabilities are offset, when the Company has legally enforceable right to set off the recognised amounts and intends to settle the asset and the liability on a net basis.



- (iv) Deferred tax is recognised using the balance sheet approach on temporary differences between the tax bases of assets and liabilities and their carrying amounts for financial reporting at the reporting date. The Company has restated the net deferred tax liability as at 01-04-2021 in accordance with the reduced tax rates, in view of adoption of new tax regime.
- (v) Deferred tax assets and liabilities are measured at the tax rates that are expected to apply in the year where the asset is realised or the liability is settled, based on tax rates (and tax laws) that have been enacted or substantively enacted at the reporting date.
- (vi) Deferred tax assets and liabilities are offset if such items relate to taxes on income levied by same governing tax laws and the Company has legally enforceable right to set off current tax assets against current tax liabilities.
- (vii) Both current tax and deferred tax relating to items recognised outside the Profit or Loss is recognised either in "Other Comprehensive Income" or directly in "Equity" as the case may be.

E. Property, Plant and Equipments (PPE)

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



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

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

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

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



- (xiii) The residual values, useful lives and methods of depreciation of property, plant and equipment are reviewed periodically including at each reporting date and adjusted prospectively, if appropriate.

F. Capital Work in progress / Capital Advances

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

G. Leases

The determination of whether an arrangement is, or contains, a lease is based on the substance of the arrangement at the inception date whether fulfilment of arrangement is dependent on the use of an underlying asset and the arrangement conveys the right to control the use of an identified asset for a period of time in exchange for consideration.

Company as a Lessee

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

Nature of RoU	Useful life ranging from
Land	99 years
Building	20 years

- (iii) The estimated useful lives of right-of-use assets are determined on the same basis as those of property and equipment. In addition, the right-of-use asset is periodically reduced by impairment losses, if any and adjusted for certain re-measurements of these liability.
- (iv) The lease liability is initially measured at the present value of the lease payments that are not paid at the commencement date, discounted using the interest rate



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implicit in the lease or, if that rate cannot be readily determined, company's incremental borrowing rate.

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

Company as a Lessor

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



H. Revenue Recognition

(i) Revenue from Operations

a) Sale of products

Revenue from product sales is recognized when the company transfers control of the product to customers at a point in time. The transaction price is the amount of consideration to which the Company expects to be entitled in exchange for transferring goods to the customer. The Company provides discounts to customers on the achievement of the performance criteria based on agreed terms and conditions. The financing component with regard to sale of products are excluded from Revenue from operations and recognized as Interest Receipts over the credit periods as per Ind AS 115. The Company does not have any non-cash consideration.

b) Power generated from Windmills

Power generated from windmills that are covered under wheeling & banking arrangement with TANGEDCO are consumed at Mills. The monetary values of such power generated that are captively consumed are not recognised as revenue, but have been set off against the cost of Power & Fuel.

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

c) Scrap sale

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

(ii) Other Income

a) Interest income is recognised using the Effective Interest Rate (EIR) method. EIR is the rate that exactly discounts the estimated future cash payments or receipts over the expected life of the financial instrument or a shorter period where appropriate, the gross carrying amount of the financial asset or to the amortised cost of a financial liability.

b) Dividend income is recognised when the Company's right to receive dividend is established.

c) Rental income from operating lease on investment properties is recognised on a straight line basis over the term of the relevant lease.



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I. Employee Benefits

- (i) Short-term employee benefits viz., Salaries and Wages are recognized as an expense at the undiscounted amount in the Statement of Profit and Loss for the year in which the related service is rendered.
- (ii) Defined Contribution Plan viz., Contributions to Provident Fund and Superannuation Fund are recognized as an expense in the Statement of Profit and Loss for the year in which the employees have rendered services.
- (iii) The Company contributes monthly to Employees' Provident Fund & Employees' Pension Fund administered by the Employees' Provident Fund Organisation, Government of India, at 12% of employee's basic salary and dearness allowance. The Company has no further obligations.
- (iv) The Company also contributes for superannuation fund on an annual basis, a sum equivalent to 15% of the officer's eligible annual basic salary. Out of the said 15% contribution, a sum upto ₹ 1.50 Lakhs per annum is remitted to the Rajapalayam Mills Limited Officers' Superannuation Fund administered by trustees and managed by LIC of India. The balance amount, if any, is paid as salary. There are no further obligations in respect of the above contribution plan.
- (v) The Company contributes to Defined Benefit Plan viz., an approved Gratuity Fund. It is in the form of lump sum payments to vested employees on resignation, retirement, death while in employment or on termination of employment, for an amount equivalent to 15 days' basic salary and dearness allowance for each completed year of service. Vesting occurs upon completion of five years of continuous service. The Company makes annual contributions to "Rajapalayam Mills Limited Employees' Gratuity Fund" administered by trustees and managed by LIC of India, based on the Actuarial Valuation by an independent external actuary as at the reporting date using Projected Unit Credit method.
- (vi) The Company provides for expenses towards compensated absences provided to its employees. The expense is recognized at the present value of the amount payable determined based on an independent external actuarial valuation as at the Balance Sheet date, using Projected Unit Credit method. The Company presents the entire compensated absences as 'Short-term provisions' since employee has an unconditional right to avail the leave at any time during the year.
- (vii) Remeasurement of net defined benefit asset / liability comprising of actuarial gains or losses arising from experience adjustments and changes in actuarial assumptions are charged / credited to other comprehensive income in the period in which they arise and immediately transferred to retained earnings. Other costs are accounted in the Statement of Profit and Loss.

**J. Government Grants**

- (i) Government grants are recognised at fair value where there is a reasonable assurance that the grant will be received and all the attached conditions are complied with.
- (ii) In case of revenue related grant, the income is recognised on a systematic basis over the period for which it is intended to compensate an expense and is disclosed under "Other Income" or netted off against corresponding expenses wherever appropriate. Receivables of such grants are shown under "Other Financial Assets".
- (iii) Government grants related to assets have been deducted in arriving all the carrying amount of the respective assets.
- (iv) Export benefits are accounted for in the year of exports based on eligibility and when there is no uncertainty in receiving the same. Receivables of such benefits are shown under "Other Financial Assets".

K. Foreign currency transactions

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

L. Borrowing Costs

- (i) Borrowing cost include interest computed using Effective Interest Rate method, interest on lease liabilities, amortisation of ancillary costs incurred and exchange differences arising from foreign currency borrowings to the extent they are regarded as an adjustment to the interest cost.
- (ii) Borrowing costs that are directly attributable to the acquisition, construction, production of a qualifying asset are capitalised as part of the cost of that asset which takes substantial period of time to get ready for its intended use. The Company determines the amount



NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

of borrowing cost eligible for capitalisation by applying capitalisation rate to the expenditure incurred on such cost. The capitalisation rate is determined based on the weighted average rate of borrowing cost applicable to the borrowings of the Company which are outstanding during the period, other than borrowings made specifically towards purchase of the qualifying asset. The amount of borrowing cost that the Company capitalises during the period does not exceed the amount of borrowing cost incurred during that period. All other borrowings costs are expensed in the period in which they occur.

M. Earnings per Share

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

N. Impairment of Non-Financial Assets

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

O. Provisions, Contingent Liabilities and Contingent Assets

- (i) Provisions involving substantial degree of estimation in measurement are recognised when there is a present obligation as a result of past events and it is probable that there will be an outflow of resources embodying economic benefits in respect of which a reliable estimate can be made.
- (ii) Provisions are discounted if the effect of the time value of money is material, using pre-tax rates that reflects the risks specific to the liability. When discounting is used,



an increase in the provisions due to the passage of time is recognised as finance cost. These provisions are reviewed at each Balance Sheet date and adjusted to reflect the current best estimates.

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

P. Intangible Assets

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

Nature of Intangible Assets	Estimated useful life
Computer Software	6 years
Power Transmission System	5 years

- (iv) The intangible assets that are under development phase are carried at cost including related expenses and attributable interest, and are recognised as Intangible assets under development.
- (v) The residual values, useful lives and methods of amortisation of intangible asset are reviewed at each reporting date and adjusted prospectively, if appropriate.



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Q. Investment Properties

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

Asset type	Useful life
Buildings under Investment properties	60 years

- (v) Investment properties are eliminated from the financial statements on disposal or when no further benefit is expected from its use or disposal. Gains or losses arising from disposal, measured as the difference between the net disposal proceeds and the carrying amount of such investment properties, are recognised in the Statement of Profit and Loss. Amount received towards investment properties that are impaired and derecognized in the financial statements, are recognized in Statement of Profit and Loss, when the recognition criteria are met.
- (vi) The residual values, useful lives and methods of depreciation of investment properties are reviewed periodically including at each reporting date and adjusted prospectively, if appropriate.

R. Operating Segments

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

**S. Financial Instruments**

- (i) A financial instrument is any contract that gives rise to a financial asset of one entity and a financial liability or equity instrument of another entity.
- (ii) Financial assets and liabilities are offset and the net amount is presented in the Balance sheet when and only when the Company has a legal right to offset the recognised amounts and intends either to settle on a net basis or to realise the assets and settle the liabilities simultaneously.
- (iii) The Company initially determines the classification of financial assets and liabilities. After initial recognition, no re-classification is made for financial assets which are categorised as equity instruments at FVTOCI and financial assets / liabilities that are specifically designated as FVTPL. However, other financial assets are re-classifiable when there is a change in the business model of the Company. When the Company reclassifies the financial assets, such reclassifications are done prospectively from the first day of the immediately next reporting period. The Company does not restate any previously recognised gains, losses including impairment gains or losses or interest.
- (iv) Fair Value Hedges
Changes in the fair value of forwards contracts that are designated and qualify as fair value hedges are recognized in the income statement, together with the changes in the fair value of the hedged item that are attributable to the hedged risk. If the hedge no longer meets the criteria for hedge accounting, changes in the fair value of the hedged item attributable to the hedged risk are no longer recognized in the income statement. When a hedged item in a fair value hedge is a firm commitment (or a component thereof) to acquire an asset or assume a liability, the initial carrying amount of the asset or the liability that results from the entity meeting the firm commitment is adjusted to include the cumulative change in the fair value of the hedged item that was recognised in the balance sheet, with a corresponding gain or loss recognized in Profit or Loss.

T. Financial Assets

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

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



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

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

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

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

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

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

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

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



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

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

U. Financial Liabilities

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

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



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

V. Fair value measurement

- (i) Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date.
- (ii) The fair value of an asset or a liability is measured using the assumptions that the market participants would use when pricing the asset or liability, assuming that the market participants act in the economic best interest.
- (iii) All assets and liabilities for which fair value is measured are disclosed in the financial statements are categorised within fair value hierarchy based on the lowest level input that is significant to the fair value measurement as a whole. The fair value hierarchy is described as below:

Level 1: Unadjusted quoted prices in active markets for identical assets or liabilities

Level 2: Valuation techniques for which the lowest level inputs that are significant to the fair value measurement is directly or indirectly observable.

Level 3: Valuation techniques for which the lowest level inputs that are significant to the fair value measurement is unobservable.

- (iv) For assets and liabilities that are recognised in the Balance sheet on a recurring basis, the company determines whether transfers have occurred between levels in the hierarchy by reassessing categorisation at the end of each reporting period (i.e) based on the lowest level input that is significant to the fair value measurement as a whole.



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

a) Investments in Equity

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

b) Trade and other receivables

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

c) Forward exchange contracts

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

d) Non-derivative financial liabilities

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

e) Financial guarantee obligation

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

f) Investment Properties

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



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7. Amendments to the existing accounting standards effective from 01-04-2021 onwards

The details of amendments to the existing standards that are relevant to the Company with effect from 01-04-2021 are given below:

(a) Conceptual framework for financial reporting under Ind AS issued by ICAI.

The Framework is not a standard and it does not override any specific standard. Therefore, this does not form part of a set of standards pronounced by the standard-setters. While the Framework is primarily meant for the standard-setter for formulating the standards, it has relevance to the preparers in certain situations such as to develop consistent accounting policies for areas that are not covered by a standard or where there is a choice of accounting policy, and to assist all parties to understand and interpret the Standards.

The MCA has notified the Amendments to Ind AS, consequential to Conceptual Framework under Ind AS vide notification date 18-06-2021 applicable for annual periods beginning on or after 01-04-2021.

These amendments had no impact on the financial statements of the Company.

(b) Amendments to Ind AS 105, Ind AS 16 and Ind AS 28

The definition of 'Recoverable amount' is amended such that the words 'the higher of an asset's fair value less costs to sell and its value in use' are replaced with 'higher of an asset's fair value less costs of disposal and its value in use'.

These amendments had no impact on the financial statements of the Company.

8. Significant Estimates and Judgements

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

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

(i) **Revenue Recognition**

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

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

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

(iii) Current Taxes

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

(iv) Deferred Tax Asset

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

(v) Provisions

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

(vi) Segment Reporting

In the management opinion, the Company is engaged in the activity of manufacturing of textile products and generation of electricity through wind mills. Management's judgment is exercised to aggregate two or more business segments as single operating segment, based on economic characteristics, products, production process and types of customer, which are similar in nature.

(vii) Contingent Liabilities

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



(viii) Classification of Investment

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

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

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

(ix) Impairment of Trade receivables

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

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

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

(xi) Impairment of Investments in Associates

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

(xii) Defined Benefit Plans and Other long term benefits

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

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

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

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

When the fair values of financial assets and financial liabilities could not be measured based on quoted prices in active markets, management uses valuation techniques including the Discounted Cash Flow (DCF) model / Net Asset Value Method, to determine its fair value. The inputs to these models are taken from observable markets where possible, but where this is not feasible, a degree of judgement is exercised in establishing fair values. Judgements include considerations of inputs such as liquidity risk, credit risk and volatility. In case of unrecognised firm commitments denominated in foreign currency, which also qualify as a hedged item, the fair value of such firm commitments outstanding at the reporting date are measured at functional currency based on the quoted price in the active market prevailing on the reporting date.

(xv) Interests in other entities

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

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS



NOTE NO. 9
PROPERTY, PLANT AND EQUIPMENT

(₹ in Lakhs)

Particulars	Year	Gross Block				Depreciation				Net Block		
		As at the beginning of the year	Additions	Sold	As at the end of the year	As at the beginning of the year	For the year (Refer to Note No. 43)	Withdrawn during the year	As at the end of the year	As at the end of the year	As at the beginning of the year	
Land - Free hold	2021-22	1,190.35	-	-	1,190.35	-	-	-	-	-	1,190.35	1,190.35
	2020-21	1,190.35	-	-	1,190.35	-	-	-	-	-	1,190.35	1,190.35
Land - Right-of-Use Asset	2021-22	722.03	57.65	-	779.68	20.21	6.97	-	27.18	752.50	701.82	701.82
	2020-21	722.03	-	-	722.03	13.29	6.92	-	20.21	701.82	708.74	708.74
Own Buildings	2021-22	11,634.24	820.50	-	12,454.74	2,620.11	384.12	-	3,004.23	9,450.51	9,014.13	9,014.13
	2020-21	10,677.92	956.32	-	11,634.24	2,278.10	342.01	-	2,620.11	9,014.13	8,399.82	8,399.82
Buildings - Right-of-Use Asset	2021-22	-	513.23	-	513.23	-	10.08	-	10.08	503.15	-	-
	2020-21	-	-	-	-	-	-	-	-	-	-	-
Plant and Machinery	2021-22	82,412.05	13,796.96	3,032.55	93,176.46	40,258.28	4,244.19	1,874.36	42,628.11	50,548.35	42,153.77	42,153.77
	2020-21	81,109.64	2,323.44	1,021.03	82,412.05	36,817.91	4,033.34	592.97	40,258.28	42,153.77	44,291.73	44,291.73
Electrical Machinery	2021-22	4,737.18	275.32	-	5,012.50	2,633.07	193.78	-	2,826.85	2,185.65	2,104.11	2,104.11
	2020-21	4,703.51	40.42	6.75	4,737.18	2,444.92	194.11	5.96	2,633.07	2,104.11	2,258.59	2,258.59
Furniture & Office Equipments	2021-22	1,047.43	155.51	4.88	1,198.06	698.18	94.83	4.51	788.50	409.56	349.25	349.25
	2020-21	943.56	105.62	1.75	1,047.43	608.40	91.44	1.66	698.18	349.25	335.16	335.16
Vehicles	2021-22	508.46	74.57	5.09	577.94	246.53	45.97	3.67	288.83	289.11	261.93	261.93
	2020-21	520.97	44.65	57.16	508.46	245.53	41.08	40.08	246.53	261.93	275.44	275.44
Total	2021-22	1,02,251.74	15,693.74	3,042.52	1,14,902.96	46,476.38	4,979.94	1,882.54	49,573.78	65,329.18	55,775.36	55,775.36
	2020-21	99,867.98	3,470.45	1,086.69	1,02,251.74	42,408.15	4,708.90	640.67	46,476.38	55,775.36	57,459.83	57,459.83

Notes: (i) Borrowings cost of ₹ 199.16 Lakhs have been capitalised for current year (PY: ₹ 69.67 Lakhs).

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

(iii) The Company has opted to present the government grants related to assets as deduction from the carrying value of eligible assets in accordance with Ind AS 20. No grants related to assets had been received during financial year 2021+22 (PY: NIL).

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

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



NOTES TO SEPARATE FINANCIAL STATEMENTS

NOTE NO. 10

CAPITAL WORK IN PROGRESS

Particulars	Year	(₹ in Lakhs)			
		As at the beginning of the year	Additions	Capitalised	As at the end of the year
Capital Work in Progress	2021-22	1,013.69	18,810.70	16,116.53	3,707.86
	2020-21	364.26	4,119.88	3,470.45	1,013.69

Note: (i) Refer to Note No. 55(b) for information relating to Ageing Schedule.

NOTE NO. 11

INVESTMENT PROPERTY

Particulars	Year	Gross Block				Amortisation				Net Block	
		As at the beginning of the year	Additions	Sold	As at the end of the year	As at the beginning of the year	For the year (Refer to Note No. 42)	Withdrawn during the year	As at the end of the year	As at the end of the year	As at the beginning of the year
		Land	2021-22	55.17	26.04	-	81.21	-	-	-	81.21
Building	2020-21	55.17	-	-	55.17	-	-	-	55.17	55.17	55.17
	2021-22	126.05	-	110.93	15.12	0.23	29.39	7.58	7.54	89.31	89.31
Total	2020-21	126.05	-	-	126.05	0.23	-	-	36.51	89.31	89.54
	2021-22	181.22	26.04	110.93	96.33	0.23	29.39	7.58	88.75	144.48	144.48
	2020-21	181.22	-	-	181.22	0.23	-	-	36.74	144.48	144.71

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

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

Particulars	31-03-2022	31-03-2021
Fair value of Investment Properties	1,001.72	1,126.87

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

(iv) Fair value hierarchy disclosures for investment properties have been provided in Note no. 54.

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

Particulars	31-03-2022	31-03-2021
Rental Income from Investment Properties	0.68	0.68
Direct Operating Expenses	-	-
Profit arising from Investment Properties before Depreciation and indirect expenses	0.68	0.68
Less: Depreciation	0.23	0.23
Profit arising from Investment Properties before indirect expenses	0.45	0.45



NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

**NOTE NO. 12
INTANGIBLE ASSETS**

(₹ in Lakhs)

Particulars	Year	Gross Block			Amortisation			Net Block			
		As at the beginning of the year	Additions	Sold	As at the end of the year	As at the beginning of the year	For the year (Refer to Note No. 43)	Withdrawn during the year	As at the end of the year	As at the beginning of the year	
Computer software	2021-22	425.65	396.75	-	822.40	214.35	46.79	-	261.14	561.26	211.30
	2020-21	425.65	-	-	425.65	187.90	26.45	-	214.35	211.30	237.75
Power Transmission System	2021-22	191.80	-	-	191.80	111.32	21.47	-	132.79	59.01	80.48
	2020-21	191.80	-	-	191.80	87.00	24.32	-	111.32	80.48	104.80
Total - Intangible Assets	2021-22	617.45	396.75	-	1,014.20	325.67	68.26	-	393.93	620.27	291.78
	2020-21	617.45	-	-	617.45	274.90	50.77	-	325.67	291.78	342.55

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

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS



(₹ in Lakhs)

As at 31-03-2022 As at 31-03-2021 As at 31-03-2022 As at 31-03-2021

NOTE NO. 13

INVESTMENT IN ASSOCIATES

Name of the Company	Face Value ₹ per share	No. of shares	No. of shares	Amount	Amount
Investment in Equity Instruments					
Quoted					
The Ramco Cements Limited	1	3,26,25,264	3,30,65,000	1,61,816.21	1,50,141.21
Ramco Industries Limited	1	84,01,680	84,01,680	15,017.30	13,794.28
Ramco System Limited	10	7,33,531	7,33,531	4,875.55	5,054.05
Total				1,81,709.06	1,68,989.54
Quoted Investments - Cost				1,81,709.06	1,68,989.54
Market Value				2,70,227.44	3,57,129.50

- Notes: (i) The Company has accounted for Investment in Associates at cost. Refer to Note No. 50 for information on principal place of business / country of incorporation and the Company's interest / percentage of shareholding in the above Associates.
- (ii) The carrying amount of investment in Associates is tested for impairment in accordance with Ind AS 36. The investment in Associates are long term strategic in nature, no impairment is considered as at the reporting date, considering its long term future prospects.
- (iii) The Board of Directors have approved to sell the investments in the Shares of The Ramco Cements Limited upto a total value of ₹ 90 Crores for part funding of its capital expenditure towards fabric capacity expansion. Out of this, the Company has sold 4,39,736 Shares of The Ramco Cements Limited for a sale consideration of ₹ 34.57 Crores during the FY 2021-22. Considering the uncertainty in stock market and highly fluctuating share price, time period within which the balance quantity of shares will be sold could not be ascertained as at the reporting date and hence the investments are continued to be classified as Non-current investment.

NOTE NO. 14

OTHER INVESTMENT

Name of the Company	Face Value ₹ per share	No. of shares	No. of shares	Amount	Amount
I. Investment in Equity Instruments					
1) Quoted					
The Ramaraju Surgical Cotton Mills Limited	10	4,000	4,000	11.88	10.88
Lakshmi Automatic Loom Works Limited	100	250	250	1.65	1.26
Tamilnadu Jai Bharath Mills Limited	10	1,200	1,200	0.05	0.05
Total Quoted Investments	(A)			13.58	12.19
2) Unquoted					
Sri Vishnu Shankar Mills Limited	10	38,400	38,400	128.26	105.22
Ramco Industrial and Technology Services Limited	10	50,000	50,000	11.00	14.50
Ramco Windfarms Limited	1	8,32,000	8,32,000	8.32	8.32
Miot Hospitals Limited	10	2,500	2,500	0.25	0.25
Total Unquoted Investments	(B)			147.83	128.29



NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

(₹ in Lakhs)					
Name of the Company	Face Value ₹ per share	As at 31-03-2022	As at 31-03-2021	As at 31-03-2022	As at 31-03-2021
		No. of shares	No. of shares	Amount	Amount
II. Investment in Preference Shares, Non-Trade - Unquoted					
Thanjavur Spinning Mill Limited (C)	10	2,50,00,000	2,50,00,000	2,500.00	2,500.00
Note: The investment in the above preference shares have been made by conversion of Inter Corporate Loan given by the Company to Thanjavur Spinning Mill Limited.					
III. Other Non-Current Investments, Non-Trade - Unquoted					
Ramco Group Employees' Co-operative Stores Limited 1	500	500		0.01	0.01
Total other Investments (D)				0.01	0.01
Total (A + B + C + D)				2,661.42	2,640.49
Aggregate Market Value of Quoted Investments				NA	NA
Notes: (i) Refer to Note No. 54 for information about fair value hierarchy under Disclosure of Fair Value Measurement.					
(ii) Market Value of quoted investments for some equity instruments were not available due to no trading activities in stock market.					

NOTE NO. 15

FINANCIAL ASSETS - (NON CURRENT) LOANS AND ADVANCES

Unsecured, considered good

Loans and Advances to Related Parties [Refer to Note No.52(b)(i)]	<u>1,650.00</u>	<u>950.00</u>
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Notes: (i) Loans are non-derivative financial assets and are carried at amortized cost, which generate fixed or variable interest income for the Company.

(ii) Loans to Related parties of ₹ 1,650.00 Lakhs (PY: ₹ 950.00 Lakhs) has been granted towards working capital in the normal course of business.

(iii) The Company has not granted any loan or advance in the nature of loan to promoters, directors and KMPs that are repayable on demand or without specifying any terms or period of repayment.

NOTE NO. 16

OTHER FINANCIAL ASSETS - (NON CURRENT)

Unsecured, considered good

Security Deposits with Electricity Board / Others	<u>773.28</u>	<u>937.08</u>
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NOTE NO. 17

OTHER NON CURRENT-ASSETS

Unsecured, considered good

Capital Advances	2,130.13	951.52
Income Tax Refund Receivable	213.00	88.09
Prepaid Expenses	72.32	45.76
	<u>2,415.45</u>	<u>1,085.37</u>

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS



(₹ in Lakhs)

As at
31-03-2022 As at
31-03-2021

NOTE NO. 18

INVENTORIES

(Valued at lower of cost or Net realisable Value)

Finished Goods (Yarn and Fabrics)	2,010.64	744.63
Raw materials - Cotton, Cotton Waste & Yarn	16,805.99	9,229.11
Stores and Spares	602.25	443.08
Works-in-progress (Cotton, Yarn and Fabric)	5,490.45	2,569.92
	24,909.33	12,986.74

- Notes: (i) Raw materials includes Goods-in-transit of ₹ 1,710.45 Lakhs (As at 31-03-2021 ₹ 505.95 Lakhs).
(ii) The total carrying amount of inventories as at reporting date has been pledged as Security for Borrowings.
(iii) The mode of valuation of inventories has been stated in the Note No. 6A

NOTE NO. 19

TRADE RECEIVABLES

Secured, Considered good	2,481.77	1,593.12
Unsecured, Considered good	7,854.21	6,087.92
Unsecured and which have significant increase in credit risk	36.05	–
Less: Allowance for expected credit loss	(36.05)	–
	10,335.98	7,681.04

- Notes: (i) Trade receivables are generally non-interest bearing.
(ii) No trade receivable are due from Directors or other officers of the Company either severally or jointly with any other person. Nor any trade or other receivable are due from firms or private companies respectively in which any Director is a partner, a Director or a Member.
(iii) The total carrying amount of trade receivables has been pledged as security for Borrowings.
(iv) Trade Receivables aging schedule have been provided in Note No. 56(c).

NOTE NO. 20

CASH AND CASH EQUIVALENTS

Cash on Hand	0.64	1.08
Balance with Bank		
In Current Account	147.35	47.07
	147.99	48.15

NOTE NO. 21

BANK BALANCES OTHER THAN CASH AND CASH EQUIVALENTS

Balances with Banks held as security against Borrowings	475.00	475.00
Earmarked balances with Banks for Unclaimed Dividend	38.44	42.87
	513.44	517.87



NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

(₹ in Lakhs)

As at
31-03-2022 As at
31-03-2021

NOTE NO. 22

OTHER FINANCIAL ASSETS (CURRENT)

Government Grants Receivable	406.39	404.95
Security Deposit	–	69.95
Insurance Claim receivable	75.85	0.49
Amount receivable from Related Parties [Refer to Note No. 52(b)(iv)]	–	980.10
Exchange difference on Firm Commitment	241.61	171.67
	723.85	1,627.16

NOTE NO. 23

CURRENT TAX ASSETS

Advance Income Tax, Self Assessment Tax and Tax deducted at source	240.25	124.47
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Note: Advance Income Tax, Self Assessment Tax and Tax deducted at source is net of provision for tax of ₹ 15.20 Lakhs (PY: NIL)

NOTE NO. 24

OTHER CURRENT ASSETS

Unsecured, considered good

Advance to Suppliers / Others	488.79	279.58
Tax Credit and Refund due - Indirect Taxes	3,012.83	1,714.82
Accrued Income	114.79	94.57
Prepaid Expenses	195.93	157.49
Other Current Assets	88.79	106.67
	3,901.13	2,353.13

NOTE NO. 25

EQUITY SHARE CAPITAL

Authorised

1,50,00,000 Equity Shares of ₹ 10/- each (PY: 1,50,00,000 Equity Shares of ₹ 10/- each)	1,500.00	1,500.00
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Issued, Subscribed and Fully paid-up

86,05,520 Equity Shares of ₹ 10/- each (PY: 73,76,160 Equity Shares of ₹ 10/- each)	858.94	736.01
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Notes: (i) Issued, Subscribed and fully paid-up Shares includes 62,13,850 Equity Shares (PY: 62,13,850 Equity Shares) of ₹ 10/- each, which were allotted as fully paid Bonus Shares by Capitalisation of Reserves.

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS



(ii) **Reconciliation of the number of shares outstanding**

Particulars	As at 31-03-2022		As at 31-03-2021	
	No. of Shares	Amount	No. of Shares	Amount
Number of Shares at the beginning	73,76,160	737.62	73,76,160	737.62
Shares allotted pursuant to Rights Issue	12,29,360	122.93	–	–
Number of Shares at the end	86,05,520	860.55	73,76,160	737.62

(iii) **Rights / Restrictions attached to Equity Shares**

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

(iv) **List of Shareholders holding more than 5 percent in the Company.**

Name of the Shareholders	As at 31-03-2022		As at 31-03-2021	
	No. of Shares	% of holding	No. of Shares	% of holding
P.R. Venketrama Raja	18,36,826	21.34%	14,66,080	19.88%
P.V. Abinav Ramasubramaniam Raja	22,77,277	26.47%	19,51,952	26.47%
Govindlal M Parikh	5,75,141	6.68%	3,33,873	4.53%

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

S.No.	Name of the Promoters	No. of Shares	% of total shares	% Change during the year
1	P.R. Venketrama Raja	18,36,826	21.34%	1.47%
2	P.V. Abinav Ramasubramaniam Raja	22,77,277	26.47%	–
3	R. Sudarsanam	74,386	0.86%	–
4	Ramachandra Raja Chittammal	96,399	1.12%	–
5	P.V. Nirmla	41,370	0.48%	0.29%
6	Nalina Ramalakshmi	7,840	0.09%	–
7	Saradha Deepa	12,786	0.15%	–
8	P.V. Srisandhya	19,320	0.22%	–
9	Ramco Industries Limited	1,48,587	1.73%	–
10	The Ramaraju Surgical Cotton Mills Limited	1,57,733	1.83%	–
11	Sri Vishnu Shankar Mill Limited	34,696	0.40%	–
12	Sandhya Spinning Mill Limited	583	0.01%	–
13	Ramco Management Private Limited	2,380	0.03%	–
14	The Ramco Cements Limited	33,150	0.39%	0.04%
	TOTAL	47,43,333	55.12%	–



NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

(₹ in Lakhs)

As at 31-03-2022 As at 31-03-2021

(vi) **Shareholders holding of Promoters as at 31-03-2021**

S.No.	Name of the Promoters	No. of Shares	% of total shares	% Change during the year
1	P.R. Venketrama Raja	14,66,080	19.88%	NIL
2	P.V. Abinav Ramasubramaniam Raja	19,51,952	26.47%	
3	R. Sudarsanam	63,760	0.86%	
4	Ramachandra Raja Chittammal	82,628	1.12%	
5	P.V. Nirmala	13,920	0.19%	
6	Nalina Ramalakshmi	6,720	0.09%	
7	Saradha Deepa	10,960	0.15%	
8	P.V. Srisandhya	16,560	0.22%	
9	Ramco Industries Limited	1,27,360	1.73%	
10	The Ramaraju Surgical Cotton Mills Limited	1,35,200	1.83%	
11	Sri Vishnu Shankar Mill Limited	29,740	0.40%	
12	Sandhya Spinning Mill Limited	500	0.01%	
13	Ramco Management Private Limited	2,040	0.03%	
14	The Ramco Cements Limited	25,600	0.35%	
TOTAL		39,33,020	53.33%	

NOTE NO. 26

OTHER EQUITY

Capital Reserve

Balance as per Last Financial Statement	<u>3.75</u>	<u>3.75</u>
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Nature of Reserve

Represents the difference between the shares allotted to the Share holders of Transferor Company and Net Worth acquired from Transferor Company as per scheme of Amalgamation.

Capital Reserve on Consolidation

Balance as per Last Financial Statement	1,05,407.59	1,05,407.59
Less: Transfer to Retained earnings	(1,455.38)	-
	<u>1,03,952.21</u>	<u>1,05,407.59</u>

Nature of Reserve

Capital Reserve on Consolidation represent excess of the Parent's Share of the net fair value of the investment in Associates over the cost of the investment which is recognised directly in equity as capital reserve upon transition to Ind AS.

Securities Premium

Balance as per Last Financial Statement	1,490.48	1,490.48
Add: Security Premium on Rights Issue	6,872.13	-
Less: Rights Issue Expenses	(49.26)	-
	<u>8,313.35</u>	<u>1,490.48</u>

Nature of Reserve

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

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS



(₹ in Lakhs)

As at
31-03-2022 As at
31-03-2021

General Reserve

Balance as per Last Financial Statement	80,844.50	68,037.16
Add: Amount transferred from Retained Earnings	631.79	12,807.34
	81,476.29	80,844.50

Nature of Reserve

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

FVTOCI Reserve

Balance as per Last Financial Statement	38.84	5.02
Add: Other Comprehensive Income for the year	(29.11)	98.19
Sub-Total	9.73	103.21
Transfer from / (to) Retained Earnings	4.57	(64.37)
	14.30	38.84

Nature of Reserve

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

Retained Earnings

Balance as per Last Financial Statement	501.75	3,200.00
Add: Profit for the year	16,657.61	10,118.48
Add: Transfer from FVTOCI Reserve	(4.57)	64.37
Add: Transfer from Capital Reserve on Consolidation	1,455.38	–
Sub-Total	18,610.17	13,382.85
Less: Appropriations		
Dividend Distribution to Shareholders	(43.03)	(73.76)
Transfer to General Reserve	(631.79)	(12,807.34)
	17,935.35	501.75

Nature of Reserve

Represents that portion of the net income of the Company that has been retained by the Company.

Note: The Board of Directors have recommended the payment of Final Dividend ₹ 1/- per share for the year 2021-22 (PY: ₹ 0.50 per Share). This proposed dividend is subject to the approval of Shareholders in the ensuing Annual General Meeting.

Total Other Equity	2,11,695.25	1,88,286.91
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NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

(₹ in Lakhs)

As at
31-03-2022 As at
31-03-2021

NOTE NO. 27

NON CURRENT BORROWINGS

Secured

Term Loan from Banks	29,854.22	27,827.42
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Unsecured

Term Loan from Banks	1,308.57	2,355.45
	31,162.79	30,182.87

Notes: (i) Term Loan from Banks of ₹ 29,854.22 Lakhs (PY: ₹ 25,227.42 Lakhs) are secured by *pari-passu* first charge on moveable Fixed Assets of the Company and *pari-passu* second charge on the Current Assets of the Company.

(ii) Term Loan of ₹ NIL (PY: ₹ 2,600 Lakhs) are secured by residual charge on moveable Fixed Assets of the Company.

(iii) The Company has used the borrowings from banks and financial institutions for the specific purpose for which it was taken as at the reporting date.

(iv) Registration, Modification and Satisfaction of charges relating to the year under review, had been filed with the ROC, within the prescribed time or within the extended time requiring the payment of additional fees.

(v) Refer to Note No. 55 for information about risk profile of borrowings, under Financial Risk Management.

(vi) The Long Term Borrowings from Banks are repayable in quarterly / monthly installments. The year wise repayment is as follows:

Year	Amount	Amount
2022-23	–	8,527.48
2023-24	7,833.45	5,739.08
2024-25	6,693.49	4,308.75
2025-26	5,652.90	3,863.07
2026-27	4,341.03	3,009.37
2027-28	4,236.12	3,057.12
2028-29	2,405.80	1,678.00
	31,162.79	30,182.87

NOTE NO. 28

LEASE LIABILITIES

Lease Liabilities [Refer to Note No. 49]

	499.39	–
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NOTES TO CONSOLIDATED FINANCIAL STATEMENTS



NOTE NO. 29

DEFERRED TAX LIABILITIES (NET)

(₹ in Lakhs)

Particulars	As at 01-04-2020	MAT Credit Set off Utilized / Reversed	Recognised in Profit and Loss	As at 31-03-2021	MAT Credit Set off Utilized / Reversed	Recognised in Profit and Loss	As at 31-03-2022
Tax Impact on difference in written down value of Property, Plant & Equipment as per books and as per Income Tax Act, 1961	6,974.48	-	1,016.95	7,991.43	-	(2,543.81)	5,447.62
Tax impact on provision for compensated absences & Bonus	(235.08)	-	47.18	(187.90)	-	(16.04)	(203.94)
Tax impact on allowance for expected credit losses	-	-	-	-	-	(15.04)	(15.04)
Tax Impact on lease accounting as per Ind AS 116	-	-	-	-	-	0.09	0.09
Tax Impact on Fairvalue of forward contracts	8.76	-	(4.92)	3.84	-	3.79	7.63
Unused tax credits (i.e) MAT Credit Entitlement	(3,273.11)	-	-	(3,273.11)	3,273.11	-	-
Tax Impact on unabsorbed Depreciation / unadjusted losses	(1,708.50)	-	(2,230.96)	(3,939.46)	-	3,120.34	(819.12)
Others	2.70	-	3.27	5.97	-	-	5.97
Total	1,769.25	-	(1,168.48)	600.77	3,273.11	549.33	4,423.21

Reconciliation of Deferred tax Liabilities (Net)

Particulars	31-03-2022	31-03-2021
Balance at the beginning of the year	600.77	1,769.25
Deferred Tax recognised in Statement of Profit and Loss - Expense / (Savings)	549.33	(1,168.48)
MAT Credit reversed during the year	3,273.11	-
Balance at the end of the year	4,423.21	600.77

Components of Tax Expenses

Particulars	31-03-2022	31-03-2021
(i) Profit or Loss Section		
Current Tax		
Current Income Tax charge	15.20	-
Current Tax adjustments of earlier years	-	-
Deferred Tax		
Relating to the origination and reversal of temporary differences	549.33	(1,168.48)
MAT Credit reversed during the year	3,273.11	-
Deferred Tax adjustments of earlier years	-	-
Total Tax Expenses recognised in Profit or Loss section	3,837.64	(1,168.48)
(ii) Other Comprehensive Income Section		
Current Tax credit on remeasurement losses on defined benefit obligations, net	-	-
Total Tax Credit to OCI	-	-
(iii) Total Tax Expenses recognised in Statement of Profit and Loss (i) + (ii)	3,837.64	(1,168.48)



NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

(₹ in Lakhs)

As at
31-03-2022 As at
31-03-2021

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

Particulars	31-03-2022	31-03-2021
Accounting Profit / (Loss) before Tax (including OCI)	5,737.54	(4,835.11)
Corporate Tax Rate %	25.168%	34.944%
Computed Tax Expense	1,444.02	(1,689.58)
Increase / (reduction) in taxes on account of:		
Non-deductible expenses	3.79	(4.92)
Change in Tax Rate	(1,133.82)	-
MAT Credit reversed during the year	3,273.11	-
Change in carried forward unabsorbed Depreciation	939.06	-
Income chargeable to tax under different tax rates (Capital Gains)	(361.86)	-
Tax Expenses related to Capital Gains	15.20	-
Tax adjustments upon consolidation between associates	-	375.98
Others	(341.86)	150.04
Tax Expenses recognised in the Statement of Profit and Loss	3,837.64	(1,168.48)

Note: As per Section 115BAA in the Income Tax Act, 1961, the Company has an irrecoverable option of shifting to a lower tax rate (new tax regime) and simultaneously to forgo certain tax incentives, deductions and accumulated MAT Credit. In view of the overall tax benefits available under Section 115BAA, the Company has opted for shifting of new tax regime with effect from the AY: 2021-22 (FY: 2020-21). Consequently, the Company has charged off the accumulated MAT Credit entitlement of ₹ 3,273.11 Lakhs to Statement of Profit and Loss during the financial year 2021-22. The net deferred tax liability as at 01-04-2021 has been recomputed in accordance with reduced rate i.e. 25.168% as against the old tax rate i.e. 34.944% and thus reversed ₹ 1,133.82 Lakhs from deferred tax liability during the financial year 2021-22. The deferred tax provision of ₹ 549.33 Lakhs for the year ended 31-03-2022 is after netting-off the above reversal.

NOTE NO. 30

CURRENT BORROWINGS

Secured

Loan from Banks	19,967.83	14,098.01
Current Maturities of Long Term Loans	8,428.62	6,470.81

Unsecured

Loan from Banks	10,339.75	6,935.40
Loans and Advances from Related Parties [Refer to Note No. 52(b)(ii)]	3,242.91	3,112.02
Current Maturities of Long Term Loans	1,046.86	1,046.84
	<u>43,025.97</u>	<u>31,663.08</u>

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS



	As at	As at
	31-03-2022	31-03-2021

- Notes: (i) Short term Borrowings (other than Current maturities of Long term Borrowings) are secured by way of first *pari passu* hypothecation charge on trade receivables and inventories of the Company, present and future.
- (ii) The quarterly returns or statements filed by the Company with the banks or financial institutions are in agreement with the books of accounts.
- (iii) The Company has used the borrowings from banks for the specific purpose for which it was taken as at the reporting date.
- (iv) Refer to Note No. 55 for information about risk profile of borrowings under Financial Risk Management.

NOTE NO. 31

LEASE LIABILITIES

Lease Liabilities [Refer to Note No. 49]	3.40	–
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NOTE NO. 32

TRADE PAYABLES

Dues of Micro Enterprises and Small Enterprises	261.25	224.49
Dues of Creditors other than Micro Enterprises and Small Enterprises	1,552.41	1,231.35
	1,813.66	1,455.84

Notes: (i) The categorization of supplier as MSME registered under The Micro, Small and Medium Enterprises Development Act, 2006, has been determined based on the information available with the company as at the reporting date. The disclosures as per the requirement of the Act are furnished as below:

- | | | |
|---|---------------|--------|
| (a) (1) The principal amount remaining unpaid to any supplier at the end of the financial year included in Trade payables | 261.25 | 224.49 |
| (2) The interest due on the above | – | – |
| (b) The amount of interest paid by the buyer in terms of Section 16 of the Act | – | – |
| (c) The amount of the payment made to the supplier beyond the appointed day during the financial year | – | – |
| (d) The amount of interest accrued and remaining unpaid at the end of financial year | – | – |
| (e) The amount of interest due and payable for the period of delay in making payment but without adding the interest specified under this Act | – | – |

(ii) Refer to Note No. 55 for information about risk profile of Trade payables under Financial Risk Management.

(iii) Trade Payables aging schedule given in Note No. 56 (a).



NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

(₹ in Lakhs)

As at
31-03-2022 As at
31-03-2021

NOTE NO. 33

OTHER CURRENT FINANCIAL LIABILITIES

Interest Accrued	206.03	201.12
Unclaimed Dividends	38.44	42.87
PACR Memorial Fund	128.40	28.40
Advance received from Customers	140.69	123.53
Payables for Capital Goods	1,866.71	1,258.53
Advance against Sale of Assets	159.88	100.28
Statutory Liabilities Payable	868.59	760.82
Financial Guarantee Contracts	72.86	97.86
Derivatives Designated as Hedges - Foreign Exchange Forward Contract	263.57	80.32
Other payables	91.10	38.68
	3,836.27	2,732.41

- Notes: (i) Unclaimed dividends represents amount not due for transfer to Investor Education and Protection Fund.
- (ii) The Company has recognised financial guarantee obligation at fair value towards the corporate guarantees issued to the bankers on behalf of Related parties, and the same is recognised as other Income over the tenure of the corporate guarantee.

NOTE NO. 34

PROVISIONS

Provision for Employee Benefits	1,251.47	686.01
Provision for Compensated absences [Refer to Note No. 48]	283.44	284.95
Other Provision for		
- Sales and Administrative Expenses	361.82	159.95
- Electricity Charges	506.52	372.19
- Other Expenses	5.11	5.36
	2,408.36	1,508.46

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

- (ii) Movement in Provisions for compensated absences.

Carrying amount as the beginning of the year	284.95	415.26
Add: Current Service Cost	30.39	31.41
Add: Interest Cost	15.21	26.21
Add: Actuarial Loss	85.77	(143.29)
Less: Benefits paid	(132.88)	(44.64)
Carrying amount as the end of the year	283.44	284.95

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS



(₹ in Lakhs)

	2021-22	2020-21
NOTE NO. 35		
REVENUE FROM OPERATIONS		
Sale of Products		
Yarn	55,009.71	36,295.45
Fabrics	12,195.44	3,866.80
Waste Cotton	<u>672.30</u>	<u>587.41</u>
	67,877.45	40,749.66
Other operating Revenues		
Export Incentive	213.59	102.76
Scrap Sales	149.73	6.47
Job Work Charges Received	724.70	325.55
	<u>68,965.47</u>	<u>41,184.44</u>
Note: The disaggregation of revenue as required under Ind AS 115 is given below:		
Gross Revenue from Operations	71,407.61	42,720.94
Less: Rebates & Discounts	80.34	51.96
Less: GST	2,361.80	1,484.54
Revenue from Operations (net of GST)	<u>68,965.47</u>	<u>41,184.44</u>
NOTE NO. 36		
FINANCE INCOME		
Interest Receipts	<u>266.71</u>	<u>290.97</u>
NOTE NO. 37		
OTHER INCOME		
Rent Receipts	38.22	34.11
Dividend Income	225.02	225.02
Exchange Gain on Foreign Currency Transactions (Net)	101.05	-
Carbon Credit Sale	25.75	-
Profit on Sale of Cotton	712.41	-
Miscellaneous Income	191.34	101.67
	<u>1,293.79</u>	<u>360.80</u>
NOTE NO. 38		
COST OF MATERIALS CONSUMED		
Rawmaterials Consumed		
Cotton & Cotton Waste Consumed for Yarn Production	30,383.98	17,173.33
Yarn Consumed for Fabric Production	5,717.34	1,984.99
	<u>36,101.32</u>	<u>19,158.32</u>



NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

(₹ in Lakhs)

2021-22

2020-21

NOTE NO. 39

PURCHASES OF STOCK-IN-TRADE

Purchases of Stock-in-Trade	<u>2,478.83</u>	<u>684.12</u>
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NOTE NO. 40

CHANGES IN INVENTORIES OF FINISHED GOODS AND WORK-IN-PROGRESS

Opening stock

Finished Goods	744.63	4,423.23
Work-in-Progress	<u>2,569.92</u>	<u>2,248.50</u>
	3,314.55	6,671.73

Closing Stock

Finished Goods	2,010.64	744.63
Work-in-Progress	<u>5,490.45</u>	<u>2,569.92</u>
	7,501.09	3,314.55
Net (Increase) / Decrease in Stock	<u>(4,186.54)</u>	<u>3,357.18</u>

NOTE NO. 41

EMPLOYEE BENEFITS

Salaries, Wages and Bonus	7,211.49	4,853.65
Contribution to Provident and Other Funds	776.06	608.89
Staff and Labour Welfare & Training Expenses	<u>442.22</u>	<u>261.47</u>
	8,429.77	5,724.01

Note: (i) Refer to Note No.48 for disclosures pertaining to defined contribution plan and defined benefit obligations under Ind AS 19.

NOTE NO. 42

FINANCE COSTS

Interest on Debts and Borrowings	3,856.32	4,368.66
Interest expense on lease liabilities [Refer to Note No. 49]	10.49	-
Exchange differences on Foreign Currency Borrowings regarded as an adjustment to Borrowing cost	<u>429.01</u>	<u>79.67</u>
	4,295.82	4,448.33

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

(ii) The above Finance Costs is net of capitalised portion of ₹ 199.16 Lakhs (PY: ₹ 69.67 Lakhs) attributable to the qualifying assets.

(iii) Refer to Note No. 55 for information about interest rate risk exposure under Financial Risk Management.

NOTE NO. 43

DEPRECIATION AND AMORTISATION EXPENSE

Depreciation of Plant, Property and Equipment [Refer to Note No. 9]	4,979.94	4,708.90
Depreciation on Investment Properties [Refer to Note No. 11]	0.23	0.23
Amortization of Intangible Assets [Refer to Note No. 12]	<u>68.26</u>	<u>50.77</u>
	5,048.43	4,759.90

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS



(₹ in Lakhs)

	2021-22	2020-21
NOTE NO. 44		
OTHER EXPENSES		
Manufacturing Expenses		
Power and Fuel	3,979.09	2,690.93
Packing Materials Consumption	875.03	539.50
Repairs to Buildings	342.25	118.37
Repairs to Plant and Machinery	1,664.49	1,017.84
Repairs - Windmills & Others	1,401.28	1,006.40
Mercerising expenses - Yarn Processing	520.18	179.71
Chemical Consumption - Fabric	688.85	378.71
Job work Charges Paid	500.22	146.13
	<u>9,971.39</u>	<u>6,077.59</u>
Establishment Expenses		
Managing Director's Remuneration	247.50	247.50
Rates and Taxes	154.42	137.66
Insurance	347.96	299.21
Postage and Telephone	36.85	40.97
Printing and Stationery	39.10	30.23
Travelling Expenses	73.75	18.81
Vehicle Maintenance	134.03	67.50
Exchange Loss on Foreign Currency Transactions	-	134.91
Directors Sitting Fees	32.70	27.30
Lease Rent [Refer to Note (ii) below]	23.51	11.82
Audit Fees and Legal Expenses	32.11	21.08
Loss on Sale of Cotton	-	63.21
Financial Guarantee Expenses	-	90.00
Provision for PACR Memorial Fund	100.00	-
Corporate Social Responsibility Expenses	42.88	20.44
Miscellaneous Expenses	253.31	95.71
	<u>1,518.12</u>	<u>1,306.35</u>
Selling Expenses		
Sales Commission	655.81	505.45
Export Expenses	779.46	267.75
Other Selling Expenses	318.72	178.86
Impairment allowance for trade receivables	36.05	-
	<u>1,790.04</u>	<u>952.06</u>
	<u>13,279.55</u>	<u>8,336.00</u>

Notes: (i) The details of CSR Expenditure are disclosed in Note No. 56(i).

(ii) The disclosures pertaining to Lease Rent as required under Ind AS 116 are given in Note No. 49.



NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

(₹ in Lakhs)

2021-22

2020-21

NOTE NO. 45

AUDIT FEES AND EXPENSES (NET OF TAX CREDITS)

Statutory Auditors

Statutory Audit fee	6.00	5.00
Other Certification Work	1.63	5.13
Reimbursement of Expenses	0.05	0.15

Tax Auditors

Tax Audit fee	0.75	0.60
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Cost Auditors

Cost Audit fee	1.50	1.40
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Secretarial Auditors

Secretarial Audit fee	0.65	0.59
Other Certification Work	0.40	0.26
Reimbursement of Expenses	0.09	0.03
	<u>11.07</u>	<u>13.16</u>

NOTE NO. 46

CONTINGENT LIABILITIES

	As at 31-03-2022	As at 31-03-2021
Guarantees given by the bankers on behalf of Company	247.32	235.62
Demands / Claims not acknowledged as Debts in respect of matters in appeals relating to -		
- Parent	552.20	552.20
- Parent's share in Associates	14,892.29	13,798.85

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS



(₹ in Lakhs)

As at
31-03-2022 As at
31-03-2021

NOTE NO. 47

FINANCIAL GUARANTEE GIVEN TO BANKS TO AVAIL LOAN FACILITIES BY RELATED PARTIES

Sri Vishnu Shankar Mill Limited	1,000	1,000
Sandhya Spinning Mill Limited	4,500	5,500
Actual amount of loan outstanding against above Financial Guarantees		
Sri Vishnu Shankar Mill Limited	300	500
Sandhya Spinning Mill Limited	3,450	3,504

NOTE NO. 48

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

Defined Contribution Plan:

Employer's Contribution to Provident Fund	498.64	368.14
Employer's Contribution to Superannuation Fund	53.00	42.04

Defined Benefit Plan - Gratuity

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

Defined Benefit Plan (Gratuity):

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

As at the beginning of the year	1,223.07	1,210.25
Current Service Cost	95.12	97.07
Interest Cost	82.12	77.04
Actuarial Loss / (Gain)	8.30	(-) 50.79
Benefits paid	(-) 86.38	(-) 110.50
As at the end of the year	1,322.23	1,223.07

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

As at the beginning of the year	1,162.23	1,048.48
Expected return on plan assets	80.08	71.73
Actuarial gain / (loss)	3.74	(-) 11.93
Employer Contribution	62.95	164.45
Benefits paid	(-) 86.38	(-) 110.50
As at the end of the year	1,222.62	1,162.23



NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

(₹ in Lakhs)

	As at 31-03-2022	As at 31-03-2021
Actual Return on Plan Assets:		
Expected Return on Plan Assets	80.08	71.73
Actuarial Gain / (Loss) on Plan Assets	3.74	(-) 11.93
Actual Return on Plan Assets	83.82	59.80
Reconciliation of Fair Value of Assets and Obligations:		
Present value of obligation	1,322.23	1,223.07
Fair value of plan assets	1,222.62	1,162.23
Difference, Amount recognized in Balance Sheet	99.61	60.84
Expenses recognized during the year:		
Current Service Cost	95.12	97.07
Net Interest on Obligations	2.04	5.31
Expenses recognized in Statement of Profit and Loss	97.16	102.38
Amount recognized in the Other Comprehensive Income:		
Actuarial changes arising from:		
Experience adjustments on Plan Liabilities	(-) 65.34	10.21
Experience adjustments on Plan Assets	3.74	(-) 11.93
Changes in financial assumptions	57.03	40.58
Changes in demographic assumptions	-	-
Amount recognized in OCI during the year	(-) 4.57	38.87
Investment Details		
Funds with LIC	1,216.47	1,156.48
Bank Balance	6.15	5.75
Total	1,222.62	1,162.23
Actuarial assumptions:		
LIC 2012-14 Table applied for service mortality rate	Yes	Yes
Discount rate p.a	7.36%	6.96%
Expected rate of Return on Plan Assets p.a.	7.36%	6.96%
Rate of escalation in salary p.a	3.75%	3.75%
Rate of Employee Turnover	0.05%	0.05%
Estimate of Expected Benefit payments		
Year 1	26.12	24.41
Year 2	89.25	46.69
Year 3	59.92	56.69
Year 4	108.32	62.94
Year 5	129.86	113.57
Next 5 Years	679.38	630.41

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS



(₹ in Lakhs)

As at
31-03-2022

As at
31-03-2021

Quantitative Sensitivity Analysis for Significant Assumptions

0.50% Increase in Discount Rate	100.45	88.56
0.50% Decrease in Discount Rate	115.85	102.41
0.50% Increase in Salary Growth Rate	116.13	102.63
0.50% Decrease in Salary Growth Rate	100.15	88.31

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

Defined Benefit Plan (Leave encashment plan):

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

As at the beginning of the year	284.95	415.26
Current Service Cost	30.39	31.41
Interest Cost	15.21	26.21
Actuarial Loss	85.77	(-) 143.29
Benefits paid	(-) 132.88	(-) 44.64
As at the end of the year	283.44	284.95

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

As at the beginning of the year	NIL	NIL
Expected return on plan assets	NIL	NIL
Actuarial Gain / (Loss)	NIL	NIL
Employer Contribution	132.88	44.64
Benefits paid	(-)132.88	(-) 44.64
As at the end of the year	NIL	NIL

Actual Return of plan assets:

Expected Return on Plan Assets	NIL	NIL
Actuarial Gain / (Loss) on Plan Assets	NIL	NIL
Actual Return on Plan Assets	NIL	NIL

Reconciliation of Fair Value of Assets and Obligations:

Fair value of plan assets	NIL	NIL
Present value of obligation	283.44	284.95
Difference, Amount Recognized in Balance Sheet	283.44	284.95

Expenses recognized during the year:

Current Service Cost	30.39	31.41
Net Interest on obligations	15.21	26.21
Actuarial Gain recognized during the year	85.77	(-) 143.29
Expenses recognized in the Statement of Profit & Loss	131.37	(-) 85.67



NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

(₹ in Lakhs)

31-03-2022 31-03-2021

Amount recognized in the Other Comprehensive Income:

Actuarial changes arising from:

Experience adjustments on Plan Liabilities	NIL	NIL
Experience adjustments on Plan Assets	NIL	NIL
Changes in financial assumptions	NIL	NIL
Changes in demographic assumptions	NIL	NIL
Amount recognized in OCI during the year	NIL	NIL

Investment Details

Funds with LIC	NIL	NIL
Bank Balance	NIL	NIL
Total	NIL	NIL

Actuarial assumptions:

LIC 2012-14 Table applied for service mortality rate

Discount rate p.a	7.36%	6.96%
Expected rate of Return on Plan Assets p.a.	NIL	NIL
Rate of escalation in salary p.a	3.75%	3.75%
Rate of Employee Turnover	0.05%	0.05%

Estimate of Expected Benefit payments

Year 1	3.99	2.71
Year 2	26.06	13.18
Year 3	15.36	26.61
Year 4	19.10	10.13
Year 5	26.52	22.51
Next 5 Years	149.33	175.47

Quantitative Sensitivity Analysis for Significant Assumptions

0.50% Increase in Discount Rate	41.23	28.36
0.50% Decrease in Discount Rate	46.99	32.64
0.50% Increase in Salary Growth Rate	47.09	32.71
0.50% Decrease in Salary Growth Rate	41.11	28.28

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

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS



NOTE NO. 49

DISCLOSURES PERTAINING TO IND AS 116 - LEASES

COMPANY AS A LESSEE

Nature of leasing activities

The Company has entered into operating lease on certain assets i.e land and building. Lease rentals are determined based on agreed terms. There is escalation clause in certain lease agreements after a specified period and no restriction imposed by the lease arrangements.

Maturity analysis of Lease Liabilities:

(₹ in Lakhs)

Particulars	31-03-2022	31-03-2021
Not later than one year	28.46	NIL
One to five years	161.32	NIL
More than five years	650.48	NIL
Total Undiscounted lease liabilities as at 31 st March	840.26	NIL

Other disclosures as required by Ind AS 116:

Particulars	31-03-2022	31-03-2021
Depreciation charge for Right-of-use asset	17.05	6.94
Interest on lease liabilities	10.49	NIL
Expenses relating to short-term leases	23.51	11.82
Total cash outflow for leases including principal and interest	78.59	NIL
Additions to Right-of-use assets	570.88	NIL
Carrying amount of Right-of-use assets at 31 st March	1,255.65	701.81

Notes: (a) Expenses relating to Short-term lease include leases whose lease term ends within 12 months from date of initial application and leases whose non-cancellable period is less than 12 months, irrespective of the actual tenure agreed as per the arrangement.

COMPANY AS A LESSOR

The Company has entered into operating leases i.e. Land & Building. The Company has not entered into any Finance leases. Future minimum rental receivable under non-cancellable operating leases as at the reporting date is given below:

Particulars	31-03-2022	31-03-2021
Not later than one year	1.05	1.05
One to five years	6.40	6.11
More than five years	9.37	12.25



NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

NOTE NO. 50

Disclosure of Interests in Associates under equity method

Name of the Company	Principal Place of Business / Country on Incorporation	Principal activities of Business
The Ramco Cements Limited (TRCL)	India	Manufacture of Cement and Cementitious materials
Ramco Industries Limited (RIL)	India	Manufacture of Building materials
Ramco Systems Limited (RSL)	India	Software development

Name of the Company	% Shareholding as at	
	31-03-2022	31-03-2021
The Ramco Cements Limited	13.81%	14.02%
Ramco Industries Limited	9.69%	9.69%
Ramco Systems Limited	2.38%	2.39%

Summarised financial information for Associates:

The summarized consolidated financial statements of the material associates are as below: (₹ in Lakhs)

Balance Sheet	Non-current Assets	Investment in Associates	Current Assets	Non-current Liabilities	Current Liabilities	Total Equity
As at 31-03-2022						
The Ramco Cements Limited	11,18,187.00	26,962.00	1,70,737.00	3,75,048.00	2,78,269.00	6,62,569.00
Ramco Industries Limited	61,167.00	3,00,828.70	70,158.58	8,312.27	47,956.14	3,75,885.87
Ramco Systems Limited	46,449.00	164.00	40,844.00	7,674.00	21,379.00	58,404.00
As at 31-03-2021						
The Ramco Cements Limited	9,71,692.00	27,909.00	1,45,891.00	3,29,754.00	2,41,937.00	5,73,801.00
Ramco Industries Limited	56,613.00	2,77,069.00	66,391.00	7,205.00	44,471.00	3,48,397.00
Ramco Systems Limited	48,499.90	153.50	45,458.90	9,625.70	19,002.10	65,484.50

Note: The above financial information is amended to determine the share of interest in associates.

Profit and Loss	TRCL		RIL		RSL	
	31-03-2022	31-03-2021	31-03-2022	31-03-2021	31-03-2022	31-03-2021
Total Revenue	6,03,169.00	5,32,137.00	1,46,874.98	1,23,385.00	53,110.00	64,087.10
Profit before tax	80,344.00	1,14,350.00	19,258.32	17,509.00	(7,265.00)	10,788.70
Tax expenses / (Savings)	(8,941.00)	37,992.00	6,606.44	5,916.00	(39.00)	5,122.40
Profit after Tax	89,285.00	76,358.00	12,651.88	11,593.00	(7,226.00)	5,666.30
Share of profit in Associate	(1,116.00)	2,075.00	17,632.78	16,282.00	10.00	3.50
Other Comprehensive Income	(248.00)	(360.00)	(183.13)	1,054.00	260.00	(1,126.60)
Total Comprehensive Income	87,921.00	78,073.00	30,101.53	28,929.00	(6,956.00)	4,543.20

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS



Fair Value of Investments

(₹ in Lakhs)

Name of the Associates	31-03-2022	31-03-2021
The Ramco Cements Limited	2,50,578.34	3,31,691.54
Ramco Industries Limited	17,710.74	21,567.11
Ramco Systems Limited	1,938.36	3,870.84

Share of Contingent Liabilities in respect of associates

Name of the Associates	31-03-2022	31-03-2021
The Ramco Cements Limited	13,617.89	12,275.91
Ramco Industries Limited	514.28	763.30
Ramco Systems Limited	207.92	196.14

Reconciliation to the carrying amount of investment in associates:

Profit and Loss	TRCL		RIL		RSL	
	31-03-2022	31-03-2021	31-03-2022	31-03-2021	31-03-2022	31-03-2021
Entity's TCI	87,921.00	78,073.00	30,101.53	28,929.00	(6,956.00)	4,543.20
Entity's Adjusted TCI	86,300.00	75,949.00	10,342.53	13,352.97	(6,966.00)	4,447.60
Effective shareholding %	15.84%	16.06%	11.83%	11.86%	2.38%	2.39%
Associates share of profit / OCI	13,671.41	12,193.74	1,223.02	1,583.34	(165.83)	106.23
Less: Unrealised profit on inter-company transactions (net of tax)	-	-	-	-	-	-
Amount recognized in P & L	13,671.41	12,193.74	1,223.02	1,583.34	(165.83)	106.23
Reconciliation						
Opening Carrying amount	1,50,141.21	1,38,939.43	13,794.28	12,294.96	5,054.05	4,947.82
Less: Adjustment on Deemed Disposal	-	-	-	-	(12.67)	-
Add: Acquisition / (Sold) during the year	(1,996.41)	-	-	-	-	-
Add: Associate's share of Profit / OCI	13,671.41	12,193.74	1,223.02	1,583.34	(165.83)	106.23
Less: Dividend received	-	991.96	-	84.02	-	-
Net Carrying amount	1,61,816.21	1,50,141.21	15,017.30	13,794.28	4,875.55	5,054.05

Notes:

- Adjusted TCI represents total comprehensive income of the entity after eliminating effects of reciprocal interests and unrealized profits.
- Effective shareholdings represent the aggregate of direct holding and indirect holding through fellow associates.



NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

NOTE NO. 51

EARNINGS PER SHARE

(₹ in Lakhs)

Particulars	31-03-2022	31-03-2021
Net profit / (loss) after tax (₹ in Lakhs) (A)	16,657.61	10,118.48
Weighted average number of Equity shares after deducting treasury shares [In Lakhs] (B)	85.89	73.60
Nominal value per equity share (in ₹)	10	10
Basic & Diluted Earnings per share (A) / (B) (in ₹)	194	137

NOTE NO. 52

RELATED PARTY TRANSACTIONS

Information on names of Related parties and nature of Relationship as required by Ind AS 24 on Related party disclosures for the year ended 31st March, 2022:

a) Associates

Name of the Company	Place of Business / Country of Incorporation	% of Shareholding as at	
		31-03-2022	31-03-2021
The Ramco Cements Limited	India	13.81%	14.02%
Ramco Industries Limited	India	9.69%	9.69%
Ramco Systems Limited	India	2.38%	2.39%

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

Name of the Key Management Personnel	Designation
Shri P.R. Venketrama Raja	Chairman
Smt. R. Sudarsanam	Managing Director (Upto 31-05-2022)
Smt. P.V. Nirmala Raju	Managing Director (From 01-06-2022)
Shri S.S. Ramachandra Raja	Non-Executive Director
Shri N.K. Ramasuwami Raja	Independent Director
Shri A.V. Dharmakrishnan	Non-Executive Director
Justice Shri P.P.S. Janarthana Raja	Independent Director
Shri V. Santhana Raman	Independent Director
Shri K.B. Nagendra Murthy	Independent Director
Smt. Soundara Kumar	Independent Director
Shri P.V. Abinav Ramasubramaniam Raja	Non-Executive Director
Shri P.A.S Alaghar Raja	Independent Director
Shri B. Gnanagurusamy	Chief Financial Officer
Shri A. Arulpranavam	Secretary

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS



c) **Relatives of Key Managerial Personnel**

Name of the Relative of KMP	Relationship
Smt. R. Chittammal	Spouse of Shri S.S. Ramachandra Raja
Smt. Nalina Ramalakshmi	Sister of Shri P.R. Venketrama Raja
Smt. Sharada Deepa	Sister of Shri P.R. Venketrama Raja
Smt. B. Sri Sandhya Raju	Daughter of Shri P.R. Venketrama Raja

d) **Companies over which KMP / Relatives of KMP exercise significant influence or control**

The Ramaraju Surgical Cotton Mills Limited	Ramco Industrial and Technology Services Limited
Sri Vishnu Shankar Mill Limited	Ramco Wind farms Limited
Thanjavur Spinning Mill Limited	Ramco Management Private Limited
Sandhya Spinning Mill Limited	RCDC Securities & Investments Private Limited
Sri Harini Textiles Limited	Sri Harini Media Limited
Rajapalayam Textile Limited	

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

Rajapalayam Mills Limited Officers' Superannuation Fund
Rajapalayam Mills Limited Employees' Gratuity Fund

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

Smt. Lingammal Ramaraju Shastra Prathishta Trust	PACR Sethurammammal Charity Trust
Ramco Welfare Trust	PACR Sethurammammal Charities
Raja Charity Trust	PAC Ramasamy Raja Education Charity Trust
Gowri Metal Works LLP	PACR Centenary Trust
Ramco Organic Farming Centre	PACR Rotary Blood Bank

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

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

Name of the Related party	(₹ in Lakhs)	
	2021-22	2020-21
i. Good Supplied / Services rendered		
Associates		
The Ramco Cements Limited	71.86	0.07
Ramco Industries Limited	716.85	837.63
Ramco Systems Limited	0.81	0.81



NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

Name of the Related party	(₹ in Lakhs)	
	Value	
	2021-22	2020-21
Companies over which KMP / Relative of KMP exercise significant Influence		
The Ramaraju Surgical Cotton Mills Limited	1,798.82	460.77
Sri Vishnu Shankar Mill Limited	3,912.59	1,909.27
Sandhya Spinning Mill Limited	1,110.33	925.40
Rajapalayam Textile Limited	412.52	736.74
Sri Harini Textiles Limited	8.09	19.87
Other entities over which there is a significant influence		
PAC Ramasamy Raja Education Charity Trust	0.35	0.35
PACR Rotary Blood Bank	0.35	0.71
PACR Sethurammammal Charity Trust	0.01	NIL
ii. Sale of Fixed Assets		
Associates		
Ramco Industries Limited	0.21	0.89
Companies over which KMP / Relative of KMP exercise significant Influence		
Sri Vishnu Shankar Mill Limited	NIL	0.59
Sandhya Spinning Mill Limited	NIL	981.28
Rajapalayam Textile Limited	119.35	7.67
Raja Charity Trust	NIL	1.80
iii. Cost of Goods & Services purchased / availed		
Associates		
The Ramco Cements Limited	20.20	9.43
Ramco Industries Limited	727.17	605.81
Ramco Systems Limited	33.10	25.03
Companies over which KMP / Relative of KMP exercise significant Influence		
The Ramaraju Surgical Cotton Mills Limited	1,874.17	564.70
Sri Vishnu Shankar Mill Limited	2,248.71	1,609.95
Ramco Windfarms Limited	386.90	380.52
Sandhya Spinning Mill Limited	857.07	1,089.83
Rajapalayam Textile Limited	518.42	1,292.43
Shri Harini Media Limited	0.74	1.47
Ramco Industrial and Technology Services Limited	13.72	NIL
Other entities over which there is a significant influence		
PACR Sethurammammal Charity Trust	205.66	180.72
PACR Centenary Trust	10.24	NIL
Gowrihouse Metal Works LLP	0.48	0.08
Ramco Organic Farming Centre	0.32	0.08

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS



Name of the Related party	(₹ in Lakhs)	
	Value	
	2021-22	2020-21
iv. Purchase of Fixed Assets		
Associates		
The Ramco Cements Limited	5.34	NIL
Ramco Industries Limited	0.98	153.46
Ramco Systems Limited	468.17	NIL
Companies over which KMP / Relative of KMP exercise significant Influence		
The Ramaraju Surgical Cotton Mills Limited	1.48	NIL
Rajapalayam Textile Limited	6.58	5.01
v. Leasing Arrangements - Rent Paid		
Associates		
The Ramco Cements Limited	0.08	0.08
Companies over which KMP / Relative of KMP exercise significant Influence		
Sandhya Spinning Mill Limited	64.35	NIL
Relative of Key Managerial Personnel		
Smt. Sharada Deepa	1.51	1.56
vi. Reimbursement of Expenses Paid / (Received)		
Associates		
The Ramco Cements Limited	14.94	18.95
Ramco Industries Limited	(66.26)	NIL
Ramco Systems Limited	(0.54)	NIL
Companies over which KMP / Relative of KMP exercise significant Influence		
The Ramaraju Surgical Cotton Mills Limited	(71.52)	(22.43)
Sri Vishnu Shankar Mill Limited	(34.94)	(12.28)
Sandhya Spinning Mill Limited	(50.20)	(9.75)
Rajapalayam Textile Limited	(8.42)	(3.26)
Sri Harini Textiles Limited	(5.56)	(3.27)
vii. Dividend Paid		
Key Managerial Personnel		
Shri P.R. Venketrama Raja	9.18	14.66
Smt. R. Sudarsanam	0.37	0.64
Smt. P.V. Nirmala Raju	0.08	0.14
Shri P.V. Abinav Ramasubramaniam Raja	11.39	19.52
Shri S.S. Ramachandra Raja	0.14	0.24
Shri N.K. Ramasuwami Raja	0.09	0.15
Shri A.V. Dharmakrishnan	0.01	0.01
Shri P.A.S. Alaghar Raja	0.04	0.07



NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

Name of the Related party	(₹ in Lakhs)	
	Value	
	2021-22	2020-21
Associates		
The Ramco Cements Limited	0.17	0.26
Ramco Industries Limited	0.74	1.27
Companies over which KMP / Relative of KMP exercise significant Influence		
The Ramaraju Surgical Cotton Mills Limited	0.79	1.35
Sri Vishnu Shankar Mill Limited	0.17	0.30
Sandhya Spinning Mill Limited	-	0.01
Ramco Management Private Limited	0.01	0.02
Relative of Key Managerial Personnel		
Smt. R. Chittammal	0.48	0.83
Smt. R. Nalina Ramalakshmi	0.04	0.07
Smt. S.Sharada Deepa	0.06	0.11
Smt. B. Sri Sandhya Raju	0.10	0.17
viii. Dividend Received		
Associates		
The Ramco Cements Limited	NIL	991.95
Ramco Industries Limited	NIL	84.02
Companies over which KMP / Relative of KMP exercise significant Influence		
The Ramaraju Surgical Cotton Mills Limited	0.02	0.02
Thanjavur Spinning Mill Limited	225.00	225.00
ix. Right Issue Amount Received		
Key Managerial Personnel		
Shri P.R. Venketrama Raja	2,109.54	NIL
Smt. R. Sudarsanam	60.46	NIL
Smt. P.V. Nirmala Raju	13.20	NIL
Shri P.V. Abinav Ramasubramaniam Raja	1,851.10	NIL
Shri S.S. Ramachandra Raja	23.22	NIL
Shri N.K. Ramasuwami Raja	14.60	NIL
Shri A.V. Dharmakrishnan	1.82	NIL
Shri P.A.S. Alaghar Raja	5.69	NIL
Associates		
The Ramco Cements Limited	42.96	NIL
Ramco Industries Limited	120.78	NIL

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS



Name of the Related party	(₹ in Lakhs)	
	Value	
	2021-22	2020-21
Companies over which KMP / Relative of KMP exercise significant Influence		
The Ramaraju Surgical Cotton Mills Limited	128.21	NIL
Sri Vishnu Shankar Mill Limited	28.20	NIL
Sandhya Spinning Mill Limited	0.47	NIL
Ramco Management Private Limited	1.93	NIL
Relative of Key Management Personnel		
Smt. R. Chittammal	78.36	NIL
Smt. R. Nalina Ramalakshmi	6.37	NIL
Smt. S.Sharada Deepa	10.39	NIL
Smt. B. Sri Sandhya Raju	15.70	NIL
x. Interest Paid / (Received)		
Key Managerial Personnel		
Shri P.R. Venketrama Raja	3.21	5.41
Smt. R. Sudarsanam	21.10	5.53
Smt. P.V. Nirmala Raju	0.51	0.94
Shri P.V. Abinav Ramasubramaniam Raja	3.53	0.88
Companies over which KMP / Relative of KMP exercise significant Influence		
Sri Harini Textiles Limited	(87.88)	(99.76)
Lynks Logistics Limited	(3.89)	NIL
Thanjavur Spinning Mill Limited	194.55	181.02
xi. Director's Sitting Fees		
Key Managerial Personnel		
Shri P.R. Venketrama Raja	2.70	2.10
Smt. R. Sudarsanam	1.50	1.50
Smt. P.V. Nirmala Raju	2.10	1.50
Shri S.S. Ramachandra Raja	1.80	1.80
Shri N.K. Ramasuwami Raja	3.90	3.30
Shri A.V. Dharmakrishnan	4.20	3.00
Justice Shri P.P.S. Janarthana Raja	5.10	3.90
Shri V. Santhanaraman	1.80	1.80
Shri K.B. Nagendra Murthy	3.60	3.00
Smt Soundara Kumar	1.80	1.80
Shri P.V. Abinav Ramasubramaniam Raja	2.40	1.80
Shri P.A.S Alaghar Raja	1.80	1.80



NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

(₹ in Lakhs)

Name of the Related party	Value	
	2021-22	2020-21
xii. Remuneration to Key Managerial Personnel (Other than Sitting Fees)		
Key Managerial Personnel		
Smt. R. Sudarsanam, Managing Director	247.50	247.50
Shri B. Gnanagurusamy, Chief Financial Officer	68.67	33.55
Shri A. Arulpranavam, Secretary	15.23	9.93
xiii. CSR / Donation given		
Other entities over which there is a significant influence		
PACR Sethurammammal Charities	NIL	5.00
PAC Ramasamy Raja Education Charity Trust	0.50	NIL
PACR Rotary Blood Bank	1.00	NIL
xiv. Contribution to Superannuation Fund / Gratuity Fund		
Other entities over which there is a significant influence		
Rajapalayam Mills Limited Officers' Superannuation Fund	53.00	42.04
Rajapalayam Mills Limited Employees' Gratuity Fund	101.73	63.51
xv. Maximum amount of loans and advance / (borrowings) outstanding during the year		
Key Managerial Personnel		
Shri P.R. Venketrama Raja	(501.70)	(77.81)
Smt. R. Sudarsanam	(551.35)	(334.63)
Smt. P.V. Nirmala Raju	(13.76)	(13.54)
Shri P.V. Abinav Ramasubramaniam Raja	(53.92)	(50.81)
Companies over which KMP / Relative of KMP exercise significant Influence		
Sri Harini Textiles Limited	950.00	950.00
Lynks Logistics Limited	700.00	NIL
Thanjavur Spinning Mill Limited	(3,183.53)	(2,635.23)
b. Outstanding balance including commitments		
i. Loans and advances		
Companies over which KMP / Relative of KMP exercise significant Influence		
Sri Harini Textiles Limited	950.00	950.00
Lynks Logistics Limited	700.00	NIL

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS



Name of the Related party	(₹ in Lakhs)	
	2021-22	2020-21
ii. Borrowings:		
Key Managerial Personnel		
Shri P.R. Venketrama Raja	501.70	77.81
Smt. R. Sudarsanam	3.62	334.63
Smt. P.V. Nirmala Raju	0.99	13.54
Shri P.V. Abinav Ramasubramaniam Raja	3.99	50.81
Companies over which KMP / Relative of KMP exercise significant Influence		
Thanjavur Spinning Mill Limited	2,732.60	2,635.23
iii. Corporate Guarantee given to lender of Related parties		
Companies over which KMP / Relative of KMP exercise significant Influence		
Sri Vishnu Shankar Mill Limited	1,000	1,000
Sandhya Spinning Mill Limited	4,500	5,500
Notes: (a) These Guarantees have been given as an additional security to secure the borrowings of the above Companies for their modernization / expansion.		
(b) The loan balance with Banks by the related parties, on the strength of the above Corporate Guarantees given by the Company are furnished below:		
Sri Vishnu Shankar Mill Limited	300	500
Sandhya Spinning Mill Limited	3,450	3,504
iv. Trade Receivables		
Associates		
The Ramco Cements Limited	NIL	0.04
Companies over which KMP / Relative of KMP exercise significant Influence		
Sandhya Spinning Mill Limited	NIL	980.10

Notes: (a) The above outstanding balance at the respective reporting dates are unsecured and settlement occurs in cash or through provision of goods / services, in case of unadjusted advances.

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

Particulars	31-03-2022	31-03-2021
Short - Term Benefits ^[1]	309.10	281.03
Defined Contribution Plan ^[2]	12.59	11.45
Defined Benefit Plan / Other Long-Term Benefits ^[3]	11.21	—
Total	<u>332.90</u>	<u>292.48</u>

1. It includes bonus, sitting fees, and value of perquisites.

2. It includes contribution to Provident fund and Superannuation fund.

3. As the liability for gratuity and compensated absences are provided on actuarial basis for the Company as a whole, amounts accrued pertaining to key managerial personnel are not included above. However, amount paid towards compensated absences is included whenever Company makes such payment to KMPs.



NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

NOTE NO. 53

Segment Information for the year ended 31-03-2022

(₹ in Lakhs)

Particulars	Textiles		Power from Windmills		Total	
	31-03-2022	31-03-2021	31-03-2022	31-03-2021	31-03-2022	31-03-2021
REVENUE						
External Sales / Other Operating Income	68,965.47	41,184.44	–	–	68,965.47	41,184.44
Inter Segment Sale	–	–	3,927.23	3,758.58	3,927.23	3,758.58
Total	68,965.47	41,184.44	3,927.23	3,758.58	72,892.70	44,943.02
Other Income	1,173.04	252.78	–	–	1,173.04	252.78
Total Revenue	70,138.51	41,437.22	3,927.23	3,758.58	74,065.74	45,195.80
RESULT						
Segment Profit	6,832.71	(2,682.20)	2,154.45	2,099.89	8,987.16	(582.31)
Unallocated Income	–	–	–	–	225.02	225.01
Unallocated Expenses	–	–	–	–	–	–
Operating Profit	–	–	–	–	9,212.18	(357.30)
Interest Expenses	–	–	–	–	4,295.82	4,448.33
Interest Income	–	–	–	–	162.43	173.98
Provision for Taxation						
Current Tax	–	–	–	–	15.20	–
Withdrawal of MAT credit relating to earlier years due to adoption of New Tax Regime	–	–	–	–	3,273.11	–
Deferred Tax	–	–	–	–	549.33	(1,168.48)
Profit from ordinary activities	–	–	–	–	1,241.15	(3,463.17)
Other Comprehensive Income after Tax	–	–	–	–	16.36	72.69
Exceptional Items	–	–	–	–	642.39	(276.15)
Share of TCI from Associates	–	–	–	–	14,728.60	13,883.30
Total Comprehensive Income (TCI) after Tax	–	–	–	–	16,628.50	10,216.67
OTHER INFORMATION						
Segment Assets	1,08,594.65	79,057.57	5,112.05	5,528.75	1,13,706.70	84,586.32
Unallocated Assets	–	–	–	–	1,86,020.54	1,72,580.03
Total Assets	–	–	–	–	2,99,727.24	2,57,166.35
Segment Liabilities	8,061.61	5,696.69	–	–	8,061.61	5,696.69
Unallocated Liabilities	–	–	–	–	79,111.44	62,446.74
Total Liabilities	–	–	–	–	87,173.05	68,143.43
Capital Expenditure	18,867.90	4,251.64	–	–	18,867.90	4,251.64
Unallocated Capital Expenditure	–	–	–	–	–	–
Depreciation	4,631.73	4,343.20	416.70	416.70	5,048.43	4,759.90
Unallocated Depreciation Expenditure	–	–	–	–	–	–
Non-Cash expenses other than Depreciation	–	–	–	–	–	–

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS



NOTE NO. 54

Disclosure of Fair value measurements

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

Financial Instruments by category

(₹ in Lakhs)

Particulars	Amortised Cost	FVTPL	FVTOCI	Carrying Amount	Fair Value
As at 31-03-2022					
Financial Assets					
Investments - Preference Shares	2,500.00	–	–	2,500.00	2,500.00
Other Investments	–	–	161.42	161.42	161.42
Loans	1,650.00	–	–	1,650.00	1,650.00
Trade Receivables	10,335.98	–	–	10,335.98	10,335.98
Cash and Bank Balances	661.43	–	–	661.43	661.43
Other Financial Assets	1,497.13	–	–	1,497.13	1,497.13
Financial Liabilities					
Borrowings	74,188.76	–	–	74,188.76	74,188.76
Lease Liabilities	502.79	–	–	502.79	502.79
Trade Payables	1,813.66	–	–	1,813.66	1,813.66
Other Financial Liabilities	3,836.27	–	–	3,836.27	3,836.27
As at 31-03-2021					
Financial Assets					
Investments - Preference Shares	2,500.00	–	–	2,500.00	2,500.00
Other Investments	–	–	140.49	140.49	140.49
Loans	950.00	–	–	950.00	950.00
Trade Receivables	7,681.04	–	–	7,681.04	7,681.04
Cash and Bank Balances	566.02	–	–	566.02	566.02
Other Financial Assets	2,564.24	–	–	2,564.24	2,564.24
Financial Liabilities					
Borrowings	61,845.95	–	–	61,845.95	61,845.95
Trade Payables	1,455.84	–	–	1,455.84	1,455.84
Other Financial Liabilities	2,732.41	–	–	2,732.41	2,732.41



NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

Fair value hierarchy

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

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

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

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

The details of financial instruments that are measured at fair value on recurring basis are given below:

(₹ in Lakhs)

Particulars	Level 1	Level 2	Level 3	Total
Financial Instruments at FVTOCI				
Investments in listed equity securities				
As at 31-03-2022	13.58	–	–	13.58
As at 31-03-2021	12.19	–	–	12.19
Investment in unlisted securities				
As at 31-03-2022	–	–	147.84	147.84
As at 31-03-2021	–	–	128.30	128.30
Financial Instruments at FVTPL				
Foreign exchange forward contracts				
As at 31-03-2022 (Liability)	–	263.57	–	263.57
As at 31-03-2021 (Liability)	–	80.32	–	80.32

Valuation techniques used to determine the fair value

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

Nature of Financial Instrument	Valuation Technique	Remarks
Investment in Listed securities / Mutual Funds	Market Value	Closing Price as at reporting date in Stock Exchange.
Investment in Unlisted securities	Adjusted Net Assets	Net Assets value as per Balance Sheet of respective Companies as at reporting date.
Foreign exchange forward contracts	Mark to Market	Based on MTM valuations provided by the Banker.
Financial Guarantee Obligation	Differential Interest Rate	Interest rates quote have been obtained from the Banker.

NOTE NO. 55

Financial Risk Management

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

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS



The Company has the following financial risks:

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

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

Credit Risk

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

Receivables

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

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

(₹ in Lakhs)

Particulars	Due less than 45 days	46 to 90 days	91 to 180 days	More than 180 days	Total
As at 31-03-2022					
Gross carrying amount	8,981.09	764.92	277.76	348.26	10,372.03
Expected Loss Rate	0%	0%	0%	10.35%	0.35%
Expected Credit Losses	-	-	-	36.05	36.05
Carrying amount of trade receivables net of impairment	8,981.09	764.92	277.76	312.21	10,335.98
As at 31-03-2021					
Gross carrying amount	5,172.01	1,686.44	405.75	416.84	7,681.04
Expected Loss Rate	0%	0%	0%	0%	0%
Expected Credit Losses	-	-	-	-	-
Carrying amount of trade receivables net of impairment	5,172.01	1,686.44	405.75	416.84	7,681.04



NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

Financial Instruments and Cash deposits

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

Liquidity Risk

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

Fund Management

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

Financial arrangements

The Company has access to the following undrawn borrowing facilities:

(₹ in Lakhs)

Particulars	31-03-2022	31-03-2021
Expiring within one year		
Bank Overdraft and other facilities	14,499.01	30,891.93
Term Loans	28,995.83	3,000.00
Expiring beyond year		
Term Loans	—	—

Maturities of Financial Liabilities

Nature of Financial Liability	< 1 Year	1 - 5 Years	> 5 years	Total
As at 31-03-2022				
Borrowings from Banks	43,025.97	28,756.99	2,405.80	74,188.76
Trade payables	1,813.66	—	—	1,813.66
Other Financial Liabilities (Incl. Interest)	3,836.27	—	—	3,836.27
As at 31-03-2021				
Borrowings from Banks	31,663.08	25,447.75	4,735.12	61,845.95
Trade payables	1,455.84	—	—	1,455.84
Other Financial Liabilities (Incl. Interest)	2,732.41	—	—	2,732.41

Foreign Currency Risk

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

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



NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

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

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

As at 31-03-2022 **In Millions**

Type	Particulars	USD	Euro	CHF	JPY
Hedged Items	Financial Assets / Firm commitments related to Financial Assets				
	(a) Trade Receivables	3.84	0.98	-	-
	Financial Liabilities / Firm Commitments related to Financial Liabilities				
	(a) Buyers Credit Loan	14.44	-	-	-
	(b) Contracts for import of materials	14.86	8.54	0.83	440.28
Hedging Instruments (Forward contracts)	Instruments for hedging the currency risk on Financial Assets				
	(a) PCFC Loan	3.84	0.98	-	-
	Instruments for hedging the currency risk on Financial Liabilities				
	(a) Forward contracts for Buyers Credit Loan	14.44	-	-	-
	(b) Forward contract for imports	14.86	8.54	0.83	440.28
	(c) Forward Contracts for Exports	9.73	2.00	-	-

As at 31-03-2021 **In Millions**

Type	Particulars	USD	Euro
Hedged Items	Financial Assets / Firm commitments related to Financial Assets		
	(a) Trade Receivables	1.79	0.47
	Financial Liabilities / Firm Commitments related to Financial Liabilities		
	(a) Buyers Credit Loan	8.05	-
	(b) Contracts for import of materials	5.18	5.11
Hedging Instruments (Forward contracts)	Instruments for hedging the currency risk on Financial Assets		
	(a) PCFC Loan	1.79	0.47
	Instruments for hedging the currency risk on Financial Liabilities		
	(a) Forward contracts for Buyers Credit Loan	8.05	-
	(b) Forward contract for Imports	5.18	5.11

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

Particulars	Foreign currency (in Lakhs)		Nominal Amount (₹ in Lakhs)	
	31-03-2022	31-03-2021	31-03-2022	31-03-2021
USD / INR buy forward	293.04	132.28	22,210.35	9,670.99
USD / INR sell forward	97.29	NIL	7,373.67	NIL
EURO / INR buy forward	85.44	51.06	7,195.49	4,378.40
EURO / INR sell forward	20.01	NIL	1,685.24	NIL
CHF / INR buy forward	8.34	NIL	683.72	NIL
JPY / INR buy forward	4,402.80	NIL	2,736.45	NIL

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



NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

Cash flow and fair value interest rate risk

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

Interest rate risk exposure

(₹ in Lakhs)

Particulars	31-03-2022	31-03-2021
Variable rate borrowings	74,138.76	61,845.95
Fixed rate borrowings	50.00	-

The Company does not have any interest rate swap contracts.

Sensitivity on Interest rate fluctuation

Incremental Interest Cost works out to	31-03-2022	31-03-2021
1% Increase in Interest Rate	741.39	618.46

NOTE NO. 56

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

a) Trade Payables Ageing Schedule

Particulars	Outstanding for following periods from due date of payment					
	Not due	< 1 Year	1 - 2 Years	2 - 3 years	> 3 years	Total
As at 31-03-2022						
MSME	261.25	-	-	-	-	261.25
Others	1,071.82	422.66	1.93	0.92	-	1,497.33
Disputed Dues - MSME	-	-	-	-	-	-
Disputed Dues - Others	-	17.52	20.99	13.20	3.37	55.08
Unbilled dues	-	-	-	-	-	-
Total	1,333.07	440.18	22.92	14.12	3.37	1,813.66
As at 31-03-2021						
MSME	224.49	-	-	-	-	224.49
Others	754.79	421.27	6.75	-	-	1,182.81
Disputed Dues - MSME	-	-	-	-	-	-
Disputed Dues - Others	-	-	32.81	15.73	-	48.54
Unbilled dues	-	-	-	-	-	-
Total	979.28	421.27	39.56	15.73	-	1,455.84

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS



b) Capital Work-in-Progress Ageing Schedule

(₹ in Lakhs)

Particulars	Amount in CWIP for a period of				Total
	< 1 Year	1 – 2 Years	2 - 3 years	> 3 years	
As at 31-03-2022	3,663.27	44.59	–	–	3,707.86
As at 31-03-2021	993.38	20.31	–	–	1,013.69

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

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

(iii) The Company has no intangible assets under development.

c) Trade Receivables Ageing Schedule

Particulars	Outstanding for following periods from due date of payment						Total
	Not due	Less than 6 months	6 months - 1 year	1 - 2 years	2 - 3 years	> 3 years	
As at 31-03-2022							
Undisputed Trade receivables - considered good	9,340.75	686.53	0.02	205.17	103.51	–	10,335.98
Undisputed Trade receivables - which have significant increase in credit risk	–	–	–	36.05	–	–	36.05
Disputed Trade receivables - considered good	–	–	–	–	–	–	–
Disputed Trade receivables - which have significant increase in credit risk	–	–	–	–	–	–	–
Total	9,340.75	686.53	0.02	241.22	103.51	–	10,372.03
As at 31-03-2021							
Undisputed Trade receivables - considered good	5,836.10	1,377.39	339.97	127.58	–	–	7,681.04
Undisputed Trade receivables - which have significant increase in credit risk	–	–	–	–	–	–	–
Disputed Trade receivables - considered good	–	–	–	–	–	–	–
Disputed Trade receivables - which have significant increase in credit risk	–	–	–	–	–	–	–
Total	5,836.10	1,377.39	339.97	127.58	–	–	7,681.04



NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

d) Details of Loans Granted to Promoters, Directors, KMPs and related parties: (₹ in Lakhs)

Type of the Borrower	Amount of Loan outstanding as on 31-03-2022	% to the Total Loans and advances in the nature of Loans
Sri Harini Textiles Limited [a related party, refer to Note No. 52(b)(i)]	950	58%
Lyngs Logistics Limited [a related party, refer to Note No. 52(b)(i)]	700	42%

e) Undisclosed Income

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

f) Relationship with Struck off Companies

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

g) Details of Crypto Currency or Virtual Currency

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

h) The Company has neither advanced or loaned or invested, nor received any fund, to or from, any other person or entities (intermediaries) with the understanding that the intermediary shall:

- (i) directly or indirectly lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the Company or
- (ii) provide any guarantee, security or the like to or on behalf of the ultimate beneficiaries.

i) Disclosures related to CSR activities

Particulars	Amount
Amount required to be spent by the company during the year	NIL
Amount of expenditure incurred	42.88
Shortfall at the end of the year	NIL
Total of previous years shortfall	NIL
Reason for shortfall	NA
Nature of CSR activities	Please refer to Table-A below
Details of related party transactions	Please refer to Table-B below

Note : The Company has not made any provision related to CSR activities for the financial years 2021-22 and 2020-21.

Table - A Nature of CSR activities:

Nature	Amount
Eradication of Hunger and Promotion of Healthcare including Preventive Healthcare	14.63
Promotion of Education including Special Education and Livelihood Enhancement Projects	0.75
Ensuring Environmental Sustainability	3.34
Restoration of Building and Sites of Historical Importance and Works of Art	3.87
Rural Development Project	12.29
Disaster Management - Covid Contribution	8.00
Total	42.88

Table - B Details of related party transactions:

Name of the related party	Nature of CSR activities	Amount
PAC Ramasamy Raja Educational Charity Trust	Promotion of Education	0.50

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS



NOTE NO. 57

Impact of COVID - 19:

The resurgence of Covid-19 in India has forced State Government to impose complete lockdown from 24-05-2021 to 31-05-2021 and Mills were temporarily shutdown during that period. The operations and financial results for the Financial Year ended 31-03-2022 have been impacted to such extent.

NOTE NO. 58

Exceptional Items

i) Profit on sale of Investment

The Company has decided to sell some of the investments held in the Shares of one of its associates viz. The Ramco Cements Limited as a means of finance to fund its capital expenditure for expansion of Fabric production capacity and for establishment of fabric processing unit. The Company has sold 4,39,736 Shares of The Ramco Cements Limited during the FY 2021-22 for a sale consideration of ₹ 3,456.57 Lakhs. After adjusting the Cost of Sale of ₹ 9.68 Lakhs and carrying Cost of Investment which comprises of initial Cost of Investment adjusted Fair value of the Investment recognized on transition of Ind AS during FY 2016-17 and Share of Profit of The Ramco Cements Limited accumulated thereafter of ₹ 2,009.08 Lakhs, the net profit of sale of Investment of ₹ 1,437.81 Lakhs (PY: NIL) has been presented in The Statement of Profit and Loss as "Profit on Sale of Investment" under Exceptional Item.

ii) Loss on Sale of Property, Plant & Equipment and Investment Property

The Company has modernized its open end machineries and sold the old machineries during the financial year 2021-22. It has also demolished a building located at Bangalore wherein the Company was having a Tissue Culture unit, the operations of the Unit were closed during the financial year 2012-13. The old machineries and scraped items from demolished building were sold for a sale consideration of ₹ 446.10 Lakhs. The WDV of old machineries and building (Investment Property) as on 31-03-2022 was ₹ 1,241.52 Lakhs. The Company has incurred loss on sale of the above old machineries and investment property to the extent of ₹ 795.42 Lakhs (PY: ₹ 276.15 Lakhs) and the same is shown as an Exceptional Items in the Statement of Profit and Loss.

NOTE NO. 59

Events after the reporting period – Distribution made and proposed

₹ in Lakhs

Particulars	31-03-2022	31-03-2021
Cash Dividends on Equity Shares declared and paid		
Final dividend for the year ended 31 st March, 2021: ₹ 0.50/- per share (PY: ₹ 1/- per share)	43.03	73.76
Proposed Dividends on Equity Shares		
Final dividend for the year ended 31 st March, 2022: ₹ 1/- per share (PY: ₹ 0.50/- per share)	86.06	43.03

As per our report annexed

For N.A. JAYARAMAN & CO.
Chartered Accountants
Firm Registration No. 001310S

For SRSV & ASSOCIATES
Chartered Accountants
Firm Registration No. 015041S

Shri P.R. VENKETRAMA RAJA
Chairman

Smt. R. SUDARSANAM
Managing Director

R. PALANIAPPAN
Partner
Membership No. 205112

R. SUBBURAMAN
Partner
Membership No. 020562

B. GNANAGURUSAMY
Chief Financial Officer

A. ARULPRANAVAM
Secretary

RAJAPALAYAM
25th May, 2022



ADDITIONAL INFORMATION, AS REQUIRED UNDER SCHEDULE III TO THE COMPANIES ACT, 2013 OF ENTERPRISES CONSOLIDATED AS ASSOCIATES FOR THE YEAR 2021-22

Name of the Entity	Net Assets i.e. total assets minus total liabilities		Share in Profit / (Loss)		Share in Other Comprehensive Income (OCI)		Share in Total Comprehensive Income (TCI)	
	As % of Consolidated net assets	₹ in Lakhs	As % of Consolidated profit / (loss)	₹ in Lakhs	As % of Consolidated OCI	₹ in Lakhs	As % of Consolidated TCI	₹ in Lakhs
Parent								
Rajapalayam Mills Limited	17.82%	37,886.09	11.31%	1,883.54	(56.20%)	16.36	11.43%	1,899.90
Associates (Investments as per the Equity Method)								
Indian								
The Ramco Cements Limited	73.87%	1,57,016.37	82.29%	13,707.53	124.08%	(36.12)	82.22%	13,671.41
Ramco Industries Limited	6.55%	13,917.64	7.44%	1,238.56	53.38%	(15.54)	7.35%	1,223.02
Ramco Systems Limited	1.76%	3,734.09	(1.03%)	(172.02)	(21.26%)	6.19	(1.00%)	(165.83)

As per our report annexed

For N.A. JAYARAMAN & CO.
Chartered Accountants
Firm Registration No. 001310S

R. PALANIAPPAN
Partner
Membership No. 205112

RAJAPALAYAM
25th May, 2022

For SRSV & ASSOCIATES
Chartered Accountants
Firm Registration No. 015041S

R. SUBBURAMAN
Partner
Membership No. 020562

Shri P.R. VENKETRAMA RAJA
Chairman

B. GNANAGURUSAMY
Chief Financial Officer

Smt. R. SUDARSANAM
Managing Director

A. ARULPRANAVAM
Secretary



Our Chairman Shri P.R. Venketrama Raja, distributing “Ramco Quality Circle - 1st Prize” award to our Employees during our Former Chairman Birthday Function.



Our Director Shri P.V. Abinav Ramasubramaniam Raja, distributing “TPM 2nd Prize” award to Rajapalayam Mills Limited during our Former Chairman Birthday Function.



A view of New Jacquard Looms installed in our Fabric Unit.



Shri P.V. Abinav Ramasubramaniam Raja, Director performing Bhoomi Pooja for the proposed New Fabric and Processing Project at Rajapalayam.



Our Executives with Spanish Customers during their visit to Spain.



Our Executives with Portugal Customers during their visit to Portugal.

