

THANJAVUR SPINNING MILL LIMITED



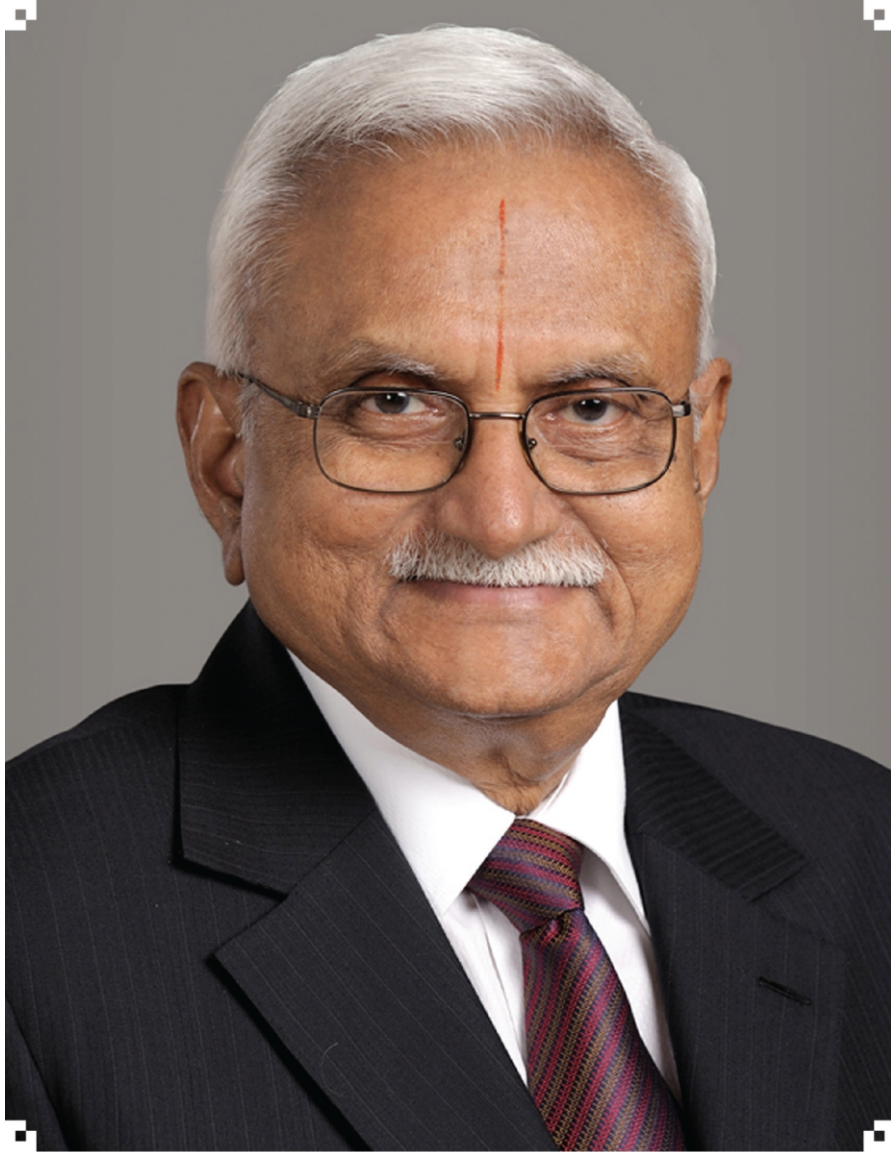
SIXTIETH ANNUAL REPORT AND ACCOUNTS
2021 - 2022



SHRI K. TIRUVENGADA MUDALIAR
Founder



SHRI P.A.C. RAMASAMY RAJA



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



THANJAVUR SPINNING MILL LIMITED

BOARD OF DIRECTORS

Shri S. KANTHIMATHINATHAN, M.Sc., (Tech)
Shri P.J. RAMKUMAR RAJHA, B.Com.,
Shri P.A.S. KRISHNAMA RAJA, B.Com.,

Auditors

M/s. M.S. Jagannathan &
N. Krishnaswami,
Chartered Accountants,
No.5, GF Abirami Apartments,
14, VOC Road, Contonment,
Trichy – 620 001.

Registered Office

"Rajapalayam Mills Premises",
P.A.C. Ramasamy Raja Salai,
Rajapalayam - 626 117, Tamil Nadu.

E-mail: tsml@ramcotex.com

Phone No.: 04563-235666

Fax No.: 04563-236520

Website

www.thanjavurspinningmill.co.in

Coporate Identification Number

U17111TN1961PLC004505

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THANJAVUR SPINNING MILL LIMITED

NOTICE TO THE MEMBERS

Notice is hereby given that the 60th Annual General Meeting of the Company will be held at 3.30 P.M. on Saturday, the 20th August, 2022. This Annual General Meeting is being conducted through Video Conferencing (VC), Other Audio Visual Means (OAVM), the details of which are provided in the Notes to this Notice. The following are the businesses that would be transacted at this Annual General Meeting.

ORDINARY BUSINESS - ORDINARY RESOLUTION

1. To consider and pass the following Resolution, as an ORDINARY RESOLUTION:
“RESOLVED that the Company's 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 Shri S.Kanthimathinathan (DIN: 01124581), who retires by rotation, be and is hereby re-appointed as Director of the Company.”
3. To consider and pass the following Resolution, as an ORDINARY RESOLUTION:
“RESOLVED that 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. M.S. Jagannathan & N. Krishnaswami, Chartered Accountants, holding Firm Registration No.: 001208S be and are hereby 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 60th Annual General Meeting till the conclusion of 65th Annual General Meeting to be held in the year 2027.

RESOLVED FURTHER that the Auditors shall be paid for the financial year 2022-23 a remuneration of Rs. 85,000/- (Rupees Eighty Five Thousand only) per year plus applicable taxes and out-of-pocket expenses.

THANJAVUR SPINNING MILL LIMITED

NOTICE

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.”

By Order of the Board,
For THANJAVUR SPINNING MILL LIMITED,

RAJAPALAYAM,
26th MAY, 2022.

P.A.S. KRISHNAMA RAJA
CHAIRMAN OF THE MEETING

THANJAVUR SPINNING MILL LIMITED

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NOTES:

1. The Company has chosen to conduct this Annual General Meeting 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 and
 - (ii) Such other instructions that may be issued by Statutory Authorities.

ATTENDING THE ANNUAL GENERAL MEETING THROUGH VIDEO CONFERENCE BY THE MEMBERS

2. 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.
3. Proxies are not being sent to shareholders, as the meeting is being conducted through Video Conference.
4. 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 Act.
 - * Date and Time of the Annual General Meeting.
 - * Availability of Notice of the Meeting on the website of the Company and at <https://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.
5. 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.

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6. 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.thanjavurspinningmill.co.in** and on the website of CDSL's e-Voting portal at **<https://www.evotingindia.com>**.

7. Voting through electronic means

- i. In compliance with provisions of Section 108 of the Companies Act, 2013 and Rule 20 of the Companies (Management and Administration) Rules, 2014 the Company is providing members remote e-voting facility to exercise their right to vote at the 60th AGM and the business may be transacted through such voting, through e-voting services provided by CDSL.
- ii. The facility for remote e-voting shall remain open from 9.00 A.M. on Wednesday, the 17th August, 2022 to 5.00 P.M. 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 P.M. on Friday, the 19th August, 2022.
- iii. 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.
- iv. Login method for e-Voting and joining the AGM through VC for Individual shareholders holding securities in Demat mode are given below:

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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 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 e-voting is in progress and also able to directly access the system of all e-Voting Service Providers.</p>

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Type of shareholders	Login Method
Individual Shareholders holding securities in demat mode with NSDL	<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 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>

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Type of shareholders	Login Method
Individual Shareholders (holding securities in demat mode) login through their DPs	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.

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

v. 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
Individual Shareholders holding securities in Demat mode with CDSL	Members facing any technical issue in login can contact CDSL helpdesk by sending a request at helpdesk.evoting@cdslindia.com or contact at Toll Free No. 1800 22 55 33
Individual Shareholders holding securities in Demat mode with NSDL	Members facing any technical issue in login can contact NSDL helpdesk by sending a request at evoting@nsdl.co.in or call at Toll Free No.: 1800 22 44 30

vi. 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 and Physical Shareholders.

a. The shareholders should log on to the e-voting website **www.evotingindia.com**.

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b. Click on “Shareholders” module.

c. Now enter your User ID

- ▶ 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.

d. Next enter the Image Verification as displayed and Click on Login.

e. 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.

f. 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 MURUGAN.R with folio number 1 then enter MU00000001 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 vi.</p>

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- vii. Shareholders holding shares in physical form will then directly reach the Company selection screen. However, shareholders 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.
- viii. For shareholders holding shares in physical form, the details can be used only for e-voting on the resolutions contained in this Notice.
- ix. Click on the EVSN for **Thanjavur Spinning Mill Limited**, on which you choose to vote.
- x. 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.
- xi. Click on the “RESOLUTIONS FILE LINK” if you wish to view the entire Resolution details.
- xii. 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.
- xiii. Once you “CONFIRM” your vote on the resolution, you will not be allowed to modify your vote.
- xiv. You can also take a print of the votes cast by clicking on “Click here to print” option on the Voting page.
- xv. If a demat account holder has forgotten the login password then Enter the User ID and the image verification code and click on Forgot Password & enter the details as prompted by the system.
- xvi. 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.

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xvii. Facility for Non – Individual Shareholders and Custodians –Remote Voting

- a. 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.
- b. A scanned copy of the Registration Form bearing the stamp and sign of the entity should be emailed to **helpdesk.evoting@cdslindia.com**.
- c. 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.
- d. The list of accounts linked in the login should be mailed to **helpdesk.evoting@cdslindia.com** and on approval of the accounts they would be able to cast their vote.
- e. 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.
- f. Alternatively Non Individual shareholders are required to send the relevant Board Resolution/ Authority letter, etc. together with attested specimen signature of the duly authorized signatory who are authorized to vote, to the Scrutinizer at **srinivasan.k@msjandnk.in** and to the Company at the email address **viz. tsml@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.

xviii. If you have any queries or issues regarding attending the meeting and e-Voting from the CDSL e-Voting System, you can write an email to **helpdesk.evoting@cdslindia.com** or contact at Toll Free No. 1800 22 55 33

8. 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.

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- 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, 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.
- 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: **tsml@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: **tsml@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**.

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- 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. If any Votes are cast by the shareholders through the e-voting available during the AGM and if the same shareholders have not participated in the meeting through VC, then the votes cast by such shareholders shall be considered invalid as the facility of e-voting during the meeting is available only to the shareholders attending the meeting.
 - m. 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.
9. Process for those shareholders whose E-mail / Mobile No. are not registered with the Company / DP.
- i. For Physical shareholders, please submit Form ISR - 1 duly filled to M/s. Cameo Corporate Service Limited, Our Registrar to an issue and Share Transfer Agent.
 - ii. For Individual Demat shareholders, please update your email id & mobile no. with your respective DP which is mandatory while E-Voting & joining the AGM through VC through Depository.
10. Any person, who acquires shares of the Company and becomes a member of the Company after despatch of the Notice and holding shares as of the cut-off date i.e. 13th August, 2022, may obtain the Login ID and Password by following the procedures mentioned in Point No: 7 (iv) or (vi), as the case may be.
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THANJAVUR SPINNING MILL LIMITED

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11. 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.
12. Shri.K.Srinivasan, Chartered Accountant (Membership No. 021510), Partner, M/s.M.S.Jagannathan & N.Krishnaswami, Chartered Accountants (**Email ID: srinivasan.k@msjandnk.in**) has been appointed as the Scrutiniser to scrutinise the e-voting process in a fair and transparent manner.
13. The scrutiniser shall, immediately after the conclusion of voting at the Annual General Meeting, 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 three days 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.
14. The results declared along with the report of the Scrutinizer shall be placed on the website of the Company and on the website of CDSL immediately after the declaration of results by the Chairman or a person authorized by him.
15. All grievances connected with the facility for voting by electronic means may be addressed to Mr.Rakesh Dalvi, Sr. Manager, CDSL, A Wing, 25th Floor, Marathon Futurex, Mafatlal Mill Compounds, N M Joshi Marg, Lower Parel (East), Mumbai - 400013 or send an email to **helpdesk.evoting@cdslindia.com** or call at Toll Free No. 1800 22 55 33.

By Order of the Board,
For THANJAVUR SPINNING MILL LIMITED,

RAJAPALAYAM,
26th MAY, 2022.

P.A.S. KRISHNAMA RAJA
CHAIRMAN OF THE MEETING

THANJAVUR SPINNING MILL LIMITED

DIRECTORS' REPORT

TO THE MEMBERS

Your Directors have pleasure in presenting their 60th Annual Report and the Audited Accounts of the Company for the year ended 31st March, 2022.

1. FINANCIAL RESULTS

As reported in the previous years Directors' Report, the Company has stopped the operations of all business activities and all the assets of the Company have been sold. The Company has earned interest income of Rs.247.76 Lakhs (PY: Rs.289 Lakhs). The profit before tax for the financial year 2021-22 is as Rs.227.52 Lakhs compared to Rs.295.53 Lakhs for the previous year 2020-21. After providing Rs.38.00 Lakhs (PY: Rs.49.30 Lakhs) towards Current Tax Liability, the Net profit after tax for the year is Rs.189.52 Lakhs (PY: Rs.268.69 Lakhs).

All the revenues and expenses reported in statement of profit and loss for the financial years 2021-22 and 2020-21 are attributed to discontinuing operation only.

2. SHARE CAPITAL

The Paid-up Capital of the Company is Rs.2,970 Lakhs (PY: Rs.2,970 Lakhs) consisting of the following:

- i) 27,00,000 Nos. Equity Shares of Rs.10/- each.
- ii) 2,50,00,000 Nos. 9% Cumulative Redeemable Preference Shares of Rs.10/- each.
- iii) 20,00,000 Nos. 9% Cumulative Optionally Convertible Redeemable Preference Shares of Rs.10/- each.

3. DIVIDEND

The Board of Directors at their meeting held on 16th March, 2022 have declared dividend on Preference Shares for the period from 01-04-2021 to 31-03-2022. The Company has distributed the dividend related to Preference Shares of Rs.243 Lakhs, after deducting applicable TDS under Income Tax Act, 1961.

Your Directors are not recommending any dividend to Equity Shareholders for the financial year 2021-22.

4. TAXATION

An amount of Rs.38.00 Lakhs (PY: Rs. 49.30 Lakhs) towards Current Tax has been provided for the year 2021-22.

THANJAVUR SPINNING MILL LIMITED

DIRECTORS' REPORT

5. MANAGEMENT DISCUSSION AND ANALYSIS

STATUS OF SALE OF PROPERTIES AND ASSETS OF THE COMPANY

As informed in the Directors' Report of last year, the Company has completed the sale of all the assets and now the Company is taking steps for reduction of Share Capital.

6. SCHEME OF ARRANGEMENT

The Board of Directors have approved a Scheme of arrangement between the Company and its Shareholders and Creditors at their meeting held on 28-05-2019. The Company has proposed to reduce the entire Preference Share Capital of Rs.27 Crores and Equity Share Capital of the Company by utilizing the excess fund available with the Company subject to approval of the National Company Law Tribunal (NCLT).

The Company has filed a petition before the NCLT seeking permission for reduction of Equity Share Capital, Cumulative Redeemable Preference Shares and Cumulative Optionally Convertible Redeemable Preference Shares on 26-07-2019. The NCLT has admitted the Company's petition and directed to convene the meetings of Equity and Preference Shareholders for getting their consent to reduce the Share Capital and such meetings were scheduled on 31-03-2020. Due to lockdown announced by both Government of India and Government of Tamil Nadu, the above said meetings could not be conducted. The Company has filed a fresh petition before the NCLT seeking further directions on 07-09-2020 and it was heard on 08-12-2021. The NCLT vide its order dated 15-12-2021 has directed to convene the meetings of Equity Shareholders, Preference Shareholders and Unsecured Creditors on 01-03-2022. Accordingly, the Company has conducted the above meetings on 01-03-2022 and filed the application to the NCLT to the effect that the Company has convened the above said meetings and as per the report of Scrutinizer and Chairman of the meeting appointed by the NCLT, all the Resolutions presented at the meeting were passed unanimously. The NCLT has fixed the next hearing on 22-06-2022 and after getting the order from NCLT, the Company will take necessary steps to redeem the shares.

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DIRECTORS' REPORT

7. INTERNAL FINANCIAL CONTROLS

In accordance with Section 134(5)(e) of the Companies Act, 2013, the Company has Internal Financial Controls Policy 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.

8. VIGIL MECHANISM / WHISTLE BLOWER POLICY

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

9. DIRECTORS

In accordance with the provision of the Companies Act, 2013 and in terms of the Memorandum and Articles of Association of the Company, Shri S. Kanthimathinathan, Director (DIN:01124581) retire by rotation at the ensuing Annual General Meeting and he is eligible for re-appointment.

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.

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

In accordance with Section 178(3) of the Companies Act, 2013 and based upon the recommendation of the Nomination and Remuneration Committee, the Board of Directors have approved a policy relating to appointment and remuneration of Directors, Key Managerial Personnel and Other Employees. The objective of 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.

THANJAVUR SPINNING MILL LIMITED

DIRECTORS' REPORT

10.EVALUATION OF BOARD

Pursuant to Section 134(3)(p) of the Companies Act, 2013, Independent Directors have evaluated the quality, quantity and timeliness of the flow of information between the Management and the Board, performance of the Board as a whole, its Committees and its Members and other required matters. Nomination and Remuneration Committee has laid down evaluation criteria which will be based on attendance, independence, expertise and contribution brought by the Independent Director at the Board Meeting, which shall be taken into account at the time of re-appointment of Independent Director.

11.MEETINGS

MEETINGS OF THE BOARD

During the year five Board Meeting were held.

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 Meeting held on					Attendance at Last AGM held on 25-08-2021
		29-05-2021	16-08-2021	01-11-2021	28-01-2022	16-03-2022	
1	Shri S. Kanthimathinathan DIN: 01124581 Directorship: NE	Yes	Yes	Yes	Yes	Yes	Yes
2	Shri P.A.S. Krishnama Raja DIN: 00487322 Directorship: NE & ID	Yes	Yes	Yes	Yes	Yes	Yes
3	Shri P.J. Ramkumar Rajha DIN: 00487193 Directorship: NE & ID	Yes	Yes	Yes	Yes	Yes	Yes

NE – Non Executive ID- Independent Director

During the year, a meeting of the Independent Directors was held on 28-01-2022 and both Independent Directors attended the meeting.

THANJAVUR SPINNING MILL LIMITED

DIRECTORS' REPORT

MEETINGS OF THE COMMITTEES

AUDIT COMMITTEE

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

Sl. No.	Name of the Director	Audit Committee Meeting held on			
		29-05-2021	16-08-2021	01-11-2021	28-01-2022
1	Shri P.J. Ramkumar Rajha, Chairman of the Committee	Yes	Yes	Yes	Yes
2	Shri P.A.S. Krishnama Raja	Yes	Yes	Yes	Yes
3	Shri S. Kanthimathinathan	Yes	Yes	Yes	Yes

STAKEHOLDERS RELATIONSHIP COMMITTEE

The composition of the Stakeholders Relationship Committee and the details of attendance of its Members are as follows:

Sl. No.	Name of the Director	SRC Meeting held on 28-01-2022
1	Shri P.J. Ramkumar Rajha, Chairman of the Committee	Yes
2	Shri S. Kanthimathinathan	Yes
3	Shri P.A.S. Krishnama Raja	Yes

12. SECRETARIAL STANDARD

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

13. 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.

THANJAVUR SPINNING MILL LIMITED

DIRECTORS' REPORT

There has been no default in the repayment of deposits / payment of interest thereon during the year. The Company has no deposit, which is not in compliance with the Chapter V of the Companies Act, 2013.

14. 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.

15. PARTICULARS OF LOANS, GUARANTEES AND INVESTMENTS

The Company has given loan (Inter Corporate Deposit) to M/s.Rajapalayam Mills Limited and M/s Sandhya Spinning Mill Limited and the outstanding of ICDs as on 31-03-2022 was Rs.27.33 Crores (PY: Rs.26.35 Crores) and Rs.5.79 Crores (PY: Rs.7.31 Crores) respectively in accordance with Special Resolution passed by way of Postal Ballot on 09-02-2019. The details of investment made by the Company are disclosed in Note No.4 which is forming part of financial statements.

16. AUDIT

STATUTORY AUDIT

M/s. M.S. Jagannathan & N. Krishnaswami, Chartered Accountants are the Statutory Auditors of the Company.

At the 55th Annual General Meeting, the above Auditors have been appointed as statutory auditors for a period of 5 consecutive financial years commencing from the financial year 2017-18 and to hold office from the conclusion of 55th Annual General Meeting till the conclusion of 60th Annual General Meeting.

The re-appointment of M/s. M.S. Jagannathan & N. Krishnaswami, Chartered Accountants as Statutory Auditors of the Company for second term of five consecutive years is proposed in the notice convening the Annual General Meeting. The Audit Committee at its meeting held on 26-05-2022 had recommended their re-appointment as Statutory Auditors, pursuant to Section 139 (11) of the Companies Act, 2013. Written consents from the Auditors have been obtained,

THANJAVUR SPINNING MILL LIMITED

DIRECTORS' REPORT

confirming that they satisfy the legal requirements for their re-appointment. They shall hold office from the conclusion of 60th Annual General Meeting till the conclusion of 65th Annual General Meeting.

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 Auditor under Section 143(12) of Companies Act, 2013.

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

Since the business activities are attributed to discontinued business operations, the provisions of 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 not applicable to the Company.

18. 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.thanjavurspinningmill.co.in/pdf/annual-return-31-03-2021.pdf>

19. RELATED PARTY TRANSACTION

The transactions with related party entered into by the Company are periodically placed before the Audit Committee for its approval. In accordance with AS – 18, (Related Party Disclosure) the details of transactions with the related parties are set out in Note No. 13 (13) of Other disclosure forming part of Financial Statements.

20. RISK MANAGEMENT POLICY

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

THANJAVUR SPINNING MILL LIMITED

DIRECTORS' REPORT

21. 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 and till the date of this report.

22. 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 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.

On behalf of the Board of Directors,
For THANJAVUR SPINNING MILL LIMITED,

RAJAPALAYAM,
26th May, 2022

P.A.S. KRISHNAMA RAJA
DIRECTOR

P.J.RAMKUMAR RAJHA
DIRECTOR

THANJAVUR SPINNING MILL LIMITED

INDEPENDENT AUDITOR'S REPORT

To the Members of M/s.Thanjavur Spinning Mill Limited

Report on the Audit of Financial Statements

Opinion

We have audited the accompanying financial statements of Thanjavur Spinning Mill Limited (“the Company”) which comprise the Balance Sheet as at 31st March, 2022, the Statement of Profit and Loss and the Cash Flow Statement for the year ended and a summary of significant accounting policies and other explanatory information.

In our opinion and to the best of our information and according to the explanations given to us, the aforesaid 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 the state of affairs of the Company as at 31st March, 2022, its Profit and its Cash Flow for the year ended on that date.

Basis for Opinion

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

Information Other than the Financial Statements and Auditors' Report Thereon

The Company's Board of Directors is responsible for the other information. The other information comprises the information included in the Management Discussion and Analysis, Boards' Report including Annexures to Boards' Report, but does not include the financial statements and our auditor's report thereon. Our opinion on the financial statements does not cover the other information and we do not express any form of assurance conclusion thereon.

In connection with our audit of the financial statements, our responsibility is to read the other information and in doing so, consider whether the other information is materially inconsistent with the

THANJAVUR SPINNING MILL LIMITED

AUDITOR'S REPORT TO SHAREHOLDERS

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 in this other information, we are required to report that fact. We have nothing to report in this regard.

Management's Responsibility for the Financial Statements

The Company's Board of Directors are responsible for the matters stated in Section 134(5) of the Companies Act, 2013 ("the Act") with respect to the preparation and presentation of these financial statements that give a true and fair view of the financial position, financial performance, and Cash Flows of the Company in accordance with the accounting principles generally accepted in India, including the Accounting Standards specified under Section 133 of the Act, read with Rule 7 of the Companies (Accounts) Rules, 2014. This responsibility also includes maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding of the assets of the Company and for preventing and detecting frauds and other irregularities; selection and application of appropriate accounting policies; making judgments and estimates that are reasonable and prudent; and design, implementation and maintenance of adequate internal financial controls, that were operating effectively for ensuring the accuracy and completeness of the accounting records, relevant to the preparation and presentation of the financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error.

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

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

Auditor's Responsibility

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

THANJAVUR SPINNING MILL LIMITED

AUDITOR'S REPORT TO SHAREHOLDERS

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

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

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

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

THANJAVUR SPINNING MILL LIMITED

AUDITOR'S REPORT TO SHAREHOLDERS

Report on Other Legal and Regulatory Requirements

- 1) As required by the Companies (Auditor's Report) Order, 2016 ("the Order") issued by the Central Government of India in terms of sub-section (11) of section 143 of the Act, we give in the "Annexure - A", a statement on the matters specified in paragraphs 3 and 4 of the Order.
- 2) As required by section 143 (3) of the Act, we report that:
 - a) We have sought and obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purposes of our audit.
 - b) In our opinion, proper books of account as required by law have been kept by the Company so far as it appears from our examination of those books.
 - c) The Balance Sheet, the Statement of Profit and Loss and the Cash Flow Statement dealt with by this report are in agreement with the books of account.
 - d) In our opinion, the aforesaid financial statements comply with the 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) We have enclosed our separate report in "Annexure - B" with respect to the adequacy of the internal financial controls over financial reporting of the Company and the operating effectiveness of such controls. Our report expresses an Unmodified opinion on the adequacy and operating effectiveness of the Company's internal financial controls over financial reporting.
 - g) With respect to the other matters to be included in the Auditor's Report in accordance with Rule 11 of the Companies (Audit and Auditors) Rules, 2014, in our opinion and to the best of our information and according to the explanations given to us:
 - i) The Company has disclosed the details of the pending litigation and its impacts on the financial statements in Note No. 13(5) & (6) of the Disclosures forming parts of the financial statements for the year ended 31st March, 2022.

THANJAVUR SPINNING MILL LIMITED

- ii) The Company did not have any long-term contracts including derivative contracts for which there were any material foreseeable losses.
- iii) There were no amounts that were required to be transferred by the Company to the Investor Education and Protection Fund.
- iv)(a) The Management has represented that, to the best of its knowledge and belief, no funds have been advanced or loaned or invested (either from borrowed funds or share premium or any other sources or 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 declared and paid by the Company during the year is in accordance with Section 123 of the Act.

For M.S.Jagannathan & N.Krishnaswami
Chartered Accountants
Firm Registration No. 001208S

K. Srinivasan
Partner

RAJAPALAYAM,
26th May, 2022.

Membership No. 021510
UDIN: 22021510AJPXQE1712

THANJAVUR SPINNING MILL LIMITED

AUDITOR'S REPORT TO SHAREHOLDERS

“Annexure - A” to the Independent Auditors’ Report

Referred to in paragraph 1 under the heading ‘Report on Other Legal & Regulatory Requirements’ of our report of even date to the Financial Statements of the Company for the year ended 31st March, 2022

1) Fixed Assets

1.1 The Company has maintained proper records showing full particulars, including quantitative details and situation of fixed assets;

1.2 The Company has sold all the fixed assets. As result of the above the closing fixed asset on the reporting date is Nil.

2) Inventory and Working Capital Loan

2.1 This clause of CARO is not applicable as the company did not hold any Inventories during the year.

2.2 The Company has not been sanctioned any working capital from Banks or financial institutions, and accordingly the provisions of clause 3(ii) of the order are not applicable to the Company.

3) Investments made, Guarantee, Security, Loans and Advances provided in the nature of loans, Secured or Unsecured

3.1 The Company has granted loans to two parties listed in the Register maintained under Section 189 of the Act. The maximum outstanding at any time during the year was Rs. 3,959 Lakhs (PY: Rs. 3,425 Lakhs) and the outstanding as on 31st March, 2022 is Rs. 3,312 Lakhs (PY: Rs. 3,366 Lakhs).

3.2 In our opinion, the terms and conditions on which the loan has been granted to the party listed in the register maintained under Section 189 of the Act are not prejudicial to the interest of the Company.

3.3 The payment of the principal and the interest wherever applicable are regular.

3.4 There has been no overdue amounts for more than 90 days.

THANJAVUR SPINNING MILL LIMITED

AUDITOR'S REPORT TO SHAREHOLDERS

3.5 The Company has not granted any loans or advance in the nature of loan which has fallen due during the year, that has been renewed or extended or granted to settle the overdue of existing loans to the same parties and accordingly the provisions of clause 3(iii)(e) of the order is not applicable.

3.6 The Company has not advanced any loans or advances in the nature of loans either repayable on demand or without specifying any terms or period of repayment, and accordingly provisions of clause 3(iii)(f) of the order is not applicable to the Company.

- 4) The Company has complied with the provisions of Section 185 and 186 of the Act, in respect of loans, investments, guarantees and security.
- 5) The Company has not accepted any deposits from the public and hence the directives issued by the Reserve Bank of India and the provisions of Sections 73 to 76 or any other relevant provisions of the Act and the Companies (Acceptance of Deposit) Rules, 2015 with regard to the deposits accepted from the public are not applicable.
- 6) The Company is not required to maintain costing accounts and records which have been specified by the Central Government under Section 148(1) of the Act.
- 7) Undisputed and disputed taxes and duties

7.1 The Company is regular in depositing undisputed statutory dues including Provident Fund, Income-Tax, Goods and Service Tax and any other statutory dues with the appropriate authorities. According to the information and explanations given to us, no undisputed amounts payable in respect of the above were in arrears as at 31st March, 2022 for a period of more than six months from the date they became payable.

7.2 According to the information and explanations given to us, the following due have not been deposited by the Company on account of disputes:

Name of Statue	Forum Where Dispute is Pending	Rs. in Lakhs
TNEB Windmill Generation Tax	Supreme Court	120.49
VAT in Tamil Nadu	High Court of Madras, Madurai Bench	1,309.73
Income Tax for the AY 2020-21	Commissioner of Income Tax Appeals, NFAC	117.71

THANJAVUR SPINNING MILL LIMITED

AUDITOR'S REPORT TO SHAREHOLDERS

- 8) There have been no transactions which previously has not been recorded in the books but has been disclosed as income during the tax assessments under the Income Tax Act, 1961 and accordingly the provisions of clause 3(viii) of the Order is not applicable to the Company.
- 9) The Company has not availed any loan from Banks and there is no outstanding as at 31st March, 2022 and accordingly the provisions of clause 3(ix) of the Order is not applicable to the Company.
- 10) Funds Raised
- 10.1 The Company did not raise any money by way of initial public offer or further public offer. The Company has not raised term loans from Banks / Institutions during the year. The Company has not issued any debentures during the year.
- 10.2 The Company has not made any preferential allotment or private placement of shares or fully or partly convertible debentures during the year under review and accordingly, the provisions of clause 3(x)(b) of the Order is not applicable to the Company.
- 11) Fraud and Whistle Blower System:
- 11.1 Based upon the audit procedures performed and the information and explanations given by the management, we report that no fraud by the Company or on the Company by its officers or employees has been noticed or reported during the year.
- 11.2 No reports have been filed in Form ADT-4 with the Central Government.
- 11.3 The management has not received any whistle blower complaints during the year.
- 12) The Company is not a Nidhi Company. Therefore, the provisions of clause 3(xii) of the Order are not applicable to the Company.
- 13) In our opinion, all transactions with the related parties are in compliance with Section 177 and 188 of Companies Act, 2013 and the details have been disclosed in the Financial Statements as required by the applicable Accounting Standards. (Refer Note No. 4 to the Financial Statement)
- 14) (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.

THANJAVUR SPINNING MILL LIMITED

AUDITOR'S REPORT TO SHAREHOLDERS

- 15) Based upon the audit procedures performed and the information and explanations given by the Management, the Company has not entered into any non-cash transactions with Directors or persons connected with them. Accordingly, the provisions of clause 3 (xv) of the Order are not applicable to the Company.
- 16) Registration
- 16.1 In our opinion, the Company is not required to be registered under Section 45-IA of the Reserve Bank of India Act, 1934 and accordingly, the provisions of clause 3 (xvi) of the Order are not applicable to the Company.
- 16.2 The Company has not conducted any Non-Banking Financial or Housing Finance activities and accordingly, the provisions of clause 3(xvi)(b) of the Order is not applicable to the Company.
- 16.3 The Company is not a Core Investment Company (CIC) as defined in the regulations made by the Reserve Bank of India and accordingly, the provisions of clause 3(xvi)(c) of the Order is not applicable to the Company
- 16.4 The Company does not have any Parent Company and accordingly, the provisions of clause 3(xvi)(d) of the Order is not applicable to the Company.
- 17) The Company has not incurred any cash losses during the current financial year and previous financial year.
- 18) There has been no resignation of statutory auditors during the year.
- 19) On the basis of the financial ratios, aging and expected dates of realisation financial assets and payment of financial liabilities, other information accompanying the financial statements, and considering Board of Directors and Management's plan, no material uncertainty exists on the date of the audit report, of the ability of the Company to meet its liabilities existing at the date of Balance Sheet as and when they fall due within a period of one year.
- 20) The Company is not required to constitute a Corporate Social Responsibility Committee and accordingly the provisions of clause 3(xx) of the order is not applicable to the Company.

THANJAVUR SPINNING MILL LIMITED

AUDITOR'S REPORT TO SHAREHOLDERS

- 21) The Company is not required to prepare consolidated financial statements as per the provisions of section 129(3) of the Act, 2013 and accordingly the provisions of clause 3(xxi) of the order is not applicable to the Company.

For M.S.Jagannathan & N.Krishnaswami
Chartered Accountants
Firm Registration No. 001208S

RAJAPALAYAM,
26th May, 2022.

K. Srinivasan
Partner
Membership No. 021510
UDIN: 22021510AJPXQE1712

THANJAVUR SPINNING MILL LIMITED

AUDITOR'S REPORT TO SHAREHOLDERS

**“Annexure - B” to the Independent Auditor's Report of even date on the
Financial Statements prepared in accordance with Accounting
Standards of Thanjavur Spinning Mill 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. Thanjavur Spinning Mill Limited** (“the Company”) as of 31st March, 2022 in conjunction with our audit of the Financial Statements of the Company for the year ended on 31st March, 2022.

Management's Responsibility for Internal Financial Controls

The Company's management is responsible for establishing and maintaining internal financial controls based on 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 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.

THANJAVUR SPINNING MILL LIMITED

AUDITOR'S REPORT TO SHAREHOLDERS

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

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

Meaning of Internal Financial Controls Over Financial Reporting

A Company's internal financial control over financial reporting is a process designed to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles. A Company's internal financial control over financial reporting includes those policies and procedures that (1) pertain to the maintenance of records that, in reasonable detail, accurately and fairly reflect the transactions and dispositions of the assets of the Company; (2) provide reasonable assurance that transactions are recorded as necessary to permit preparation of financial statements in accordance with generally accepted accounting principles, and that receipts and expenditures of the Company are being made only in accordance with authorisations of management and directors of the Company; and (3) provided 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.

THANJAVUR SPINNING MILL LIMITED

AUDITOR'S REPORT TO SHAREHOLDERS

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 31st March, 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 M.S.Jagannathan & N.Krishnaswami
Chartered Accountants
Firm Registration No. 001208S

RAJAPALAYAM,
26th May, 2022.

K. Srinivasan
Partner
Membership No. 021510
UDIN: 22021510AJPXQE1712

THANJAVUR SPINNING MILL LIMITED

BALANCE SHEET AS AT 31ST MARCH, 2022

Particulars	Note No	(Rs. in Lakhs)	
		As at 31-03-2022	As at 31-03-2021
I EQUITY AND LIABILITIES			
(1) Shareholders' Fund			
(a) Share Capital	1	2,970.00	2,970.00
(b) Reserves and Surplus	2	<u>639.10</u>	<u>692.58</u>
		3,609.10	3,662.58
(2) Current Liabilities			
(a) Other Current Liabilities	3	50.82	43.44
TOTAL		<u>3,659.92</u>	<u>3,706.02</u>
II ASSETS			
(1) Non Current Assets			
(a) Long Term Loans and Advances	4	3,513.96	3,568.70
(2) Current Assets			
(a) Asset retired from active use and held for disposal			
Fixed Assets held for sale	5	0.16	0.16
(b) Cash and Cash equivalent	6	0.83	2.27
(c) Short Term Loans and Advances	7	68.47	58.40
(d) Other Current Assets	8	<u>76.50</u>	<u>76.49</u>
		145.96	137.32
TOTAL		<u>3,659.92</u>	<u>3,706.02</u>
Significant Accounting Policies	12		
Notes on Financial Statements	13		

The notes form an integral part of these financial statements

As per our report annexed

For and on behalf of the Board of Directors

For M/s.M.S. Jagannathan & N. Krishnaswami
Chartered Accountants
FRN - 001208S

P.A.S. Krishnama Raja
Director

P.J. Ramkumar Rajha
Director

K.Srinivasan
Partner
Membership No.021510

Rajapalayam
26th May, 2022

THANJAVUR SPINNING MILL LIMITED

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

		(Rs. in Lakhs)	
Particulars	Note No.	For the Year ended 31-03-2022 (Since Discontinued)	For the Year ended 31-03-2021 (Since Discontinued)
INCOME			
I Revenue from Operations		-	-
II Other Income	9	247.76	289.01
III Total Income (I+II)		<u>247.76</u>	<u>289.01</u>
IV EXPENSES			
Employee Benefit Expenses	10	0.17	7.34
Other Expenses	11	20.07	6.62
Total Expenses		<u>20.24</u>	<u>13.96</u>
V Profit / (Loss) Before Exceptional & Extraordinary items and Tax (III - IV)		227.52	275.05
VI Exceptional & Extraordinary items (Profit on sale of assets relating to Discontinuing Operations) [Refer to Note No.13(7)]		-	20.48
VII Profit / (Loss) Before Tax		<u>227.52</u>	<u>295.53</u>
Discontinuing Operations			
VIII Profit / (Loss) from discontinued operations before tax		227.52	295.53
IX Tax expenses of discontinued operations			
Current Tax - MAT		(38.00)	(49.30)
Excess Tax Provision related to earlier years withdrawn		-	23.86
Deferred Tax liabilities (Assets)		-	(1.40)
X Profit / (Loss) from discontinued operations after tax (VIII-IX)		<u>189.52</u>	<u>268.69</u>
XI Profit / (Loss) for the period		<u>189.52</u>	<u>268.69</u>
XII Earnings per Equity Share of Rs. 10/- each			
Basic (in Rupees)		(1.98)	0.95
Diluted (in Rupees)		(1.98)	0.93
[Refer to Note No.13 (12)]			
Significant Accounting Policies	12		
Notes on Financial Statements	13		

The notes form an integral part of these financial statements

As per our report annexed

For and on behalf of the Board of Directors

For M/s.M.S. Jagannathan & N. Krishnaswami
Chartered Accountants
FRN - 001208S

P.A.S. Krishnama Raja
Director

P.J. Ramkumar Rajha
Director

K.Srinivasan
Partner
Membership No.021510

Rajapalayam
26th May, 2022

THANJAVUR SPINNING MILL LIMITED
CASH FLOW STATEMENT FOR THE YEAR ENDED 31ST MARCH, 2022

Particulars	(Rs. in Lakhs)	
	2021 - 22	2020 -21
A. Cash flow from Operating Activities		
Net Profit before tax and extraordinary items	227.52	275.05
Adjustment for:		
Interest Received	(247.76)	(289.00)
Operating Loss before Working capital Changes	(20.24)	(13.95)
Adjustments for:		
Loans and Advances	-	0.20
Unutilised Tax Credit - Indirect Tax	(2.73)	(1.00)
Trade Payables and Current liabilities	(7.38)	(140.70)
Cash generated from Operations	(15.59)	(155.45)
Income Taxes (Paid) / Refund Received	(45.35)	486.62
Net Cash generated from Operating Activities A	(60.94)	331.17
B. Cash Flow from Investing Activities :		
Exceptional items - Sale of Assets of "B" Unit Land	-	20.52
(Loans to) / repayment by Related Parties	54.74	(405.84)
Interest received	247.76	289.00
Net Cash used in Investing Activities B	302.50	(96.32)

THANJAVUR SPINNING MILL LIMITED

CASH FLOW STATEMENT FOR THE YEAR ENDED 31ST MARCH, 2022

		(Rs. in Lakhs)	
Particulars		2021 - 22	2020 - 21
C. Cash Flow from Financing Activities :			
Dividend Paid		(243.00)	(243.00)
Net cash generated from Financing Activities	C	(243.00)	(243.00)
Net Increase / (Decrease) in Cash and Cash Equivalents	(A+B+C)	(1.44)	(8.15)
Opening balance of Cash and Cash Equivalents (Refer to Note No. 6)	D	2.27	10.42
Closing balance of Cash and Cash Equivalents (Refer to Note No.6)	E	0.83	2.27
Net Increase / (Decrease) in Cash and Cash Equivalents	(E-D)	(1.44)	(8.15)

The notes form an integral part of these financial statements

As per our report annexed

For and on behalf of the Board of Directors

For M/s.M.S. Jagannathan & N. Krishnaswami
Chartered Accountants
FRN - 001208S

P.A.S. Krishnama Raja
Director

P.J. Ramkumar Rajha
Director

K.Srinivasan
Partner
Membership No.021510

Rajapalayam
26th May, 2022

THANJAVUR SPINNING MILL LIMITED
NOTES FORMING PART OF FINANCIAL STATEMENTS

Particulars	(Rs. in Lakhs)	
	As at 31-03-2022	As at 31-03-2021
NOTE NO.:1		
SHARE CAPITAL		
Authorised		
70,00,000 Equity Shares of Rs.10/- each (PY: 70,00,000 Equity Shares of Rs.10/- each)	700.00	700.00
2,50,00,000 9% Cumulative Redeemable Preference Shares of Rs.10/- each (PY : 2,50,00,000 9% Cumulative Redeemable Preference Shares of Rs.10/- each)	2,500.00	2,500.00
40,00,000 9% Cumulative Optionally Convertible Redeemable Preference Shares of Rs.10/- each (PY: 40,00,000 9% Cumulative Optionally Convertible Redeemable Preference Shares of Rs.10/- each)	400.00	400.00
	<u>3,600.00</u>	<u>3,600.00</u>
Issued, Subscribed and fully paid-up		
27,00,000 Equity Shares of Rs.10/- each (PY: 27,00,000 Equity Shares of Rs.10/- each)	270.00	270.00
2,50,00,000 9% Cumulative Redeemable Preference Shares of Rs.10/- each* (PY: 2,50,00,000 9% Cumulative Redeemable Preference Shares of Rs.10/- each)	2,500.00	2,500.00
20,00,000 9% Cumulative Optionally Convertible Redeemable Preference Shares of Rs.10/- each# (PY: 20,00,000 9% Cumulative Optionally Convertible Redeemable Preference Shares of Rs.10/- each)	200.00	200.00
	<u>2,970.00</u>	<u>2,970.00</u>

a. Issued, Subscribed and fully Paid up shares include 9,00,000 Equity Shares of Rs. 10/- each which were allotted as fully paid Bonus Shares by Capitalisation of Reserves.

* The Preference Shares of Rs. 25 Crores shall be redeemable at par, within a period of 20 years from the date of their issue, either in single or multiple installments, as may be decided by the Board of Directors of the Company.

The Preference Shares of Rs. 2 Crores may be convertible in one or more tranches into Equity Shares at the option of the holder at any time after 1st July, 2017 but not later than 31st December, 2021 at the rate of 1 (one) Equity Share of Rs. 10/- each for every 1 (one) Preference Share of Rs. 10/- each held. If the holders not opt for conversion, the said preference shares shall be redeemed on or before 31st December, 2022.

THANJAVUR SPINNING MILL LIMITED

NOTES FORMING PART OF FINANCIAL STATEMENTS

The Company has filed a petition before the NCLT seeking permission for reduction of Equity Share Capital, Cumulative Redeemable Preference Shares and Cumulative Optionally Convertible Redeemable Preference Shares on 26-07-2019. The NCLT has admitted the Company's petition and directed to convene the meetings of Equity and Preference Shareholders for getting their consent to reduce the Share Capital and such meetings were scheduled on 31-03-2020. Due to lockdown announced by both Government of India and Government of Tamil Nadu on account of Covid-19 outbreak, the above said meetings could not be conducted. The Company has filed a fresh petition before the NCLT seeking further directions on 07-09-2020 and it was heard on 08-12-2021. The NCLT vide its order dated 15-12-2021 has directed to convene the meetings of Equity Shareholders, Preference Shareholders and Unsecured Creditors on 01-03-2022. Accordingly, the Company has conducted the above meetings on 01-03-2022 and filed the application to the NCLT to the effect that the Company has convened the above said meetings and as per the report of Scrutinizer and Chairman of the meeting appointed by the NCLT, all the Resolutions presented at the meeting were passed unanimously. The NCLT has fixed the next hearing on 22-06-2022 and after getting the order from NCLT, the Company will take necessary steps to redeem the shares.

b. Reconciliation of the number of shares outstanding:

(Rs. in Lakhs)

Particulars	As at 31-03-2022		As at 31-03-2021	
	No. of Shares	Amount	No. of Shares	Amount
EQUITY SHARES				
Number of shares at the beginning	27,00,000	270.00	27,00,000	270.00
Shares issued during the year	-	-	-	-
Number of Shares at the end	27,00,000	270.00	27,00,000	270.00
PREFERENCE SHARES				
9% Cumulative Redeemable Preference Share				
Number of shares at the beginning	2,50,00,000	2,500.00	2,50,00,000	2,500.00
Shares issued / redeemed during the year	-	-	-	-
Number of Shares at the end	2,50,00,000	2,500.00	2,50,00,000	2,500.00
9% Cumulative Optionally Convertible Redeemable Preference Share				
Number of shares at the beginning	20,00,000	200.00	20,00,000	200.00
Shares issued during the year	-	-	-	-
Shares redeemed during the year	-	-	-	-
Number of Shares at the end	20,00,000	200.00	20,00,000	200.00

c. Rights / Restrictions attached to Shares of the Company:

The Company has three class of shares:

Equity Shares:

The Company has 27,00,000 nos. of equity shares having a face value of Rs. 10/- each. Each Shareholder is eligible for one vote per share held. 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.

THANJAVUR SPINNING MILL LIMITED

NOTES FORMING PART OF FINANCIAL STATEMENTS

Redeemable Preference Shares:

The Company has 2,50,00,000 nos. of 9% Redeemable Preference Shares issued on 18th July, 2014 having a face value of Rs. 10/- each.

The preference shares shall be entitled to payment of dividend at the rate of 9% on the paid-up value of the shares, on cumulative basis, with a preferential right to payment of dividend over Equity shares of the Company. The preference shares shall carry a right to vote only on resolution which directly affect the rights attached thereto, and any resolution for the winding up of the Company or for the repayment or reduction of its equity or preference share capital or for such other purposes as may be permitted under the Companies Act, 2013). The preference shares shall, in the event of winding-up or repayment of capital, shall carry a preferential right to repayment of capital with the dividend, if any, due and payable thereon, over the Equity share capital of the Company; but shall not be entitled to participate in the surplus assets and profits remaining after repayment of the entire capital upon winding-up (that is, surplus non-participating). If Dividend is not paid for a period of 2 years or more, Preference Shareholders can participate and vote on all the general meetings of the Company.

Optionally Convertible Redeemable Preference Shares:

The Company has 20,00,000 nos. of 9% Optionally Convertible Redeemable Preference Shares having a face value of Rs. 10/- each.

The preference shares shall be entitled to payment of dividend at the rate of 9% on the paid-up value of the shares, on cumulative basis, with a preferential right to payment of dividend over Equity shares of the Company. The preference shares shall carry a right to vote only on resolution which directly affect the rights attached thereto, and any resolution for the winding up of the Company or for the repayment or reduction of its equity or preference share capital or for such other purposes as may be permitted under the Companies Act, 2013). The preference shares shall, in the event of winding-up or repayment of capital, shall carry a preferential right to repayment of capital with the dividend, if any, due and payable thereon, over the Equity share capital of the Company; but shall not be entitled to participate in the surplus assets and profits remaining after repayment of the entire capital upon winding-up (that is, surplus non-participating). If Dividend is not paid for a period of 2 years or more, Preference Shareholders can participate and vote on all the general meetings of the Company.

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

Particulars	As at 31-03-2022		As at 31-03-2021	
	No. of Shares	% of holding	No. of Shares	% of holding
Smt. R.Sudarsanam	2,69,584	9.98%	2,69,584	9.98%
Shri P.R.Venketrama Raja	1,73,891	6.44%	1,73,891	6.44%
Smt. R.Nalina Ramalakshmi	3,89,891	14.44%	3,89,891	14.44%
Smt. Sharada Deepa	3,89,891	14.44%	3,89,891	14.44%
Shri P.V.Abinav Ramasubramaniam Raja	2,13,300	7.90%	2,13,300	7.90%

THANJAVUR SPINNING MILL LIMITED
NOTES FORMING PART OF FINANCIAL STATEMENTS

e. Preference Share Holding:

Particulars	As at 31-03-2022		As at 31-03-2021	
	No. of Shares	% of holding	No. of Shares	% of holding
9% Cumulative Redeemable Preference Share				
M/s. Rajapalayam Mills Limited	2,50,00,000	100.00%	2,50,00,000	100.00%
9% Cumulative Optionally Convertible Redeemable Preference Share				
Smt. R.Sudarsanam	5,00,000	25.00%	5,00,000	25.00%
Shri P.R.Venketrana Raja	5,00,000	25.00%	5,00,000	25.00%
Smt. R.Nalina Ramalakshmi	5,00,000	25.00%	5,00,000	25.00%
Smt. Sharada Deepa	5,00,000	25.00%	5,00,000	25.00%

f. Share holding of Promoters (Equity Shares):

Sl. No.	Promoters Name	As at 31-03-2022			As at 31-03-2021		
		No. of Shares	% of Total Shares	% Change during the year	No. of Shares	% of Total Shares	% Change during the year
1	Smt. R.SUDARSANAM	2,69,584	9.98	-	2,69,584	9.98	-
2	Shri P.R.VENKETRAMA RAJA	1,73,891	6.44	-	1,73,891	6.44	-
3	Smt. SARADHA DEEPA	3,89,891	14.44	-	3,89,891	14.44	-
4	Smt. R.NALINA RAMALAKSHMI	3,89,891	14.44	-	3,89,891	14.44	-
5	Smt. R.CHTTAMMAL	1,422	0.05	-	1,422	0.05	-
6	Shri N.R.K.RAMKUMAR RAJA	400	0.01	-	400	0.01	-
7	Shri S.S.RAMACHANDRA RAJA	1,000	0.04	-	1,000	0.04	-
8	Shri K.T.RAMACHANDRAN	4,078	0.15	-	4,078	0.15	-
9	Shri K.R.TIRUVENGADAM	72,400	2.68	-	72,400	2.68	-
10	Smt. K.R.RUKMANI	4,222	0.16	-	4,222	0.16	-
11	Smt. K.R.VAISHNAVI	4,222	0.16	-	4,222	0.16	-
12	Smt. K.R.SAKUNDALA DEVI	4,222	0.16	-	4,222	0.16	-
13	Smt. ANNAPOORANI KRISHNAN	43,143	1.60	-	43,143	1.60	-
14	DR. K.TIRUVENGADAKRISHNAN	40,487	1.50	-	40,487	1.50	-
15	MINOR K.T.HARINI BY F&G. K.TIRUVENGADAKRISHNAN	1,000	0.04	-	1,000	0.04	-
16	MINOR K.T.HARSHINI BY F&G. K.TIRUVENGADAKRISHNAN	1,000	0.04	-	1,000	0.04	-

THANJAVUR SPINNING MILL LIMITED
NOTES FORMING PART OF FINANCIAL STATEMENTS

Sl. No.	Promoters Name	As at 31-03-2022			As at 31-03-2021		
		No. of Shares	% of Total Shares	% Change during the year	No. of Shares	% of Total Shares	% Change during the year
17	Smt. K.PADMAVATHI	23,085	0.85	-	23,085	0.85	-
18	Shri K.S.KRISHNAKUMAR	20,000	0.74	-	20,000	0.74	-
19	Shri K.SANTHANA KRISHNAN	1,100	0.04	-	1,100	0.04	-
20	Shri K.RAGUVIR	1,200	0.04	-	1,200	0.04	-
21	Smt. K.UMAMAHESWARI	30,685	1.14	-	30,685	1.14	-
22	Ms. P.P.HASINI	1,000	0.04	-	1,000	0.04	-
23	Shri K.T.SRINIVASAN	2,224	0.08	-	2,224	0.08	-
24	Shri K.T.KALYANAKRISHNAN	35,144	1.30	-	35,144	1.30	-
25	Smt. MEENAKSHI KALYANAKRISHNAN	6,000	0.22	-	6,000	0.22	-
26	Shri R.SIVASUBRAMANIAN	2,000	0.07	-	2,000	0.07	-
27	Smt. S.JALAJAAMMAL	2,000	0.07	-	2,000	0.07	-
28	Shri S.KRISHNASWAMY KAMAYA NAICKER	4,000	0.15	-	4,000	0.15	-
29	Shri K.KUMARAN	27,000	1.00	-	27,000	1.00	-
30	Smt. V.VEERALAKSHMI	9,000	0.33	-	9,000	0.33	-
	TOTAL	15,65,291	57.97	-	15,65,291	57.97	-

g. Share holding of Promoter (9% Cumulative Redeemable Preference Shares):

Promoter Name	As at 31-03-2022			As at 31-03-2021		
	No. of Shares	% of Total Shares	% Change during the year	No. of Shares	% of Total Shares	% Change during the year
Rajapalayam Mills Limited	2,50,00,000	100%	-	2,50,00,000	100%	-

h. Share holding of Promoters (9% Cumulative Optionally Convertible Redeemable Preference Shares):

Promoters Name	As at 31-03-2022			As at 31-03-2021		
	No. of Shares	% of Total Shares	% Change during the year	No. of Shares	% of Total Shares	% Change during the year
Smt. R.Sudarsanam	5,00,000	25.00%	-	5,00,000	25.00%	-
Shri P.R.Venketrama Raja	5,00,000	25.00%	-	5,00,000	25.00%	-
Smt. R.Nalina Ramalakshmi	5,00,000	25.00%	-	5,00,000	25.00%	-
Smt. Sharada Deepa	5,00,000	25.00%	-	5,00,000	25.00%	-

THANJAVUR SPINNING MILL LIMITED
NOTES FORMING PART OF FINANCIAL STATEMENTS

Particulars	(Rs. in Lakhs)	
	As at 31-03-2022	As at 31-03-2021
NOTE NO.:2		
RESERVES AND SURPLUS		
Securities Premium Reserve		
Opening Balance	<u>60.00</u>	<u>60.00</u>
	60.00	60.00
Surplus in the statement of Profit and Loss		
Opening Balance	632.58	606.89
Add: Profit / (loss) for the Period	<u>189.52</u>	<u>268.69</u>
Balance available for appropriation	822.10	875.58
Less:		
Dividend on Preference Shares	<u>243.00</u>	<u>243.00</u>
Net Surplus in the statement of Profit and Loss account	<u>579.10</u>	632.58
	<u>639.10</u>	<u>692.58</u>
NOTE NO.:3		
OTHER CURRENT LIABILITIES		
Liabilities for Other Finance	1.28	0.97
Statutory Liabilities payable	49.54	41.36
Payable for land development charges	<u>-</u>	<u>1.11</u>
	<u>50.82</u>	<u>43.44</u>
NOTE NO.:4		
LONG TERM LOANS AND ADVANCES		
Security Deposits	202.81	202.81
Deposit with Related Parties (Refer Item No.13 of Note No.13)	<u>3,311.15</u>	<u>3,365.89</u>
	<u>3,513.96</u>	<u>3,568.70</u>

THANJAVUR SPINNING MILL LIMITED
NOTES FORMING PART OF FINANCIAL STATEMENTS

Particulars	(Rs. in Lakhs)	
	As at 31-03-2022	As at 31-03-2021
NOTE NO.:5		
ASSET RETIRED FROM ACTIVE USE AND HELD FOR DISPOSAL		
Fixed Assets held for sale		
Land	<u>0.16</u>	<u>0.16</u>
NOTE NO.:6		
CASH AND BANK BALANCES		
Balance with Bank		
In Current Account	<u>0.83</u>	<u>2.27</u>
NOTE NO.:7		
SHORT TERM LOANS AND ADVANCES		
Unsecured, considered good		
Income Tax Paid, TDS and Refund receivables	62.00	54.65
Tax Credit Indirect Taxes	<u>6.47</u>	<u>3.75</u>
	<u>68.47</u>	<u>58.40</u>
NOTE NO.:8		
OTHER CURRENT ASSETS		
Accrued Income	76.04	76.04
Prepaid Expenses	0.03	0.02
Other Current Assets	<u>0.43</u>	<u>0.43</u>
	<u>76.50</u>	<u>76.49</u>

THANJAVUR SPINNING MILL LIMITED
NOTES FORMING PART OF FINANCIAL STATEMENTS

Particulars	(Rs. in Lakhs)	
	For the year ended 31-03-2022	For the year ended 31-03-2021
NOTE NO.:9		
OTHER INCOME		
Interest Received	247.76	289.00
Miscellaneous Income	-	0.01
	<u>247.76</u>	<u>289.01</u>
NOTE NO.:10		
EMPLOYEE BENEFIT EXPENSES		
Salaries, Wages and Bonus	0.17	5.86
Contribution to Provident and Other Funds	-	0.74
Staff and Labour Welfare Expenses	-	0.74
	<u>0.17</u>	<u>7.34</u>
NOTE NO.:11		
OTHER EXPENSES		
Repairs - General	-	0.04
Rates and Taxes	0.52	0.88
Insurance	-	0.27
Postage and Telephone	0.31	0.02
Printing and Stationery	1.27	0.57
Travelling Expenses	-	0.05
Vehicle Maintenance	-	0.05
Directors Sitting Fees	0.75	0.75
Audit and Legal Expenses	11.07	2.88
Miscellaneous Expenses	6.15	1.11
	<u>20.07</u>	<u>6.62</u>

THANJAVUR SPINNING MILL LIMITED

NOTES FORMING PART OF FINANCIAL STATEMENTS

NOTE NO: 12

SIGNIFICANT ACCOUNTING POLICIES:

1. Basis of preparation and presentation of financial statements

- i) The financial statements have been prepared under the historical cost convention and in accordance with the generally accepted accounting principles in India, and in compliance of the Accounting Standards specified under Section 133 of the Companies Act, 2013 read with Rule 7 of the Companies (Accounts) Rules, 2014 and the relevant provisions of Companies Act, 2013 and Companies Act, 1956 to the extent applicable.
- ii) The accounting policies that are adopted in preparation of the financial statements are consistently followed as in the previous year.
- iii) The financial statements are presented in Indian Rupees and the amounts are rounded to the nearest Lakhs with two decimals, except as stated otherwise.
- iv) The Company generally follows mercantile system of accounting and recognises significant items of income and expenditure on accrual basis.
- v) The Company has considered its operating cycle as 12 months for the purpose of Current or Non-current classification of assets and liabilities.
- vi) The previous year figures are regrouped / restated wherever necessary.

2. Use of Estimates

- i) The preparation of financial statements in accordance with the generally accepted accounting principles requires management to make judgments, estimates and assumptions that affect the reported amounts of revenues, expenses, assets and liabilities and the disclosure of contingent liabilities, at the end of the reporting period. Although these estimates are based upon management's best knowledge of current events and actions, actual results could differ from these estimates in the future periods.
- ii) Estimates and underlying assumptions are reviewed on discontinuing operation basis. Any revision to accounting estimates is recognised prospectively in current and future periods.

3. Cash flow statement

- i) Cash flows are presented using indirect method, whereby profit / (loss) before extraordinary items and tax is adjusted for the effects of transactions of non-cash nature and any deferrals or accruals of past or future cash receipts or payments.
- ii) Cash comprises cash on hand and demand deposits with banks. Cash equivalents are short-term balances, highly liquid investments that are readily convertible into cash.

THANJAVUR SPINNING MILL LIMITED

NOTES FORMING PART OF FINANCIAL STATEMENTS

4. Revenue recognition

- i) Revenue is recognized to the extent that is probable that the economic benefits will flow to the Company and the revenue can be reliably measured.
- ii) Other Income: Interest Income is recognized on time proportion basis.

5. Property, Plant and Equipment (PPE)

PPEs are eliminated from the financial statements on disposal or when no further benefit is expected from its use and disposal. When the assets are retired from active use, it is reclassified and have been disclosed separately as “Fixed assets pertaining to discontinuing operations held for sale” in the financial statements. 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.

6. Segment Reporting

The Company has no segments under AS -17 (Segment Reporting).

7. Earnings Per Share

Net profit after tax attributable to equity shareholder is divided by weighted average number of equity shares as stipulated in Accounting Standard - 20 (Earning per Share).

8. Income tax

- i) Current tax is the amount of tax payable on the taxable income for the year as determined in accordance with the applicable tax rates and the provisions of the Income tax Act, 1961.
- ii) Current tax assets and liabilities are offset since 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.
- iii) Deferred tax is recognised on timing difference between taxable income and the accounting income that originates in one period and is capable of reversal in one or more subsequent periods. It is recognised based on the accumulated timing difference using the tax rates and the tax laws enacted or substantially enacted as on reporting date.

THANJAVUR SPINNING MILL LIMITED

NOTES FORMING PART OF FINANCIAL STATEMENTS

- iv) The deferred tax assets are recognised only to the extent there is reasonable certainty that the assets can be realised in future; however, where there is un-absorbed depreciation or carry forward losses under taxation laws, deferred tax assets are recognised only if there is a virtual certainty of realisation of such assets. This is reviewed for realisability at each Balance Sheet date.
- v) 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 for such set off.
- vi) Deferred tax on items directly recognised in reserves is also recognised in reserves and not in the Statement of Profit and Loss.

9. Provision, Contingent Liabilities and Contingent Assets

- i) Provisions involving substantial degree of estimation in measurement are recognized when there is a present obligation as a result of past events and it is probable that there will be an outflow of resources in respect of which a reliable estimate can be made. Such provisions are not discounted to their present value. These provisions are reviewed at each balance sheet date and adjusted to reflect the current best estimates.
- ii) Insurance claims are accounted for 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.
- iii) 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 its existence in the financial statements. Contingent Assets are neither recognised nor disclosed.

THANJAVUR SPINNING MILL LIMITED
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NOTE NO.:13

(Rs. in Lakhs)

OTHER DISCLOSURES

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

1. Contingent Liabilities

Liability on Letter of Credit opened

Capital Goods

NIL

NIL

Others

NIL

NIL

2. Commitments

i) Estimated amount of contracts remaining to be executed on capital account not provided

NIL

NIL

ii) Other Commitments:

Liability on guarantees given to the Bankers

NIL

NIL

3. Sales Tax Assessment under CST Act, 1956 has been completed upto the Assessment Year, 2017-18.

4. Income Tax Assessment has been completed upto the Accounting Year ended 31st March, 2019 i.e. Assessment Year 2019-20.

5. For the AY 2020-21, the Company has received intimation U/s.143(1) on 24-12-2021 with a demand of Rs.117.71 Lakhs. The demand to the extent of Rs.67.77 Lakhs was wrongly raised due to the reason that the Capital gain was wrongly included in Business Income and the same was also taxed under the heads of Capital Gain. There was also a demand of Dividend Distribution Tax (DDT) U/s. 115 O of Rs.49.95 Lakhs even though the Company has discharged this DDT. The Company has filed a petition U/s.154 for rectification of the said intimation with the Assistant Commissioner of Income Tax, Madurai on 20-01-2022 and also filed an appeal before the Commissioner of Appeals for the same on 21-01-2022. Both the rectification petition and appeal are pending with the respective authorities. In the opinion of the Management, there may not be any tax liability on this matter.

6. i) In respect of Electricity matters, Appeals / Writ petition are pending with TNERC / APTEL / High Court for various to the extent of Rs.134.23 Lakhs (PY: Rs. 134.23 Lakhs). In the opinion of the Management, there may not be any liability in these matters.

ii) The Company has received orders & demand notices from the office of Commercial Taxes, Thanjavur under TNVAT Act, 2006 for an amount of Rs. 683.80 Lakhs towards tax and Rs. 871.33 Lakhs towards penalty related to the assessment years from 2007-08 to 2013-14 alleging that there was an escaped turnover not reported in

THANJAVUR SPINNING MILL LIMITED

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monthly returns without considering the objections filed by the Company that the same has been reported in monthly return and taxes has already been paid. The Company has challenged the assessment orders / demand notices by means of writ petitions before the Honourable Madras High court, Madurai branch. The Honorable Madras High court, Madurai branch has issued the final order on 07-12-2018 setting aside the impugned order passed by Commercial Tax Department.

Based on the order of High Court, the sales tax department has issued a Revision Notice on 09-05-2019. Detailed objections have been filed with Assessing Officer on 24-05-2019 & 20-06-2019, explaining the facts that taxes has already been paid and no further liability would arise.

On 15-02-2020, the revised assessment orders (dated 25-12-2019) were received from the Assessing Officer. The Assessing Officer has issued a demand of tax of Rs.549.23 Lakhs and penalty of Rs.760.50 Lakhs (Total Rs.1,309.73 Lakhs) related to the above assessment years, without considering the merits of the case submitted by the Company.

The Assessing Officer has not stated any valid reason for rejecting the objections filed by the Company. The Company has again filed a writ petition with Honourable Madras High Court, Madurai bench, challenging the order dated 25-12-2019. The Court has granted Interim stay for the demand notice. The Company has received the final order dated 11-04-2022 and Honourable Madras High Court, Madurai Bench has set aside the impugned orders and remit the case back to the Assessing Officer to pass speaking orders. In the opinion of the Management, there may not be any tax liability on this matter.

- iii) From October, 2011 onwards TNEB raised demand @ 0.10 paise per unit as electricity tax for electricity generated by wind mills under the Tamil Nadu Tax on Consumption or Sale of Electricity Act, 2003.

The Company has not paid this tax as there was a notification issued under Tamil Nadu Electricity (Taxation on Consumption) Act, 1962 according to which, the Government of Tamil Nadu gave permanent exemption for the imposition of generation tax in respect of Paper, Textile, Chemical and Sugar Industries.

In spite of the above exemption, TNEB has raised the demand of E-Tax for an amount of Rs. 120.49 Lakhs (Previous year: Rs.120.49 Lakhs) and we have filed a SLP with Supreme Court against the above demand. Since the matter is pending before the Supreme Court, we

THANJAVUR SPINNING MILL LIMITED

NOTES FORMING PART OF FINANCIAL STATEMENTS

have not paid the tax. In the opinion of the management, there may not be any tax liability on the above matters.

7. The Company has sold all the assets which was located at Thanjavur in accordance with the Special Resolution passed by the Shareholders through postal ballot on 20-12-2014 & 03-11-2017. After distributing dividend to preference shareholders, the balance surplus amount has been placed as Inter Corporate Deposits.

8. Disclosures relating to Discontinuing Operations

- A. The Board of Directors on 09-08-2017 announced a plan to dispose of the assets pertaining to "B" unit including Land and Building. The Company has passed a Special Resolution for disposal of above said assets by way of Postal Ballot on 03-11-2017. Since the Company will not have any operation, all the revenues and expenses of financial years 2020-21 and 2021-22 are attributed to discontinuing operation only. Accordingly, the Balance Sheet, Statement of Profit and Loss and Statement of Cash Flow are relating to discontinuing operations.

The presentation of profit / loss from discontinued operations on the face of the statement of profit and loss was made based on the guidance note issued by the Institute of Chartered Accountants of India (ICAI) in its publication "Financial Statements Presentation under Companies Act, 2013: Practitioner's Perspective" read with Para 32 (a) of AS 24 "Discontinuing Operations".

- B. The carrying value of the total assets and liabilities of discontinued operations as at 31st March, 2022

(Rs. in Lakhs)

Liabilities	As at 31-03-2022	As at 31-03-2021
Non-Current Liabilities	-	-
Current Liabilities	50.82	43.44
Total Liabilities	50.82	43.44
Assets		
Fixed Assets	-	-
Non-Current Assets (other than fixed assets)	3,513.96	3,568.70
Current Assets	145.96	137.32
Total Assets	3,659.92	3,706.02
Net Assets / (Liabilities)	3,609.10	3,662.58

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NOTES FORMING PART OF FINANCIAL STATEMENTS

C. The net cash flows attributable to discontinuing operations

Particulars	As at 31-03-2022	As at 31-03-2021
Operating activities	(60.94)	331.17
Investing activities	302.50	(96.32)
Financing activities	(243.00)	(243.00)
Net cash flows / (out flows)	(1.44)	(8.15)

	As at 31-03-2022	As at 31-03-2021
9. AUDT FEES & EXPENSES (NET OF TAX CREDITS)		
Statutory Auditors:		
a. Statutory Audit Fee	0.85	0.85
b. Certification Work Fees	0.20	0.20
	<u>1.05</u>	<u>1.05</u>

10. During the year Company has paid all necessary fees to NSDL & CDSL.

11. There are no dues to micro, small and medium enterprises / small scale enterprises as at 31-03-2022 (PY: Rs.NIL). This information as required to be disclosed under the Micro, Small and Medium Enterprises Development Act, 2006 has been determined to the extent such parties have been identified on the basis of information available with the Company.

THANJAVUR SPINNING MILL LIMITED
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	(Rs. in Lakhs)	
	2021-22	2020-21
12. Earnings per Share		
Basic Earnings per Share		
Profit / (Loss) After Tax	189.52	268.69
Less: Preference dividend on 2,50,00,000 Nos. of 9% Redeemable Preference Shares	(225.00)	(225.00)
Less: Preference dividend on 20,00,000 Nos. of 9% Cumulative Optionally Convertible Redeemable Preference Shares (Shares issued on 28-12-2016)	(18.00)	(18.00)
Total Profit attributable to Equity Shareholders	<u>(53.48)</u>	<u>25.69</u>
No. of Equity Shares	27.00	27.00
Basic EPS	(1.98)	0.95
Diluted Earnings Per Share		
Profit available to Equity Shareholders	(53.48)	25.69
Add: Preference dividend on 20,00,000 Nos. of 9% Cumulative Optionally Convertible Redeemable Preference Shares (From January, 2022, There was no savings since the option to be exercised for conversion to the Preference Shareholders was ended on 30-12-2021 and they have not exercised their option.)	-	18.00
Total Profit attributable to Equity Shareholders	<u>(53.48)</u>	<u>43.69</u>
No. of Equity shares	27.00	27.00
Add: Adjusted Weighted average No. of Shares upon conversion of 20,00,000 Nos. of 9% Cumulative Optionally Convertible Preference Shares (issued on 28-12-2016)	-	20.00
Total No. of Equity Shares (including potential Equity Shares)	<u>27.00</u>	<u>47.00</u>
Diluted EPS	(1.98)	0.93

THANJAVUR SPINNING MILL LIMITED

NOTES FORMING PART OF FINANCIAL STATEMENTS

13. Related Party Transactions

As per Accounting Standard-18 (Related Party Disclosures) issued by the Institute of Chartered Accountants of India, the Company's related parties are given below:

a. Promoters of the Company

Shri P.R. Venketrama Raja
 Smt. R. Sudarsanam
 Smt. R. Nalina Ramalakshmi
 Smt. Saradha Deepa

b. Companies over which Promoters exercise significant influences:

M/s. Rajapalayam Mills Limited
 M/s. Sandhya Spinning Mill Limited

The Company's transactions with the above Related Parties are summarized below:

A) Inter Corporate Deposit given

(Rs. in Lakhs)

Name of the Related Party	Outstanding Amount as at	
	31-03-2022	31-03-2021
Rajapalayam Mills Limited	2,732.60	2,635.23
Sandhya Spinning Mill Limited	578.55	730.66

B) Inter Corporate Deposit Interest received

Name of the Related Party	2021-22	2020-21
Rajapalayam Mills Limited	194.55	181.02
Sandhya Spinning Mill Limited	53.21	55.51

THANJAVUR SPINNING MILL LIMITED
NOTES FORMING PART OF FINANCIAL STATEMENTS

C) Dividend Paid on Preference Shares

(Rs. in Lakhs)

Name of the Related Party	2021-22	2020-21
Rajapalayam Mills Limited	225.00	225.00
Shri P.R. Venketrama Raja	4.50	4.50
Smt. R. Sudarsanam	4.50	4.50
Smt. R. Nalina Ramalakshmi	4.50	4.50
Smt. Saradha Deepa	4.50	4.50

D) Maximum amount of loans and advances / (borrowings) outstanding during the year

Name of the Related Party	2021-22	2020-21
Rajapalayam Mills Limited	3,183.53	2,635.00
Sandhya Spinning Mill Limited	774.65	790.00

14. Additional regulatory information as required under Companies Act, 2013

a) 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.

b) 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.

c) 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.

THANJAVUR SPINNING MILL LIMITED

NOTES FORMING PART OF FINANCIAL STATEMENTS

d) Key Financial Ratios

Particulars	UOM	31-03-2022	31-03-2021	Variation in %
(a) Return on Equity Ratio	In %	5.21%	7.36%	(-) 29%
(b) Return on Investment (Assets)	In %	5.15%	7.14%	(-) 28%

Formula adopted for above Ratios:

(a) Return on Equity Ratio = Total Profit After Tax / Average Total Equity

(b) Return on Investment (Assets) = Total Profit After Tax / Average Total Assets

Reasons for Variation if more than 25%

The Return on Equity Ratio and Return on Investment (Assets) Ratio have decreased due to decrease in net profit for the financial year 2021-22 as compared to the previous financial year 2020-21, due to lower interest income earned on Inter Corporate deposits on account of general trend in lower interest rate. During the financial year 2020-21, there was a profit on sale of assets of Rs.20.48 Lakhs earned by the Company, whereas there is no such income for the financial year 2021-22.

As per our report annexed

For and on behalf of the Board of Directors

For M/s.M.S. Jagannathan & N. Krishnaswami
Chartered Accountants
FRN - 001208S

P.A.S. Krishnama Raja
Director

P.J. Ramkumar Rajha
Director

K.Srinivasan
Partner
Membership No.021510

Rajapalayam
26th May, 2022

