

# SRM SPINNERS LTD

(CIN: U17290RJ2012PLC040425)

## 11<sup>th</sup> Annual Report

2022-23

# **SRM SPINNERS LTD**

(CIN: U17290RJ2012PLC040425)

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# SRM SPINNERS LTD

(CIN: U17290RJ2012PLC040425)

## CORPORATE INFORMATION

### BOARD OF DIRECTORS

Shri. Shyam Sunder Somani (DIN: - 00361858)	Managing Director
Shri. VISHAL RAJENDRA PRASAD AGARWAL (DIN: - 00376242)	Director
Smt. Manisha Goenka (DIN: - 00578712)	Director
Shri Murlimanohar Rander (DIN: - 02311187)	Independent Director
Shri Bheru Lal Kabra (DIN: - 07274945)	Independent Director

### CHIEF FINANCIAL OFFICER

Shri Raghav Somani

### COMPANY SECRETARY

Shri Rahul Jain

### AUDITORS

S. Dad & Co., *Chartered Accountants*  
44, 1<sup>st</sup> Floor, Heera Panna Market,  
Pur Road – Bhilwara -311001

### BANKERS

Bank of Baroda  
SME Branch, Bhilwara -311001

### REGD. OFFICE

Sukh Shanti, Sabun Marg  
Bhilwara – 311001  
E-mail: [accounts@srmspinners.in](mailto:accounts@srmspinners.in)  
CIN: U17290RJ2012PLC040425

### PLANT

Near 16 K.M, Bhilwara- Ajmer NH79,  
Village – Nanakpura, Tehsil Mandal  
Bhilwara- (Rajasthan)

# SRM SPINNERS LTD

(CIN: U17290RJ2012PLC040425)

## NOTICE OF ANNUAL GENERAL MEETING

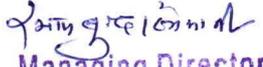
Notice is hereby given that the 11<sup>th</sup> Annual General Meeting (AGM) of the members of SRM Spinners Limited will be held on 30<sup>th</sup> September, 2023 at 11.00 A.M. at the registered office of the company to transact the following business: -

### **ORDINARY BUSINESS:**

1. To receive, consider & adopt the financial statement of the company for the year ended on 31<sup>st</sup> March 2023, including the audited balance sheet as at March 31, 2023, the statement of profit & Loss for the year ended on that date and the reports of the Board of Directors and Auditors thereon.
2. To appoint a Director in place of Shri Vishal Rajendra Prasad Agarwal, who retires by rotation and being eligible offer himself for re- appointment.

**For & on Behalf of Board**

**For- SRM Spinners Limited**

  
**Managing Director**

**Shyam Sunder Somani**  
Managing Director  
(DIN-00361858)

Bhilwara, 02<sup>nd</sup> August, 2023

# SRM SPINNERS LTD

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## NOTES:

1. A MEMBER ENTITLED TO ATTEND AND VOTE AT THE MEETING IS ENTITLED TO APPOINT A PROXY TO ATTEND AND VOTE ON POLL INSTEAD OF HIMSELF/HERSELF AND THE PROXY NEED NOT BE A MEMBER OF THE COMPANY. PROXIES IN ORDER TO BE EFFECTIVE, MUST BE RECEIVED BY THE COMPANY NOT LESS THAN FORTY-EIGHT HOURS BEFORE THE MEETING. A person can act as a proxy on behalf of Members not exceeding fifty (50) and holding not more than 10% of the total share capital of the Company. In case a proxy is proposed to be appointed by a member holding more than 10% of the total share capital of the Company carrying voting rights, then such proxy shall not act as a proxy for any other person or shareholder.
2. Corporate Members intending to send their authorized representative(s) to attend the meeting are requested to send to the Company, a duly certified Board Resolution authorizing their said representative(s) to attend and vote on their behalf at the meeting.
3. The relevant documents accompanying the Notice are open for inspection to the members at the Registered Office of the Company during the normal business hours of the Company up to the date of the Meeting.
4. The members are requested to notify any change to address, E-mail ID or any other detail of members as registered with the company
5. Members desirous of asking any questions at the Annual General Meeting are requested to send in their questions so as to reach the Company at least 10 days before the Annual General Meeting so that the same can be suitably replied.
6. The Accounts, reports and other documents required under the law to be annexed thereto will be available for inspection during working hours from 10.00 a.m. to 1.00 p.m. at the Registered Office of the Company on any working day except Saturdays and Sundays prior to the date of the Annual General Meeting.
7. Members holding shares in physical form are requested to furnish their Email ID at [accounts@srmspinners.in](mailto:accounts@srmspinners.in) and/or send letter to us quoting their Folio No. and e-mail ID to enable us to serve any document, notice, communication, annual reports etc. through e-mail. For members who have not registered their email addresses, physical copies of the Annual Report 2023 are being sent by the permitted mode. Members holding shares in demat form may get their email ID updated with their respective Depository Participants. We request the members to continue to support the Green Initiative introduced by MCA and make it a success.

# SRM SPINNERS LTD

(CIN: U17290RJ2012PLC040425)

## DIRECTORS' REPORT

Dear Members,

Your directors have pleasure in presenting the 11<sup>th</sup> Annual report of the company & audited statement of accounts for the year ended 31st March, 2023.

### FINANCIAL HIGHLIGHTS

Particulars	(Rs. in Lacs)	
	Figures as at the end of current reporting period	Figures as at the end of the previous reporting period
1. Turnover	7808.23	7726.13
2. Other Income	31.25	15.99
<b>Total Revenue</b>	<b>7839.48</b>	<b>7742.12</b>
3. Profit Before Depreciation & Amortization	943.46	843.72
4. Depreciation & Amortization	449.98	447.14
<b>5. Profit Before Tax</b>	<b>493.48</b>	<b>396.59</b>
6. Provision For Income Tax	83.69	68.72
7. Provision for Deferred Tax Liability/(Assets)	60.69	44.24
<b>8. Net profit After Tax</b>	<b>349.10</b>	<b>283.63</b>

### BUSINESS PERFORMANCE

During the year under review, company reports total revenue including other income is of Rs. 7839.48 Lakhs as against Rs 7742.12 Lakhs of the previous year. The Company has earned a net profit of Rs 349.10 Lakhs during the year as compared to net profit after tax of Rs 283.63 Lakhs for the previous year.

### TRANSFER TO RESERVES

The company proposes not to transfer any amount to any reserves.

### DIVIDEND

Taking into consideration the increased need of funds for working capital/ expansion project and to sustain future growth of company through more assets expansion, your Directors have decided to conserve the profit and do not recommend any dividend for the financial year ended on March 31, 2023.

### SUBSIDIARY COMPANY

As on March 31, 2023, the Company does not have any subsidiary.

### DEPOSITS

Your Company has not accepted any deposits within the meaning of Section 73 of the Companies Act, 2013 and the Companies (Acceptance of Deposits) Rules, 2014.

### MATERIAL CHANGES & COMMITMENT IF ANY AFFECTING THE FINANCIAL POSITION OF THE COMPANY OCCURRED BETWEEN THE END OF THE FINANCIAL YEAR TO WHICH THIS FINANCIAL STATEMENTS RELATE AND THE DATE OF THE REPORT

No material changes & commitments affecting the financial position of the company between the end of the financial year to which these financial statements relate and the date of the report

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## DIRECTORS OR KEY MANAGERIAL PERSONNEL WHO WERE APPOINTED OR HAVE RESIGNED DURING THE YEAR

In accordance to the Provisions of section 152 (6) the Companies Act, 2013 and Relevant Article of the Article of Association of Company, Mr. Vishal Rajendra Prasad Agarwal – Director of the company, will retire by rotation and being eligible, offer themselves for Re-appointment at the ensuing Annual General Meeting. The Directors recommend for Mr. Vishal Rajendra Prasad Agarwal for re-appointment. on March 31, 2023 are:; Shyam Sunder Somani-Managing Director, Manisha Goenka- Director, Vishal Rajendra Prasad Agarwal – Director, Bheru Lal Kabra -Independent Director, Murli Manohar Randad – Independent Director, Raghav Somani – Chief Financial Officer and Rahul Jain -Company Secretary.

## DIRECTORS RESPONSIBILITY STATEMENT

Pursuant to the requirement referred to in clause (c) of sub-section (3) of Section 134 of the Companies Act, 2013, with respect to Directors' Responsibility Statement, the Directors confirm that:

- (a) in the preparation of the annual accounts for the financial year ended March 31, 2023, the applicable accounting standards have been followed along with proper explanation relating to material departures;
- (b) the directors have selected such accounting policies and applied them consistently and made judgments and estimates that are reasonable and prudent so as to give a true and fair view of the state of affairs of the company at the end of the financial year and of the profit and loss of the company for that period;
- (c) the directors have taken proper and sufficient care towards 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) the directors have prepared the annual accounts on a going concern basis; and
- (e) The directors have devised proper systems to ensure compliance with the provisions of all applicable laws and that such systems were adequate and operating effectively.

## NUMBER OF MEETINGS OF THE BOARD OF DIRECTORS

The Board met Twelve Times on 06.05.2022, 07.06.2022, 09.07.2022, 11.08.2022, 16.09.2022, 19.10.2022, 14.11.2022, 24.11.2022, 28.12.2022, 12.01.2023, 23.02.2023, 21.03.2023 during the financial year. The intervening gap between any two meetings was within the period prescribed by the Companies Act 2013.

## DECLARATION BY INDEPENDENT DIRECTORS

The Company has received necessary declaration from each Independent Director under Section 149(7) of the Companies Act, 2013, to the effect that they meet the criteria of independence laid down in Section 149(6) of the Companies Act, 2013.

## COMMITTEES OF BOARD:

### (A) AUDIT COMMITTEE DISCLOSURE UNDER SECTION 177:

The Audit Committee of the Company consists of 2 Independent Directors and 2 Executive Director. The Chairman of the Audit Committee is financially literate and majority of them having accounting or related financial management experience. Representative of Statutory Auditor is permanent invitee. Company Secretary acts as Secretary to the Committee.

The following Directors are the members of Audit Committee.

- |   |          |
|---|----------|
| (1) Shri Vishal Rajendra Prasad Agarwal | Chairman |
| (2) Shri Murimanohar Rander             | Member   |
| (3) Shri Bheru Lal Kabra                | Member   |

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(4) Smt. Manisha Goenka

Member

During the year the Committee had 4 Meetings i.e. on 25<sup>th</sup> May, 2022, 27<sup>th</sup> August, 2022 and 01<sup>st</sup> December, 2022 & 23<sup>rd</sup> March 2023.

## **(B) NOMINATION & REMUNERATION COMMITTEE DISCLOSURE UNDER SECTION 178:**

In pursuant to the provisions of section 178 (4) of the Companies Act, 2013, the Nomination and Remuneration Policy recommended by the Nomination and Remuneration committee is duly approved by the Board of Directors of the Company and is provided in **Annexure 4** forming part of this report.

The following Directors are the members of Remuneration Committee.

- |   |          |
|---|----------|
| (1) Shri Vishal Rajendra Prasad Agarwal | Chairman |
| (2) Shri Bheru Lal Kabra                | Member   |
| (3) Shri Muri Manohar Rander            | Member   |

The Committee will meet as and when any remuneration is to be fixed for any Director/Managing Director. During the year the Committee had 2 Meetings i.e., on 01<sup>st</sup> August, 2022 & 17<sup>th</sup> January, 2023.

## **AUDITOR & AUDITOR'S REPORT**

At the Annual General Meeting held on August 20, 2019, *M/s S. Dad & Company (FRN: 0075345C)*, were appointed as statutory auditors of the company to hold office till the conclusion of the Annual General Meeting to be held in the calendar year 2024. In terms of the first proviso to section 139 of the companies Act, 2013, the appointment of the auditors shall be placed for ratification at every Annual General Meeting.

In accordance with the Companies Amendment Act, 2017 enforced on 07th May, 2018 by the Ministry of Corporate Affairs, the appointment of statutory Auditors is not required to be ratified at every Annual General Meeting.

## **CORPORATE SOCIAL RESPONSIBILITY**

The Company is not required to constitute a Corporate Social Responsibility Committee as it does not fall within purview of Section 135(1) of the Companies Act, 2013 and hence it is not required to formulate policy on corporate social responsibility.

## **SIGNIFICANT AND MATERIAL ORDERS**

No significant or material orders were passed by the Regulators or Courts or Tribunals which impact the Going concern status and Company's operations in future.

## **EXTRACT OF ANNUAL RETURN**

In Accordance with section 134(3) (a) of the Companies Act, 2013, an extract of the annual return in the prescribed format is appended as **Annexure 1** to the *Boards' report*.

## **INTERNAL FINANCIAL CONTROL AND ITS ADEQUACY**

The Board has adopted policies and procedures for ensuring the orderly and efficient conduct of its business; including adherence to the 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 disclosures.

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## PARTICULARS OF LOANS, GUARANTEES OR INVESTMENTS UNDER SECTION 186

During the year under review, the company has not made any investments or granted any loans or guarantee within the meaning of the provisions of section 186 of the Companies Act, 2013.

## PARTICULARS OF CONTRACTS OR ARRANGEMENTS WITH RELATED PARTIES:

Pursuant to the provisions of section 188(1) of the Companies Act, 2013, all contracts / arrangements / transactions entered by the company during the financial year with related parties were in the ordinary course of business and on an arm's length basis. The requisite details in the prescribed form AOC-2, is appended as **Annexure 2** to the Board's Report

## CONSERVATION OF ENERGY, RESEARCH AND DEVELOPMENT, TECHNOLOGY ABSORPTION, FOREIGN EXCHANGE EARNINGS AND OUTGO.

The particulars as prescribed under sub- section (3)(m) of section 134 of the Companies Act, 2013, read with Companies (Accounts) Rules, 2014, are enclosed as **Annexure 3** to the Boards' Report.

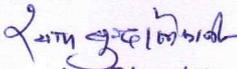
## PARTICULARS OF EMPLOYEES

Information pursuant to the Rule 5(2) of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014 is not applicable as none of employees is drawing salary up to and exceeding the limit specified in the said rules during the year or part of the year.

## ACKNOWLEDGEMENT

Your Director sincerely appreciates the high degree of professionalism, commitment and dedication displayed by employees at all levels. The Director also wishes to place on record their gratitude to the Bankers, Govt. & Semi Govt. organization & Member for their continued support and confidence.

For- SRM Spinners Limited

  
Managing Director

Shyam Sunder Somani  
Managing Director

(DIN:00361858)

For SRM SPINNERS LIMITED

  
Raghav Somani  
Chief Financial Officer

Chief Financial Officer

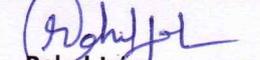
For & on Behalf of Board  
For SRM Spinners Limited

  
Director

Vishal Rajendra Prasad  
Agarwal  
Director

(DIN:00376242)

For SRM SPINNERS LIMITED

  
Rahul Jain  
Company Secretary

Company Secretary

Bhilwara, 02<sup>nd</sup> August, 2023

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## ANNEXURE - 1

### FORM NO. MGT -9

(Pursuant to section 92(3) of the Companies Act, 2013 and Rule 12(1) of the Companies (Management and Administration) Rules, 2014)

#### I REGISTRATION AND OTHER DETAILS:

Corporate Identity Number(CIN) of the company	U17290RJ2012PLC040425
Registration Date	17-October-2012
Name of the Company	SRM SPINNERS LIMITED
ISIN No.	INEOFYJ01010
Category/Sub Category of the Company	Company Limited by Shares/Indian Non-Govt. Company
Address of the registered Office & Contact details	"Sukh Shanti", Sabun Marg- Bhilwara-311001
Listed Company (Yes/No)	No
Name, Address and Contact details of Registrar and Transfer Agent, if any	<b>Name: - Big Share Services Private Limited</b> <b>Address: - 1ST FLOOR, BHARAT TIN WORKS BLDG, OPP. VASANT OASIS, MAKWANA ROAD, MAROL, ANDHERI (EAST), MUMBAI 400059</b> <b>Contact No.- 022-40430200</b>

#### II PRINCIPAL BUSINESS ACTIVITIES OF THE COMPANY

Name and description of Main Product /services	NIC Code of the Product/Services	% to total turnover of the Company
Manufacturing Yarn	13114	100%

#### III PARTICULARS OF HOLDING, SUBSIDIARY AND ASSOCIATE COMPANIES

Particulars	Country	CIN	Holding/ Subsidiary / Associate	% of share holding	Applicable Section
NIL					

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IV SHARE HOLDING PATTERN (Equity Share Capital Breakup as percentage of Total Equity)

## A) Category Wise Shareholding

Category Code	Category of Shareholder	No. of Shares held at the beginning of the year March 31, 2022				No. of Shares held at the end of the year March 31, 2023				% of Change during the year
		Demat	Physical	Total	% of Total Shares	Demat	Physical	Total	% of Total Shares	
<b>(A)</b>	<b>Promoter and Promoter Group</b>									
(1)	Indian									
(a)	Individual /HUF	-	6,900,000	6,900,000	51%	6,900,000	6,900,000	51%	-	
(d)	Bodies Corporate	-	6,600,000	6,600,000	49%	6,600,000	6,600,000	49%	-	
<b>Sub Total A(1)</b>			<b>1,35,00,000</b>	<b>1,35,00,000</b>	<b>100%</b>	<b>1,35,00,000</b>	<b>1,35,00,000</b>	<b>100%</b>	<b>-</b>	
(2)	Foreign									
<b>Sub Total A(2)</b>										
<b>Total Shareholding of Promoters A= A(1)+A(2)</b>			<b>1,35,00,000</b>	<b>1,35,00,000</b>	<b>100%</b>	<b>1,35,00,000</b>	<b>1,35,00,000</b>	<b>100%</b>	<b>-</b>	
<b>(B)</b>	<b>Public Shareholding</b>									
(1)	Institutions									
<b>Sub Total B(1)</b>										
(2)	Non Institutions									
<b>Sub Total B(2)</b>										
<b>Total Shareholding Public B= B(1)+B(2)</b>										
<b>Total (A+B)</b>			<b>1,35,00,000</b>	<b>1,35,00,000</b>	<b>100%</b>	<b>1,35,00,000</b>	<b>1,35,00,000</b>	<b>100%</b>	<b>-</b>	

## B) Shareholding of Promoters

S. No.	Shareholders' Name	Shareholding at the beginning of the year			Share holding at the end of the year			% change in shareholding during the year
		No. of Shares	% of total Shares of the company	% of Shares Pledged / encumbered to total shares	No. of Shares	% of total Shares of the company	% of Shares Pledged / encumbered to total shares	
1	Vishal Agarwal	13,77,500	10.204%	-	18,03,125	13.36%	-	3.16%
2	Vishal Agarwal HUF	47,500	0.35%	-	47,500	0.35%	-	

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3	Rajendra Prasad Agarwal HUF	1,23,750	0.92%	-	1,23,750	0.92%	-	
4	Shyam Sunder Somani HUF	5,35,000	3.96%	-	535000	3.96%	-	
5	Shyam Sunder Somani	11,57,000	8.57%	-	1157000	8.57%	-	
6	Sheetal Maheshwari	2,50,000	1.85%	-	250000	1.85%	-	
7	Raghav Somani	2,32,500	1.722%	-	232500	1.722%	-	
8	Chandra Kala Somani	21,87,000	16.20%	-	2187000	16.20%	-	
9	Sonal Maheshwari	10,000	0.074%	-	10000	0.074%	-	
10	Kusum Devi Agarwal	-	-	-	425625	3.15%	-	3.15%
11	Rajendra Prasad Satyanarayan Agarwal	8,51,250	6.31%	-	-	-	-	-6.31%
12	Pashupati Leminators Private Limited (Erstwhile known as Uptron Commotrade Pvt Ltd which is amalgamated in this company)	45,00,000	33.33%	-	4500000	33.33%	-	
13	Seema Maheshwari & Shri Shyam Sunder Somani	1,28,500	0.95%	-	128500	0.95%	-	
14	Ramkrupa Properties Pvt Ltd	21,00,000	15.56%	-	21,00,000	15.56%	-	

## C) Changes in Promoters Shareholding

Name of the Shareholder	Shareholding at the beginning of the year		Cumulative Shareholding during the year	
	No. of shares	% of total shares of the company	No. of shares	% of total shares of the company
<i>There is no change in the promoter's shareholding during the current financial year</i>				

## D) Shareholding Pattern of top ten Shareholders

(Other than directors, promoters and Holders of ADRs')

Name of Top 10 Shareholder	Shareholding at the beginning of the year		Cumulative Shareholding during the year	
	No. of shares	% of total shares of the company	No. of shares	% of total shares of the company

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No. of shares	% of total shares of the company	No. of shares	% of total shares of the company
There is no shareholder exists other than promoters, directors during the current financial year			

## E) Shareholding of Directors and Key Managerial Personnel

Name of Director/ KMP	Shareholding at the beginning of the year		Cumulative Shareholding during the year	
	No. of shares	% of total shares of	No. of shares	% of total shares of the company
Late Shri Rajendra Prasad Satyanarayan Agarwal	8,51,250	6.31%	-	-
Shyam Sundar Somani	11,57,000	8.57%	11,57,000	8.57%
Vishal Rajendra Prasad Agarwal	13,77,500	10.20%	18,03,125	13.36%
Raghav Somani	2,32,500	1.72%	2,32,500	1.72%

## V INDEBTNESS

### Indebtedness of the Company including interest outstanding/accrued but not due for payment.

Particulars	(Rs. In Lakhs)			
	Secured Loans excluding Deposits	Unsecured Loans	Deposits	Total Indebtedness
<b>Indebtedness at the beginning of the financial year (01.04.2022)</b>				
i) Principal Amount	1146.09	600.00	-	1746.09
ii) Interest Due but not paid	-	-	-	-
iii) Interest Accrued but not due	-	-	-	-
<b>Total (i+ii+iii)</b>	<b>1146.09</b>	<b>600.00</b>	<b>-</b>	<b>1746.09</b>
<b>Changes in Indebtedness during the financial year</b>				
Addition	-	171.34	-	171.34
Deduction	(71.86)	-	-	(71.86)
<b>Net Change</b>	<b>(71.86)</b>	<b>171.34</b>	<b>-</b>	<b>99.48</b>
<b>Indebtedness at the end of the financial year (31.03.2023)</b>				
i) Principal Amount	1074.23	771.34	-	1845.57
ii) Interest Due but not paid	-	-	-	-
iii) Interest Accrued but not due	-	-	-	-
<b>Total (i+ii+iii)</b>	<b>1074.23</b>	<b>771.34</b>	<b>-</b>	<b>1845.57</b>

# SRM SPINNERS LTD

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## A. Remuneration to Managing Director, Whole-time Directors and/or Manager:

			(Rs. In Lakhs)
Sl. no.	Particulars	Name of MD/WTD/ Manager	Total Amount
		<b>Shri Shyam Sunder Somani M.D.</b>	
1.	Gross salary		
	(a) Salary as per provisions contained in section 17(1) of the Income-tax Act, 1961	18.00	18.00
	(b) Value of perquisites u/s 17(2) Income-tax Act, 1961	NIL	NIL
	(c) Profits in lieu of salary under section 17(3) Income-tax Act, 1961	NIL	NIL
	<b>Total</b>	<b>18.00</b>	<b>18.00</b>

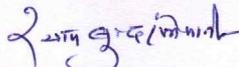
## B. REMUNERATION TO KEY MANAGERIAL PERSONNEL OTHER THAN MD/MANAGER/WTD

				(Rs. In Lakhs)
Sl. no.	Particulars of Remuneration	Key Managerial Personnel		Total Amount
		Company Secretary	Raghav Somani (CFO)	
1.	Gross salary			
	(a) Salary as per provisions contained in section 17(1) of the Income-tax Act, 1961	2.92	9.00	11.92
	(b) Value of perquisites u/s 17(2) Income-tax Act, 1961	NIL	NIL	NIL
	(c) Profits in lieu of salary under section 17(3) Income-tax Act, 1961			
	<b>Total</b>	<b>2.92</b>	<b>9.00</b>	<b>11.92</b>

## VII PENALTIES/PUNISHMENT/COMPOUNDING OF OFFENCES

There were no penalties/punishment/compounding of offences for the year ending March 31, 2023

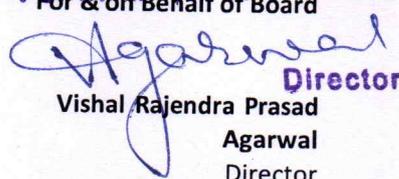
For- SRM Spinners Limited

  
**Managing Director**  
**Shyam Sunder Somani**  
 Managing Director  
 (DIN:00361858)

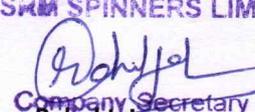
For SRM SPINNERS LIMITED

  
**Chief Financial Officer**  
**Raghav Somani**  
 Chief Financial Officer

For SRM Spinners Limited  
 For & on Behalf of Board

  
**Director**  
**Vishal Rajendra Prasad**  
**Agarwal**  
 Director  
 (DIN:00376242)

For SRM SPINNERS LIMITED

  
**Company Secretary**  
**Rahul Jain**  
 Company Secretary

Bhilwara, , 02<sup>nd</sup> August, 2023

# SRM SPINNERS LTD

(CIN: U17290RJ2012PLC040425)

## ANNEXURE 2

### PARTICULARS OF CONTRACTS/ARRANGEMENTS MADE WITH RELATED PARTIES

(Pursuant to Clause(h) of Sub section (3) of section 134 of the Companies Act 2013 and Rule 8(2) of the Companies (Accounts) Rules, 2014 –**Form AOC -2**)

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

### DETAILS OF CONTRACTS/ ARRANGEMENTS/ TRANSACTIONS NOT AT ARM'S LENGTH BASIS.

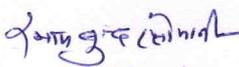
There were no contracts or arrangements or transactions entered into during the year ended March 31, 2023, which were not at arm's length Basis.

### DETAILS OF CONTRACTS/ ARRANGEMENTS/ TRANSACTIONS AT ARM'S LENGTH BASIS:

There details of contracts or arrangements or transactions at arm's length basis for the year ended March 31, 2023 are as follows:

Name of Related Party	Nature of Relationship	Duration of Contract	Salient Terms	Amount (In Lakhs)
<b><u>Nature of Contracts</u></b>				
<b>Availing of Services (Interest)</b>				
Shyam Sundar Somani	Interest Paid	Not Applicable	Not Applicable	24.00
Shree Mahaveer Management Services Private Limited	Interest Paid	Not Applicable	Not Applicable	24.00
Ramkrupa Properties Pvt Ltd	Interest Paid	Not Applicable	Not Applicable	12.00
Rajendra Prasad Agarwal-HUF	Interest Paid	Not Applicable	Not Applicable	8.74
Vishal Agarwal-HUF	Interest Paid	Not Applicable	Not Applicable	10.53
<b>Purchases of Goods</b>				
Siddhartha Super Spinning Mills Limited	Company in which Director is interested	Not Applicable	Not Applicable	321.13
<b>Sales of Goods</b>				
Shreedhar Cotsyn Pvt Ltd	Company in which Director is interested	Not Applicable	Not Applicable	579.86

For- SRM Spinners Limited

  
Managing Director  
Shyam Sunder Somani  
Managing Director  
(DIN:00361858)

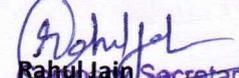
For SRM SPINNERS LIMITED

  
Raghav Somani  
Chief Financial Officer

For & on Behalf of Board  
For SRM Spinners Limited

  
Director  
Vishal Rajendra Prasad Agarwal  
Director  
(DIN:00376242)

For SRM SPINNERS LIMITED

  
Rahul Jain  
Company Secretary

Bhilwara, , 02<sup>nd</sup> August, 2023

# SRM SPINNERS LTD

(CIN: U17290RJ2012PLC040425)

## ANNEXURE 3

INFORMATION RELATING TO ENERGY CONSERVATION, TECHNOLOGY ABSORPTION, AND FOREIGN EXCHANGE EARNINGS AND OUTGO FORMING PART OF DIRECTORS' REPORT IN TERMS OF SECTION 134(3)(m) OF THE COMPANIES ACT, 2013 READ WITH THE COMPANIES (ACCOUNTS) RULES, 2014

### (a) Conservation of energy

(i)	the steps taken or impact on conservation of energy	N.A.
(ii)	the steps taken by the company for utilizing alternate sources of energy	N.A.
(iii)	the capital investment on energy conservation equipment's	N.A.

### (b) Technology absorption

(i)	the efforts made towards technology absorption	The Company has not absorbed any technology from any source.
(ii)	the benefits derived like product improvement, cost reduction, product development or import substitution	N.A.
(iii)	in case of imported technology (imported during the last three years reckoned from the beginning of the financial year)-	N.A.
	(a) the details of technology imported	N.A.
	(b) the year of import;	N.A.
	(c) whether the technology been fully absorbed	N.A.
	(d) if not fully absorbed, areas where absorption has not taken place, and the reasons thereof	N.A.
(iv)	the expenditure incurred on Research and Development	N.A.

### (c) Foreign exchange earnings and Outgo

The Foreign Exchange earned in terms of actual inflows during the year: 108.69 Lakhs

The Foreign Exchange outgo during the year in terms of actual outflows: Nil

# SRM SPINNERS LTD

(CIN: U17290RJ2012PLC040425)

ANNEXURE-4

## NOMINATION AND REMUNERATION POLICY

Our policy on the appointment & remuneration of directors and key managerial personnel provides a framework based on which our Human Resources management aligns their recruitment plans for the strategic Growth of the company. The Nomination & Remuneration policy is provided herewith pursuant to Section 178(4) of The Companies Act, and Clause 49 (IV) (B) (4) of the listing agreement.

### INTRODUCTION

This Policy on Nomination & Remuneration of directors, Key Managerial Personnel (KMPs) and other employee has been formulated in the terms of the provision of the company's act, 2013 and the listing agreement to pay equitable remuneration to the directors, KMPs and employees of the Company.

### OBJECTIVE AND PURPOSE OF THE POLICY

**The objective and purpose of the policy are:**

- To formulate the criteria for determining qualifications, competencies, positive attributes and independence for the appointment of the director (Executive and Non-Executive), recommend to The Board Policies relating to the remuneration of directors KMPs and other employees.
- To address the following items: committee member qualifications, committee member appointment and removal, committee structure and operation, and committee reporting to the Board.
- To formulate the criteria for evaluation of performance of the all the directors of the Board.
- To Devise a policy on Board diversity, and
- To lay out remuneration principal for employees linked to their effort, performance and achievements relating to the company's goal.

### CONSTITUTION OF THE NOMINATION AND REMUNERATION COMMITTEE

The Board has constituted the nomination and remuneration committee of the Board on dated 10<sup>th</sup> April 2015. This is in line with the requirement under the company's act, 2013.

The Board has authority to reconstitute these committees from time to time.

### GENERAL

This Policy is divided into three Parts:

Part-A covers the matter to be dealt with and recommended by the committee to the board;

Part-B Covers the appointment and Nomination; and

Part-C Covers remuneration and perquisites etc.

This policy shall be included in the Board's Report.

### PART-A

Matters to be dealt with, perused and recommended to the Board by nomination and remuneration committee, the following matters shall be dealt with by the Committee:

# SRM SPINNERS LTD

(CIN: U17290RJ2012PLC040425)

## a) Size and composition of the Board

Periodically reviewing the size and composition of the board to ensure that it structured to make appropriate decisions, with a variety of perspectives skills, in the best interests of the company as whole.

## b) Directors

Formulate the criteria determining qualifications, positive attributes and independence of a director and recommending candidates to the board.

## c) Succession plans

Establishing and reviewing Board and senior executive succession plans to ensure and maintain an appropriate balance of skills, experience and expertise on the Board and senior management.

## d) Evaluation of Performance

Formulate the criteria and framework for evaluation of performance of every director on the Board of the company.

## e) Board diversity

The Board Nomination Process, in accordance with the Board Diversity Policy.

## f) Remuneration and Framework policies

The Committee is responsible for reviewing and making recommendations to the board on:

- a) The remuneration of the managing director, whole time director and KMPs;
- b) The total level of remuneration of non-executive directors and for individual remuneration for non-executive directors, and the chairman, including any additional fees payable for membership of the Board Committees;
- c) the remuneration policy for all employees including KMPs, senior management and other employees including base pay, incentives payments, equity awards, retirements rights and service contracts.
- d) The company's equity-based incentives scheme, including a consideration of performance threshold and regulatory and market requirements.
- e) the company superannuation arrangement and compliance with relevant laws and regulation in relation to superannuation arrangements; and
- f) the company's remuneration reporting in the financial statement and remuneration report.

## PART-B

Policy for the appointment and removal of directors, KMPs, and senior management.

### Appointment criteria and qualifications

- The committee shall identify and ascertain the integrity, qualification expertise and experience of the person for appointment as a director, KMP or senior management and recommend level to the board his/her appointment.
- The committee has discretion has to decide whether qualification, expertise and experience possessed by a person is sufficient/ satisfactory for the concerned position.
- A person, to be appointed as a director, should possess impeccable reputation for integrity.
- The Company shall not appoint or continue the employment of any person who has attained the age of 60 years as managing director /executive director, and shall not appoint any person who has attained the age of 70 years as independent director. Provided that the term of the person holding this position may be extended at the discretion of the committee beyond the age of 60 years / 70 years with the approval of shareholders by passing a special resolution based on the explanatory

# SRM SPINNERS LTD

(CIN: U17290RJ2012PLC040425)

statement annexed to the notice for such motion indicating the justification for the extension of appointment beyond 60 years / 70 years as the case may be.

- A whole-time KMP of the Company shall not hold office in more than one company except in its subsidiary company at the same time. However, a whole-time KMP can be appointed as a director in any company, with the permission of the Board of the Company.

## Term/Tenure

### Managing Director and Whole Time Director

The Company shall appoint or re-appoint any person as its managing director and CEO or whole-time director for a term not exceeding five years at a time. No re-appointment shall be made earlier than one year before the expiry of the term.

### Independent Director

An independent director shall hold office for a term of up to five consecutive years on the Board of the Company and will be eligible for re-appointment on passing of a special resolution by the Company and disclosure of such appointment in the Board's report.

No independent director shall hold office for more than two consecutive terms, but such independent director shall be eligible for appointment after the expiry of three years of ceasing to become an independent director. Provided that an independent director shall not, during the said period of three years, be appointed in or be associated with the Company in any other capacity, either directly or indirectly. However, if a person who has already served as an independent director for five years or more in the Company as on April 1, 2014 or such other date as may be determined by the committee as per regulatory requirement, he / she shall be eligible for appointment for one more term of five years only.

At the time of appointment of an independent director, it should be ensured that the number of Boards on which such independent director serves is restricted to seven listed companies as an independent director and three listed companies as an independent director in case such person is serving as a whole-time (executive) director of a listed company.

## Removal

Due to any of the reasons for disqualification mentioned in the Companies Act, 2013, rules made there under or under any other applicable Act, rules and regulations, the committee may recommend to the Board with reasons recorded in writing the removal of a director or KMP subject to the provisions and compliance of the said Act, rules and regulations.

## Retirement

The whole-time directors, KMP and senior management personnel shall retire as per the applicable provisions of the Companies Act, 2013 and the prevailing policy of the Company. The Board will have the discretion to retain the whole-time directors, KMP and senior management personnel in the same position / remuneration or otherwise, even after attaining the retirement age, for the benefit of the Company.

## PART-C

Policy relating to the remuneration of directors, KMPs and other employees

### General

- The remuneration / compensation / commission to directors will be determined by the committee and recommended to the Board for approval.
- The remuneration and commission to be paid to the managing director shall be in accordance with the provisions of the Companies Act, 2013, and the rules made there under.

# SRM SPINNERS LTD

(CIN: U17290RJ2012PLC040425)

- Increments to the existing remuneration / compensation structure may be recommended by the committee to the Board which should be within the limits approved by the shareholders in the case of managing director.
- Where any insurance is taken by the Company on behalf of its managing director, chief financial officer, the company secretary and any other employees for indemnifying them against any liability, the premium paid on such insurance shall not be treated as part of the remuneration payable to any such personnel. Provided that if such person is proved to be guilty, the premium paid on such Insurance shall be treated as part of the remuneration.

## Minimum Remuneration to the Managing Director

If, in any financial year, the Company has no profits or its profits are inadequate, the Company shall pay remuneration to its managing director in accordance with the provisions of Schedule V of the Companies Act, 2013 or, if it is not able to comply with such provisions, with the prior approval of the Central Government.

## Remuneration to Non- Executive / Independent Directors

### A. Remuneration

The remuneration payable to each non-executive director is based on the remuneration structure as determined by the Board, and is revised from time to time, depending on individual contribution, the Company's performance, and the provisions of the Companies Act, 2013 and the rules made there under.

The remuneration to non-executive directors (including independent directors) may be paid within the monetary limit approved by shareholders, subject to the limit not exceeding 1% of the profits of the Company computed as per the applicable provisions of the Companies Act, 2013.

### B. Stock Option

Independent directors shall not be entitled to any stock option of the Company.

## Policy Review

This policy is framed based on the provisions of the Companies Act, 2013 and rules there under and requirements of Clause 49 of the Listing Agreement with the stock exchanges.

In case of any subsequent changes in the provisions of the Companies Act, 2013 or any other regulation which makes any of the provisions in the policy inconsistent with the Act or regulations, the provisions of the Act or regulations would prevail over the policy, and the provisions in the policy would be modified in due course to make it consistent with the law.

This policy shall be reviewed by the nomination and remuneration committee as and when changes need to be incorporated in the policy due to changes in regulations or as may be felt appropriate by the committee. Any change or modification in the policy as recommended by the committee would be given for approval to the Board.



# S. Dad & Co.

Chartered Accountants

44, First Floor, Heera Panna Market,  
Pur Road, Bhilwara – 311001, Rajasthan (India)

Tel: 01482-311608, 9829047880

ICAI Firm Registration No.: 007534C

RBI Unique Code No.: 892773

Email: [sanjaydad@rediffmail.com](mailto:sanjaydad@rediffmail.com), [sdcbhl@gmail.com](mailto:sdcbhl@gmail.com)

## INDEPENDENT AUDITOR'S REPORT

To the Members of

SRM SPINNERS LIMITED

REPORT ON THE FINANCIAL STATEMENTS

We have audited the accompanying financial statements of **SRM Spinners Limited** ("The Company"), which comprise the Balance Sheet as at 31<sup>st</sup> March 2023, the Profit and Loss Statement, the Cash flow Statement for the year then ended, and a summary of significant accounting policies and other explanatory information.

### MANAGEMENT'S RESPONSIBILITY FOR THE FINANCIAL STATEMENTS

The Company's Board of Directors is responsible for the matters stated in Section 134(5) of the Companies Act, 2013 ("the Act") with respect to the preparation 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 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.

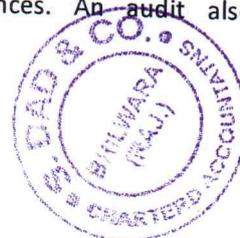
### AUDITOR'S RESPONSIBILITY

Our responsibility is to express an opinion on these financial statements based on our audit.

We have taken into account the provisions of the Act, the accounting and auditing standards and matters which are required to be included in the audit report under the provisions of the Act and the Rules made there under.

We conducted our audit in accordance with the Standards on Auditing specified under section 143(10) of the Act. Those Standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal financial control relevant to the Company's preparation of the financial statements that give true and fair view in order to design audit procedures that are appropriate in the circumstances. An audit also includes evaluating the





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appropriateness of accounting policies used and the reasonableness of the accounting estimates made by Company's Directors, as well as evaluating the overall presentation of the financial statements.

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.

## OPINION

In our opinion and to the best of our information and according to the explanations given to us, the 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

- In the case of the Balance Sheet, of the state of affairs of the Company as at March 31, 2023;
- In the case of the Statement of Profit and Loss, of the **profit** for the year ended on that date; and
- In the case of the Cash Flow Statement, of the cash flows for the year ended on that date.

## REPORT ON OTHER LEGAL AND REGULATORY MATTERS

- As required by the Companies (Auditor's Report) Order 2020, ("the Order"), issued by the Central government of India after consultation with the National Financial Reporting Authority Constituted under section 132 of the Companies Act 2013, we give in the annexure a statement on the matters specified in paragraphs 3 and 4 of the order, to the extent applicable, as per "Annexure-A"
- As required by Section 143(3) of the Act, we report that:
  - 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;
  - 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.
  - The Balance Sheet, the Profit and Loss Statement, and the Cash Flow Statement dealt with by this Report are in agreement with the books of account.
  - 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;
  - On the basis of the written representations received from the directors as on March 31, 2023, taken on record by the Board of Directors, none of the directors is disqualified as on March 31, 2023, from being appointed as a director in terms of Section 164 (2) of the Act.
  - With respect to adequacy of the Internal financial Controls over financial reporting of the Company and the operating effectiveness of such controls, refer to our separate report in "Annexure B" and
  - 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, 2020, in our opinion and to the best of our information and according to the explanations given to us:
    - The Company does not have any pending litigations which would impact its financial position.





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- 
- ii. The Company did not have any long-term contracts including derivatives contracts for which there were any material foreseeable losses
  - iii. There has been no delay in transferring amounts, required to be transferred, to the Investor Education and Protection Fund by the Company.

For - S. Dad & Co

Chartered Accountants

Firm Regn No. 007534C

Sanjay Dad

Partner

M. No. 076334



Bhilwara, 02<sup>nd</sup> August, 2023  
UDIN:- 23076334BGXAJX3132



# S. Dad & Co.

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## ANNEXURE-A TO THE INDEPENDENT AUDITOR'S REPORT (Referred to in our report of even date)

The Annexure referred to in our Independent Auditors' Report to the members of the company on the financial statements for the year ended 31st March 2023, we report that.

- (i)
- a)
- (i) The Company has maintained proper records showing full particulars, including quantitative details and situation of Property, Plant and Equipment.
- (ii) The Company does not have any intangible assets. Accordingly, clause (b) of Paragraph (i) of the order is not applicable to the company.
- b) As explained to us, the Company has a regular program of physical verification of its Property, Plant and Equipment at reasonable intervals, which, in our opinion, is reasonable having regard to the size of the Company and the nature of its business. Accordingly, certain Property, Plant and Equipment were physically verified by the management during the year and no material discrepancies were identified on such verification.
- c) According to the information and explanations given to us and on the basis of our examination of the records of the Company, the title deeds of immovable properties are held in the name of the Company.
- d) According to the information and explanations given to us and on the basis of our examination of the records of the Company, The Company has not revalued its Property, Plant and Equipment during the year.
- e) As per the information and explanation given to us, the company does not have any proceedings initiated and has pending against the company for holding any benami property under the Benami Transactions (Prohibition) Act, 1988 (45 of 1988) and rules made thereunder
- (ii)
- a) As per the information and explanation given to us, the inventories have been physically verified during the year by the management at reasonable intervals. In our opinion, the coverage and procedure of such verification by management is appropriate. No material discrepancy was noticed on such verification.
- b) The company has been availed working capital limits of exceeding Eight crore rupees, in aggregate, from banks or financial institutions on the basis of security of current assets. In our opinion, the





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quarterly returns or statements filed by the company with such banks or financial institutions are in agreement with the books of account of the Company,

*"The company is engaged in manufacturing activities. The stock statements submitted to bank are broadly as per best estimate and available quantities as per books of accounts, subject to physical verification and audit. There may be few differences in book/stock statements due to shrinkage, reconciliation with job workers, ongoing conversion cycle at various stage of production, approximation with regards to valuation, wastage, shrinkage, and quality wise bifurcation. But there are no material differences".*

- (iii) The company has not made investment in, provided any guarantee or any security or granted any loans or advances in the nature of loan secured or unsecured to companies, firms, LLP or other parties. Accordingly, Paragraph (iii) (a) (b) (c) (d) (e) & (f) of the order is not applicable to the company.
- (iv) In our opinion and according to the information and explanations given to us, the Company has complied with the provisions of section 185 and 186 of the Act for any loans, investment guarantees and securities.
- (v) In our opinion, the company has not accepted any deposits from the public within the meaning of Section 73 to 76 or any other relevant provision of the Companies Act, 2013 and the rules framed there under. Accordingly, Paragraph (v) of the order is not applicable to the company.
- (vi) As per information and explanations given to us, the Central Government has not prescribed maintenance of cost records u/s 148(1) of the Companies Act 2013. Accordingly, Paragraph (vi) of the order is not applicable to the company
- (vii)
- (a) According to the information and explanations given to us and the records of the company examined by us, the company is generally regular in depositing undisputed statutory dues including Goods & Service Taxes, Provident Fund, Employee State Insurance, Income Tax, Sales Tax, Wealth tax, Service Tax, Duty of Customs, Duty of Excise, Value Added Tax, cess and any other material statutory dues as applicable with the appropriate authorities & there were no undisputed statutory dues, outstanding at the year ended on **31st March 2023**, for a period of more than six months from the date they became payable.
- (b) According to the information and explanations given to us and the records of the company examined by us, there are no material dues of income tax, sales tax, wealth tax, service tax, duty of customs, duty of excise or value added tax and cess which have not been deposited with the appropriate authorities on account of any dispute. The following appeal has been pending with CIT (A), Ajmer: -





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Sr. No	Name of the Statute	Nature of the Dues	Amount (in Lacs)	Period to which the amount relates	Forum Where Dispute is pending
1.	Income Tax Act 1961	Income Tax	Nil	F.Y.2014-15	CIT (A) – Ajmer

(viii) According to the information and explanations given to us, there is no transactions which are not recorded in the books of accounts that is required to be surrendered or disclosed as income during the year in the tax assessment under the Income Tax Act, 1961 (43 of 1961). Accordingly, this paragraph of the order is not applicable to the company

(ix)

- a) According to the information and explanations given to us and the records of the company examined by us, the company has not defaulted in repayment of loans or other borrowings or in the payment of interest thereon to any lender.
- b) According to the information and explanations given to us and the records of the company examined by us, the Company has not declared willful defaulter by any bank or financial institution or other lender;
- c) According to the information and explanations given to us and the records of the company examined by us, the term loans were applied for the purpose for which the loan were obtained.
- d) According to the information and explanations given to us and the records of the company examined by us, the company has not utilized the funds raised on short term basis for long term purpose.
- e) According to the information and explanations given to us the company has not taken any funds from any entity or person on account of or to meet the obligations of its subsidiaries, associates or joint ventures.
- f) According to the information and explanations given to us the company has not raised loans during the year on the pledge of securities held in its subsidiaries, joint ventures or associate companies.

(x)

- a) According to the information and explanations given to us the company has not raised any money by way of initial public offer or further public offer (including debt instruments) during the year.
- b) According to the information and explanations given to us the company has not made any preferential allotment or private placement of shares or convertible debentures (fully, partially or optionally convertible) during the year.

(xi)





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- a) According to the information and explanations given to us, no fraud by the Company or on the Company by its officers or employees has been noticed or reported during the year. Accordingly, clause (a) (b) & (c) of this paragraph of the order is not applicable to the company.
- (xii)
- a) In our opinion and according to the information and explanations given to us, the Company is not a Nidhi company. Accordingly, paragraph (xii) of the Order is not applicable.
- (xiii) In our opinion and according to the information and explanations given to us the Company's transactions with its related parties are in compliance with Sections 177 and 188 of the Act, where applicable, and details of related party transactions have been disclosed in the financial statements etc. as required by the applicable accounting standards.
- (xiv) According to the information and explanations given to us, the company have an internal audit system at management level. Company is not liable to conduct mandatorily internal audit as per section 138 of the companies Act, 2013.
- (xv) According to the information and explanations given to us and based on our examination of the records of the Company, the Company has not entered into any non-cash transactions with directors or persons connected with him. Accordingly, paragraph (xv) of the Order is not applicable.
- (xvi) According to the information and explanations given to us and based on our examination of the records of the Company, the Company is not required to be registered under section 45-IA of the Reserve Bank of India Act 1934. Accordingly, clause (a) (b) (c) & (d) of paragraph (xvi) of the Order is not applicable.
- (xvii) According to the information and explanations given to us and based on our examination of the records of the Company, the Company has not incurred cash losses in the financial year and in the immediately preceding financial year. Accordingly, paragraph (xvii) of the Order is not applicable.
- (xviii) There has been no resignation of statutory auditors during the year. Accordingly, paragraph (xviii) of the Order is not applicable.
- (xix) According to the information and explanations given to us and based on our examination of the records of the Company, on the basis of the financial ratios, ageing and expected dates of realisation of financial assets and payment of financial liabilities, other information accompanying the financial statements, the auditor's knowledge of the Board of Directors and management plans, in our opinion that no material uncertainty exists as on the date of the audit report that company is capable of meeting its liabilities existing at the date of balance sheet as and when they fall due within a period of one year from the balance sheet date.





# S. Dad & Co.

Chartered Accountants

44, First Floor, Heera Panna Market,  
Pur Road, Bhilwara – 311001, Rajasthan (India)

Tel: 01482-311608, 9829047880

ICAI Firm Registration No.: 007534C

RBI Unique Code No.: 892773

Email: [sanjaydad@rediffmail.com](mailto:sanjaydad@rediffmail.com), [sdcbhl@gmail.com](mailto:sdcbhl@gmail.com)

(xx)

- a) According to the information and explanations given to us and based on applicable provision of the companies Act, 2013, Section 135 of companies act, 2013 is not applicable to the company. Accordingly, clause (a) & (b) of paragraph (xx) of the order is not applicable to the company.

For S. Dad & Co.

Chartered Accountants

Firm Regn No. 007534C



Sanjay Dad

Partner

M. No. 076334

Bhilwara, 02<sup>nd</sup> August, 2023

UDIN:- 23076334BGXAJX3132



# S. Dad & Co.

Chartered Accountants

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Pur Road, Bhilwara – 311001, Rajasthan (India)

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## ANNEXURE-B

### TO THE INDEPENDENT AUDITOR'S REPORT (Referred to in our report of even date)

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

We have audited the internal financial controls over financial reporting of **SRM SPINNERS LIMITED** ('the Company') as of March 31, 2023 in conjunction with our audit of the financial statements of the Company for the year ended and as on that date.

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

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

#### Auditors' Responsibility

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

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

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





# S. Dad & Co.

Chartered Accountants

44, First Floor, Heera Panna Market,  
Pur Road, Bhilwara – 311001, Rajasthan (India)

Tel: 01482-311608, 9829047880

ICAI Firm Registration No.: 007534C

RBI Unique Code No.: 892773

Email: [sanjaydad@rediffmail.com](mailto:sanjaydad@rediffmail.com), [sdcbhl@gmail.com](mailto:sdcbhl@gmail.com)

## Meaning of Internal Financial Controls over Financial Reporting

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

## Inherent Limitations of Internal Financial Controls over Financial Reporting

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

## Opinion

In our opinion, to the best of our information and according to the explanations given to us, the Company has, in all material respects, an adequate internal financial controls system over financial reporting and such internal financial controls over financial reporting were operating effectively as at March 31, 2023, based on the internal control over financial reporting criteria established by the Company considering the essential components of internal control stated in the Guidance Note.

Bhilwara, 02<sup>nd</sup> August, 2023  
UDIN: 23076334BGXAJX3132



For S. Dad & Co.

Chartered Accountants

Firm Regn No. 007534C

Sanjay Dad

Partner

M. No. 076334

# SRM Spinners Limited

Balance Sheet as at 31st March 2023

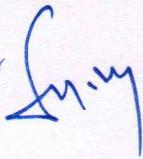
Particulars	Note No.	(₹ in Lakhs)	
		Figures as at the end of current reporting period	Figures as at the end of the previous reporting period
<b>1. EQUITY AND LIABILITIES</b>			
<b>Shareholder's Funds</b>			
Share Capital	1	1350.00	1350.00
Reserves and Surplus	2	1006.35	657.25
<b>2. Non-Current Liabilities</b>			
Long-Term Borrowings	3	1012.42	1212.10
Deferred Tax Liabilities (Net)	9	0.14	-
<b>3. Current Liabilities</b>			
Short-Term Borrowings	4	665.76	332.61
Trade Payables	5	285.74	637.71
Other Current Liabilities	6	208.22	243.62
Short-Term Provisions	7	2.30	-
<b>Total of Equity &amp; Liabilities</b>		<b>4530.93</b>	<b>4433.29</b>
<b>1. ASSETS</b>			
<b>Non-Current Assets</b>			
<b>a. Property, Plant and Equipment</b>			
Tangible Assets	8	2202.97	2650.93
Capital Work In Progress	8	24.67	-
b. Deferred tax assets (Net)	9	-	60.54
c. Long term loans and advances	10	366.86	207.99
<b>2. Current Assets</b>			
Inventories	11	1318.29	933.91
Trade receivables	12	173.61	160.35
Cash and cash equivalents	13	237.70	223.47
Short-term loans and advances	14	52.92	43.32
Other current assets	15	153.90	152.78
<b>Total of Assets</b>		<b>4530.93</b>	<b>4433.29</b>

Significant Accounting Policies & Notes on Financial Statements 1-30

As per Our report attached

For S.Dad & Co.

Chartered Accountants



Sanjay Dad  
Partner

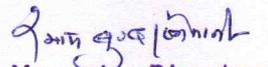
M.No. 076334

Bhilwara, 02nd Aug, 2023

UDIN: 23076334BGXAJX3132



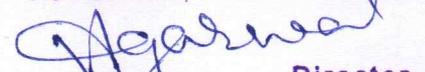
For- SRM Spinners Limited

  
Managing Director  
Shyam Sunder Somani  
Managing Director

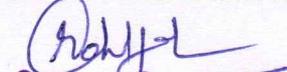
For SRM SPINNERS LIMITED

  
Chief Financial Officer  
Raghav Somani  
CFO

For and on Behalf of the Board

  
Director  
Vishal Rajendra Prasad Agarwal  
Director

For SRM SPINNERS LIMITED

  
Company Secretary  
Rahul Jain  
Company Secretary

# SRM Spinners Limited

Statement of Profit & Loss Account for the year ended 31st March, 2023

(₹ in Lakhs)

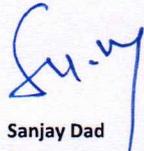
Particulars	Note No.	Figures as at the end of current reporting period	Figures as at the end of the previous reporting period
<b>Income:</b>			
Revenue from Operations	16	7808.23	7726.13
Other Income	17	31.25	15.99
		<b>7839.48</b>	<b>7742.12</b>
<b>Expenses:</b>			
Cost of materials consumed	18	5337.45	4969.23
Changes in inventories of finished goods, work-in-progress and Stock-in-Trade	19	-316.44	36.45
Employee Benefit Expense	20	744.98	667.85
Financial Costs	21	159.24	262.11
Depreciation and Amortization Expense	22	449.98	447.14
Other Expenses	23	970.79	962.77
		<b>7346.01</b>	<b>7345.53</b>
<b>Profit before tax</b>		<b>493.48</b>	<b>396.59</b>
<b>Tax expense:</b>			
Current tax		83.69	68.72
Deferred Tax		60.69	44.24
<b>Profit after tax</b>		<b>349.10</b>	<b>283.63</b>
Earning per equity share:			
(1) Basic in Rupees	24	2.59	2.10
(2) Diluted in Rupees	24	2.59	2.10

Significant Accounting Policies & Notes on Financial Statements 1-30

As per Our report attached

For S.Dad & Co.

Chartered Accountants

  
Sanjay Dad  
Partner

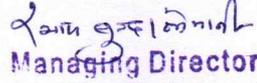
M.No. 076334

Bhilwara, 02nd Aug, 2023

UDIN: 23076334BGXAJX3132



For- SRM Spinners Limited

  
Managing Director

Shyam Sunder Somani  
Managing Director

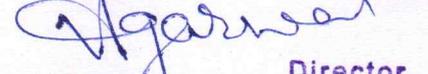
For SRM SPINNERS LIMITED

  
Chief Financial Officer

Raghav Somani  
CFO

For and on Behalf of the Board

For SRM Spinners Limited

  
Director

Vishal Rajendra Prasad Agarwal  
Director

For SRM SPINNERS LIMITED

  
Company Secretary

Ravi Jain  
Company Secretary

# SRM SPINNERS LIMITED

## CASH FLOW STATEMENT FOR THE YEAR ENDED 31ST MARCH 2023

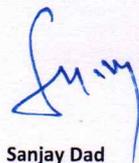
PARTICULARS	(₹ in Lakhs)	
	Figures as at the end of current reporting period	Figures as at the end of the previous reporting period
<b>A CASH FLOW FROM OPERATING ACTIVITIES</b>		
Net Profit before Tax	493.48	396.59
Adjustment for : (Non Cash and Non Operating items)		
Add: Depreciation	449.98	447.14
Add: Finance Cost	159.24	262.11
Add: Loss on sale of Fixed Assets	0.00	0.00
Less: Other Income	-31.25	-15.99
Operating Profit before Working Capital Changes	1071.45	1089.84
Adjustment for :		
(Increase)/Decrease in Trade & other receivable	-13.26	71.33
(Increase)/Decrease in inventories	-384.38	-227.33
(Increase)/Decrease in Short term Loans & Advances	-9.60	13.27
(Increase)/Decrease in Other Current Assets	-1.13	-152.78
Increase/(Decrease) in Trade Payables	-351.97	476.95
Increase/(Decrease) in Other Current liabilities	-33.10	-468.55
Cash Generated from Operation before Extra-ordinary items	278.02	802.74
Less: Extra-ordinary Expenses	-	-
Cash Generated from Operation before Tax	278.02	802.74
Less: Income Tax Paid	83.69	68.72
<b>Net Cash From Operating Activities (A)</b>	<b>194.32</b>	<b>734.02</b>
<b>B) CASH FLOW FROM INVESTING ACTIVITY</b>		
Purchase of Fixed Assets	-26.70	-83.42
Sale Consideration of Fixed Assets	-	-
Other Income	31.25	15.99
(Increase)/Decrease in Loans & Advances & others	-158.88	1.18
Net cash used in Investing Activity (B)	-154.33	-66.25
<b>C) CASH FLOW FROM FINANCING ACTIVITIES</b>		
Equity Capital raised during the year	-	-
Increase/(Decrease) in Long term Borrowing	-199.67	-548.25
Increase/(Decrease) in Short term Borrowing	333.14	-3.11
(Increase)/Decrease in other Non Current Assets	-	-
Less: Interest Paid	-159.24	-262.11
Net Cash used in Financing Activities(C)	-25.77	-813.46
Net change in Cash & Cash Equivalents(A+B+C)	14.23	-145.69
Cash & Cash Equivalents - Opening Balance	223.47	216.21
Cash & Cash Equivalents - Closing Balance	237.70	70.52

### Significant Accounting Policies & Notes on Financial Statements

As per Our report attached

For S.Dad & Co.

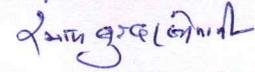
Chartered Accountants

  
Sanjay Dad  
Partner

M.No. 076334  
Bhilwara, 02nd Aug, 2023  
UDIN: 23076334BGXAJX3132



For- SRM Spinners Limited

  
Managing Director  
Shyam Sunder Somani  
Managing Director

For SRM SPINNERS LIMITED

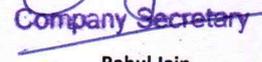
  
Chief Financial Officer  
Raghav Somani  
CFO

For and on Behalf of the Board

For SRM Spinners Limited

  
Director  
Vishal Rajendra Prasad Agarwal  
Director

For SRM SPINNERS LIMITED

  
Company Secretary  
Rahul Jain  
Company Secretary

# SRM SPINNERS LIMITED

Notes to Financial Statements for the Year Ended 31st March, 2023

(₹ in Lakhs)

## 1 Share Capital

	Number	Amount	Number	Amount
<b>Authorized Capital</b>				
Equity Shares of Rs. 10/- each	13,500,000	1350.00	13,500,000	1350.00
	13,500,000	1350.00	13,500,000	1350.00
<b>Issued</b>				
Equity Shares of Rs.10/- each	13,500,000	1350.00	13,500,000	1350.00
<b>Subscribed &amp; Paid Up</b>				
Equity Shares of Rs.10/- each fully paid up	13,500,000	1350.00	13,500,000	1350.00
<b>Total</b>	<b>13,500,000</b>	<b>1350.00</b>	<b>13,500,000</b>	<b>1350.00</b>

Notes:-

A reconciliation of the number of shares outstanding at the beginning and at the end of the reporting period:-

Particulars	Equity Shares As at 31 March 2023		Equity Shares As at 31 March 2022	
	Number	(₹ in Lakhs)	Number	(₹ in Lakhs)
Shares outstanding at the beginning of the year	13,500,000	1350.00	13,500,000	1350.00
Shares Issued during the year	-	-	-	-
Shares bought back during the year	-	-	-	-
Shares outstanding at the end of the year	<b>13,500,000</b>	<b>1350.00</b>	<b>13,500,000</b>	<b>1350.00</b>

Shares in the company held by each shareholder holding more than 5 % shares specifying the number of shares held:-

Name of Shareholder	Equity Shares As at 31 March 2023		Equity Shares As at 31 March 2022	
	No. of Shares held	% of Holding	No. of Shares held	% of Holding
Vishal Agarwal	1,803,125	13.36%	1,377,500	10.20%
Shyam Sunder Somani	1,157,000	8.57%	1,157,000	8.57%
Pashupati Laminators Private Limited	4,500,000	33.33%	4,500,000	33.33%
Chandra Kala Somani	2,187,000	16.20%	2,187,000	16.20%
Rajendra Prasad Satyanarayan Agarwal	-	-	851,250	6.31%
Ramkrupa Properties Private Limited	2,100,000	15.56%	2,100,000	15.56%

## Shareholding of Promoters

Sr. No	Name of Promoters	Equity Shares		% of change during the year
		No. of Shares held	% of Holding	
1	Vishal Agarwal	1803125	13.36%	3.16%
2	Vishal Agarwal HUF	47500	0.35%	-
3	Rajendra Prasad Agarwal HUF	123750	0.92%	-
4	Shyam Sunder Somani HUF	535000	3.96%	-
5	Shyam Sunder Somani	1157000	8.57%	-
6	Sheetal Maheshwari	250000	1.85%	-
7	Raghav Somani	232500	1.72%	-
8	Chandra Kala Somani	2187000	16.20%	-
9	Sonal Maheshwari	10000	0.07%	-
10	Kusum Devi Agarwal	425625	3.15%	-
11	Rajendra Prasad Satyanarayan Agarwal	-	-	3.15%
12	Pashupati Laminators Private Limited (Erstwhile known as Uptron Commotrade Pvt Ltd which is amalgamated in this company)	4500000	33.33%	-6.31%
13	Seema Maheshwari & Shri Shyam Sunder Somani	128500	0.95%	-
14	Ramkrupa Properties Pvt Ltd	2100000	15.56%	-

## 4 Changes in Equity during the Current reporting Period. (Refer Annexure-A)



# SRM Spinners Limited

## Annexure-3 Statement of Change in Equity

(₹ in Lakhs)

### A Equity Share Capital

#### 1 Current Reporting Period

Sr.No	Balance at the beginning of Period	Changes in Equity share capital due to prior period Errors	Restated balance at the beginning of current Reporting period	Changes in Equity Share Capital during the current Year	Balance at the end of Current Reporting Period
1	1350.00	-	-	-	1350.00
	1350.00	-	-	-	1350.00

#### 2 Previous Reporting Period

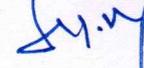
Sr.No	Balance at the beginning of Period	Changes in Equity share capital due to prior period Errors	Restated balance at the beginning of current Reporting period	Changes in Equity Share Capital during the current Year	Balance at the end of Current Reporting Period
1	1350.00	-	-	-	1350.00
	1350.00	-	-	-	1350.00

Significant Accounting Policies & Notes on Financial Statements

As per Our report attached

For S.Dad & Co.

Chartered Accountants



Sanjay Dad

Partner

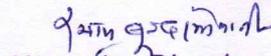
M.No. 076334

Bhilwara, 02nd Aug, 2023

UDIN: 23076334BGXAJX3132



For- SRM Spinners Limited

  
Shyam Sunder Somani  
Managing Director

Managing Director

SRM SPINNERS LIMITED

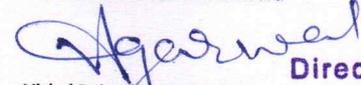
  
Raghav Somani

CEO

Chief Financial Officer

For SRM Spinners Limited

For and on Behalf of the Board

  
Vishal Rajendra Prasad Agarwal

Director

For SRM SPINNERS LIMITED

Director

  
Rahul Jain

Company Secretary

# SRM Spinners Limited

## Annexure-3 Cont..

### B Other Equity

#### 1 Current Reporting Period

Sr.No	Particulars	Reserve & Surplus										Total			
		Share Application money pending Allotment	Equity Component of Compound financial Statements	Capital Reserve	Securities Premium	Other Reserve (Specify Nature)	Debt instrument through other comprehensive Income	Equity instrument through other comprehensive Income	Effective Porportion of Cash Flow Hedges	Revaluation Surplus	Exchange Differences on translating the financial statement of a Foreign operation		Other items of other comprehensive income (Specify Nature)	Money received against share warrants	
1	Balance at the beginning of the previous reporting period	-	-	-	-	657.25	-	-	-	-	-	-	-	-	657.25
2	Change in accounting policy/prior period item	-	-	-	-	-	-	-	-	-	-	-	-	-	-
3	Restated balance at the beginning of previous Reporting period	-	-	-	-	-	-	-	-	-	-	-	-	-	-
4	Total Comprehensive income for the previous year	-	-	-	-	-	-	-	-	-	-	-	-	-	-
5	Dividends	-	-	-	-	-	-	-	-	-	-	-	-	-	-
6	Transfer to retained earnings	-	-	-	-	349.10	-	-	-	-	-	-	-	-	349.10
7	Any other change to be specified	-	-	-	-	-	-	-	-	-	-	-	-	-	-
8	Balances at the end of the current Reporting period	-	-	-	-	1006.35	-	-	-	-	-	-	-	-	1006.35

Significant Accounting Policies & Notes on Financial Statements

As per Our report attached

For S.Dad & Co.

Chartered Accountants

  
Sanjay Dad  
Partner

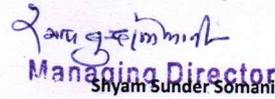
M.No. 076334

Bhilwara, 02nd Aug, 2023

UDIN: 23076334BGXAJX3132



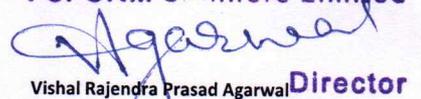
For- SRM Spinners Limited

  
Shyam Sunder Somani  
Managing Director

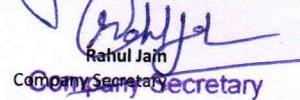
For SRM SPINNERS LIMITED

  
Raghav Somani  
CFO  
Chief Financial Officer

For SRM Spinners Limited

  
Vishal Rajendra Prasad Agarwal  
Director

For SRM SPINNERS LIMITED

  
Rahul Jain  
Company Secretary

# SRM Spinners Limited

## 2 Previous Reporting Period

Sr.No	Particulars	Reserve & Surplus										Total			
		Share Application money pending Allotment	Equity Component of Compound financial Statements	Capital Resvve	Securities Premium	Other Reserve (Specify Nature)	Debt instrument through other comprehensive Income	Equity instrument through other comprehensive Income	Effective Porpotion of Cash Flow Hedges	Revalua tion Surplus	Exchange Differences on translating the financial statement of a Foreign operation		Other items of comprehensive income (Specify Nature)	Money received against share warrants	
1	Balance at the beginning of the previous reporting period	-	-	-	-	373.62	-	-	-	-	-	-	-	-	373.62
2	Change in accounting policy/prior period item	-	-	-	-	-	-	-	-	-	-	-	-	-	-
3	Restated balance at the beginning of previous Reporting period	-	-	-	-	-	-	-	-	-	-	-	-	-	-
4	Total Comprehensive income for the previous year	-	-	-	-	-	-	-	-	-	-	-	-	-	-
5	Dividends	-	-	-	-	-	-	-	-	-	-	-	-	-	-
6	Transfer to retained earnings	-	-	-	-	283.63	-	-	-	-	-	-	-	-	283.63
7	Any other change to be specified	-	-	-	-	-	-	-	-	-	-	-	-	-	-
8	Balances at the end of the current Reporting period	-	-	-	-	657.25	-	-	-	-	-	-	-	-	657.25

Significant Accounting Policies & Notes on Financial Statements

As per Our report attached

For S.Dad & Co.

Chartered Accountants

  
Sanjay Dad  
Partner

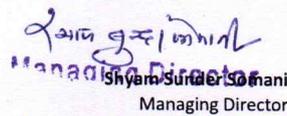
M.No. 076334

Bhilwara, 02nd Aug, 2023

UDIN: 23076334BGXAJX3132



For- SRM Spinners Limited

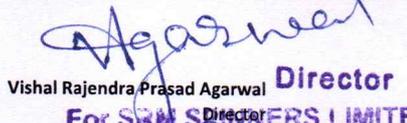
  
Shyam Sunder Somani  
Managing Director

For SRM SPINNERS LIMITED

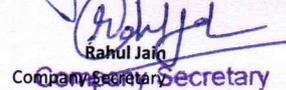
  
Raghav Somani  
CFO  
Chief Financial Officer

For SRM Spinners Limited

For and on Behalf of the Board

  
Vishal Rajendra Prasad Agarwal  
Director

For SRM SPINNERS LIMITED

  
Rahul Jain  
Company Secretary

# SRM Spinners Limited

Notes Forming Integral Part of Financial Statement as at 31st March, 2023

(₹ in Lakhs)

## 2 Reserve & Surplus

Particulars	Figures as at the end of current reporting period	Figures as at the end of the previous reporting period
Balance brought forward from previous year	657.25	373.62
Add: Profit for the period	349.10	283.63
<b>Surplus (Profit &amp; Loss Account)</b>	<b>1006.35</b>	<b>657.25</b>

## 3 Long Term Borrowings

### Secured Loans

#### Term Loans

Term Loan - Bank of Baroda (Note 3.1, 3.2, 3.3)	241.08	609.44
Term Loan - HDFC Car Loan (Note 3.4)	-	2.66
<b>Total</b>	<b>241.08</b>	<b>612.10</b>

#### Unsecured Loans

Loans and Advances from Related Parties (Note 3.5)	771.34	600.00
<b>Total</b>	<b>771.34</b>	<b>600.00</b>
<b>Total</b>	<b>1012.42</b>	<b>1212.10</b>

### Notes and T&C of Term Loan Facilities -- Term Loan - Bank of Baroda

3.1 **Term Loan from Bank of Baroda of Rs. 442 Lacs** (Outstanding Amount- Rs. 185.81 Lacs) including Rs. 146.40 Lacs Shown under the Head - Other Current Liabilities for current Maturity of Long Term Loan is Secured by way of first charge over entire Fixed assets (Present & Future) of the company & personally guaranteed by Mr. Shyam Sunder Somani, Mr. Vishal Agarwal, Mr. Piyush Kumar Goenka, Mrs. Manisha Goenka. In addition to the above security, extension of charge over entire current assets of the company (Present & Future).The Loan is repayable in 36 Equal Monthly installments commencing from 31.07.2021 and at presently carrying Floating Rate of Interest at 9.25% p.a. at present.

3.2 **Term Loan from Bank of Baroda of Rs. 220 Lacs** (Outstanding Amount- Rs. 220 Lacs) including Rs. 18.33 Lacs Shown under the Head - Other Current Liabilities for current Maturity of Long Term Loan is Secured by way of first charge over entire Fixed assets (Present & Future) of the company & personally guaranteed by Mr. Shyam Sunder Somani, Mr. Vishal Agarwal, Mr. Piyush Kumar Goenka, Mrs. Manisha Goenka. In addition to the above security, extension of charge over entire current assets of the company (Present & Future).The Loan is repayable in 36 Equal Monthly installments commencing after 2year from the date of sanction and at presently carrying Floating Rate of Interest at 9.25% p.a. at present.

### 3.3 Securities - Primary and Collateral

Exclusive 1st Charge by way of Hypothecation of Entire Plant & Machinery, Electrical installation, Electric & Lab Equipment, office equipment, Furniture & Fixtures (Excluding vehicles financed by other Banks/Fis) & other moveable fixed assets in the name of the company, Both present & Future.

Equitable Mortgage of Factory Land & Building situated at Araji No. 595/2, 596/2, 597/2, 595, 596, 595/3, 596/3, 591, 592,593,594 (Khata No. 20, 05, 38, 142) Village Nanakpura Patwar Area, Datakalan, GP- Dhunwala, Tehsil Mandal, Dist- Bhilwara- 311001 admeasuring 30839.40 Sq Mts in the name of the company

Equitable Mortgage of Residential Property situated at " Sukh Shanti" Sabun Marg, Bhilwara admeasuring 1387.75 Sq Feet, in the name of Mr. Shyam Sunder Somani.

### 3.4 Term Loan - HDFC Car Loan

**Car Loan from HDFC of Rs.22 Lacs** Outstanding Rs. 2.66 Lakhs (PY 7.63 Lacs) Including Rs. 2.66 Lakhs Shown under the Head Other Current Liabilities for current Maturity of Long Term Loan is Secured by way of Hypothecation of Car. Loan is repayable in 60 equal monthly installments of Rs. 45402 including interest starting from 01/10/2018 and at presently carrying Rate of Interest at 8.75%.

### Notes and T&C of Term Loan Facilities -Unsecured Loan

### 3.5 Unsecured Loans

As informed by the management, the above unsecured loans were raised from promoters & their relatives for various credit limits provided by bank/financial institutions or were forming part of unsecured loan outstanding as on 31/03/2023. Hence the same are not considered as deposits as per rule 2 sub rule (1) of Company (Acceptance of Deposits) Rules,2014 & outside te purview of the definition of deposits u/s 2 sub clause 31 of Companies Act, 2013.

## 4 Short Term Borrowings

### Secured Loans

- Working Capital loan from Bank of Baroda (Note 4.1, 4.2)	665.76	332.61
	<b>665.76</b>	<b>332.61</b>

### Notes and T&C of Working Capital Facilities - Primary Securities

4.1 Working Capital loan of Rs. 800.00 lacs from Bank of Baroda is secured by way of First and exclusive charge on entire current assets of the company present and future by the way of hypothecation on company's raw material, WIP, finished goods, stores and spares & book debts and other current assets of the company lying in factory premises or elsewhere in the name of company M/s SRM Spinners Limited, Present & Future & personally guaranteed by Mr. Shyam Sunder Somani, Mr. Vishal Agarwal, Mr. Piyush Kumar Goenka, Mrs. Manisha Goenka & Corporate Guarantee of M/s Pushpati Laminators Private Limited. The Loan is Repayable on Demand and Present ROI is 9.75%p.a.



# SRM Spinners Limited

Notes Forming Integral Part of Financial Statement as at 31st March, 2023

(₹ in Lakhs)

Particulars	Figures as at the end of current reporting period	Figures as at the end of the previous reporting period
<b>4.2 Collateral Securities</b>		
Exclusive 1st Charge by way of Hypothecation of Entire Plant & Machinery, Electrical installation, Electric & Lab Equipment, office equipment, Furniture & Fixtures (Excluding vehicles & financed by other Banks/Fis) & other moveable fixed assets in the name of the company, Both present & Future.		
Equitable Mortgage of Factory Land & Building situated at Araj No. 595/2, 596/2, 597/2, 595, 596, 595/3, 596/3, 591, 592, 593, 594 (Khata No. 20, 05, 38, 142) Village Nanakpura Patwar Area, Datakalan, GP- Dhunwala, Tehsil Mandal, Dist- Bhilwara- 311001 admeasuring 30839.40 Sq Mts in the name of the company.		
Equitable Mortgage of Residential Property situated at " Sukh Shanti" Sabun Marg, Bhilwara admeasuring 1387.75 Sq Feet, in the name of Mr. Shyam Sunder Somani.		
The company is engaged in manufacturing activities. The stock statements submitted to bank are broadly as per best estimate and available quantities as per books of accounts, subject to physical verification and audit. There may be few differences in book/stock statements due to shrinkage, reconciliation with job workers, ongoing conversion cycle at various stage of production, approximation with regards to valuation, wastage, shrinkage, and quality wise bifurcation. But, there are no material differences.		
<b>5 Trade Payables</b>		
For Materials (Net)	104.83	394.47
For Expenses & others	180.91	243.24
<b>Total</b>	<b>285.74</b>	<b>637.71</b>
<b>Trade Payables ageing schedule</b>		
<b>Other than MSME</b>		
Less than 1 year-Undisputed	231.30	606.55
1-2 years-undisputed	32.06	4.60
2-3 years -Undisputed	4.41	3.42
More than 3 Years -Undisputed	17.97	23.15
<b>Total</b>	<b>285.74</b>	<b>637.71</b>
<b>Notes-Trade Payables</b>		
(i)	The Balance outstanding with sundry creditors either debit or credit are subject to confirmation and reconciliation	
(ii)	<i>The government of India has promulgated an act namely "The Micro, small &amp; Medium Enterprises development Act, 2006" which comes into force with effect from October, 2 2006. As per the Act, the company is required to identify the Micro &amp; Small Enterprises &amp; pay them interest on overdue beyond the specified period irrespective of the terms agreed with the enterprises. The Company has initiated the process of identification of such suppliers. In view of no. of suppliers &amp; no. receipt of critical inputs &amp; response from several such potential parties, the liability of interest can neither be reliably estimated nor any required disclosure can be made. Accounting in this regard will be carried out after process is complete and reliable estimate can be made in this regard. Since the Company is regular in making payments to all suppliers, the management does not anticipate any significant interest liability.</i>	
<b>6 Other Current Liabilities</b>		
Current Maturities of Long Term Loans	167.39	201.38
Duties, Taxes, ESI, PF and Others Payables	17.71	5.64
Bonus Payable	19.31	16.02
Advance Received from Customers	3.81	20.58
<b>Total</b>	<b>208.22</b>	<b>243.62</b>
<b>7 Short Term Provisions</b>		
Provision for Income tax	2.30	-
<b>Total</b>	<b>2.30</b>	<b>-</b>
<b>9 Calculation of Deferred Tax Liabilities/Assets</b>		
<b>Timing Difference Due to Depreciation</b>		
WDV as on 31/03/2023 (As Per Books)	2202.97	2650.93
Less: Value of Land	91.65	91.65
WDV as on 31/03/2023 (As per I.T. Act)	2111.32	2559.28
Timing Difference due to Depreciation	1407.10	1683.63
Deffered Tax Liability	704.22	875.64
Loss upto 31-03-2022	195.91	243.60
Current Year profit/Loss Set off	491.48	996.47
Timing Diff. Due to Brought Forward Losses as on 31/03/2023	-491.48	-504.99
Deffered Tax Assets	-	491.48
MAT Credit	-	136.73
Net Deffered Tax Liability/(Assets) upto 31/03/2023	195.77	167.42
Less: Opening Deffered Tax Liability	0.14	-60.54
Net Deffered Tax Liability/(assets) for the Current Year	-60.54	-104.78
	<b>60.69</b>	<b>44.24</b>



## SRM SPINNERS LIMITED

Note 8

### DETAILS OF FIXED ASSETS & DEPRECIATION CALCULATION AS PER COMPANIES ACT 2013

S. No.	PARTICULARS	GROSS BLOCK			DEPRECIATION			NET BLOCK	
		As on	Addition	TOTAL	Up to	For the year	Total	As at	As at
		01.04.2022		31.03.2023	31.03.22		31.03.2023	31.03.2023	31.03.2023
								(₹ in Lakhs)	
1	Land	91.65		91.65	-	-	-	91.65	91.65
2	Factory Building	997.43	0.45	997.88	204.54	31.60	236.14	761.74	792.89
3	Plant & Machinery	3961.48		3961.48	2637.84	376.34	3014.18	947.30	1323.64
4	Furniture & Fixtures	11.55	0.30	11.85	6.83	1.12	7.95	3.90	4.72
5	Vehicles	33.29		33.29	18.17	2.97	21.14	12.15	15.11
	Electric installation &								
6	Equipments	208.91		208.91	141.75	19.85	161.60	47.31	67.16
7	Computer	5.36	1.28	6.64	4.68	0.40	5.08	1.56	0.68
8	Solar	372.77		372.77	17.70	17.71	35.41	337.36	355.07
	<b>TOTAL (a)</b>	<b>5682.44</b>	<b>2.03</b>	<b>5684.47</b>	<b>3031.51</b>	<b>449.98</b>	<b>3481.50</b>	<b>2202.97</b>	<b>2650.93</b>
	Capital Work in Progress								
1	Plant & Machinery	-	24.67	24.67	-	-	-	24.67	-
	<b>TOTAL (b)</b>	<b>-</b>	<b>24.67</b>	<b>24.67</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>24.67</b>	<b>-</b>
	<b>TOTAL (a+b)</b>	<b>5682.44</b>	<b>26.70</b>	<b>5709.14</b>	<b>3031.51</b>	<b>449.98</b>	<b>3481.50</b>	<b>2227.64</b>	<b>2650.93</b>



# SRM Spinners Limited

Notes Forming Integral Part of Financial Statement as at 31st March, 2023

Particulars	(₹ in Lakhs)	
	Figures as at the end of current reporting period	Figures as at the end of the previous reporting period
<b>10 Long Term Loans and Advances</b>		
FDR under EPCG Bank Guarantee	97.31	92.89
Security Deposite - AVVNL and Others	119.40	115.10
Capital Advances	150.15	-
<b>Total</b>	<b>366.86</b>	<b>207.99</b>
<b>11 Inventories</b>		
Raw Material	679.19	611.67
Work-in-Progress	78.07	124.52
Finished Goods	537.17	174.28
Stores & Spares	23.86	23.44
<b>Total</b>	<b>1318.29</b>	<b>933.91</b>
All the above inventories have been valued at cost or Net Realisable value whichever is lower, as taken valued and certified by management		
<b>12 Trade Receivables</b>		
Outstanding for more than six months	3.03	0.27
Outstanding for less than six months	170.57	160.08
<b>Total</b>	<b>173.61</b>	<b>160.35</b>
<b>Trade Receivables ageing schedule</b>		
<b>Undisputed Trade Receivables</b>		
Less than 1 year-Undisputed	173.52	160.12
1-2 years-undisputed	0.08	0.16
2-3 years -Undisputed	-	0.07
More than 3 Years -Undisputed	-	-
<b>Total (a)</b>	<b>173.61</b>	<b>160.35</b>
<b>Disputed Trade Receivables</b>	-	-
<b>Total (b)</b>	<b>173.61</b>	<b>160.35</b>
(i) The Balance outstanding with sundry creditors either debit or credit are subject to confirmation and reconciliation		
<b>13 Cash &amp; Cash Equivalent</b>		
<b>Cash-in-Hand</b>		
Cash Balance	5.65	1.90
<b>Bank Balance</b>		
Fixed Deposit in Bank of Baroda (Pledge With Bank)	232.05	221.58
<b>Total</b>	<b>237.70</b>	<b>223.47</b>
<b>14 Short Terms Loans and Advances</b>		
Advances to Material Suppliers	37.89	24.95
Balance With Government and other Authorities	7.76	6.99
Others Loan and advances	7.26	11.38
<b>Total</b>	<b>52.92</b>	<b>43.32</b>
<b>15 Other current assets</b>		
Income Tax Refund	1.94	0.68
Interest Subsidy Receivable - TUFs	-	48.67
Interest Subsidy Receivable - RIPS	-	4.27
Prepaid expense	7.72	7.55
GST Credit Balance	144.24	91.60
<b>Total</b>	<b>153.90</b>	<b>152.78</b>
<b>16 Revenue From Operations</b>		
<b>Sale of Goods</b>		
Yarn Sales- Domestic (Net)	7656.29	7653.95
Fiber Sale- Domestic	-	37.16
Yarn Sales- Export	108.69	-
Waste Sales	18.76	15.37
Scrap (Local sale)	2.56	0.09
<b>Total (a)</b>	<b>7786.30</b>	<b>7706.58</b>



# SRM Spinners Limited

Notes Forming Integral Part of Financial Statement as at 31st March, 2023

(₹ in Lakhs)

## 16 Revenue From Operations-Continued

Particulars	Figures as at the end of current reporting period	Figures as at the end of the previous reporting period
<b>Sale of Services</b>		
Interest/ Rate Difference from debtors	3.09	2.36
Job Charges	1.76	5.65
Commission Income	16.76	11.55
L/C Negotiation Charge	0.32	-
<b>Total (b)</b>	<b>21.93</b>	<b>19.56</b>
<b>Total (a+b)</b>	<b>7808.23</b>	<b>7726.13</b>
<b>17 Other Income</b>		
Interest received on FDR	16.55	15.60
Interest received on AVVNL	9.57	-
Interest on IT Refund	0.29	0.38
Export Benefits Receivable	2.71	-
Forex Gain & Loss	2.13	-
<b>Total</b>	<b>31.25</b>	<b>15.99</b>
<b>18 Cost of Material Consumed</b>		
<b>Purchases and Consumption of Material</b>		
Opening Stock	611.67	338.24
Add: Purchases	5088.78	4989.96
Less Discount Received	-42.38	-74.95
Less: Closing Stock	679.19	611.67
	<b>4978.88</b>	<b>4641.57</b>
<b>Stores &amp; Spares Consumption</b>		
Opening Stock	23.44	33.10
Add: Purchase (net)	358.99	318.00
Less: Closing Stock	23.86	23.44
	<b>358.57</b>	<b>327.65</b>
<b>Total</b>	<b>5337.45</b>	<b>4969.23</b>
<b>19 Change in Inventories</b>		
<b>Inventories at the beginning of the Year</b>	<b>298.79</b>	<b>335.24</b>
Finish Goods	174.28	253.96
Work in Progress	124.52	81.28
<b>Inventories at the end of the Year</b>	<b>615.24</b>	<b>298.79</b>
Finish Goods	537.17	174.28
Work in Progress	78.07	124.52
<b>Total</b>	<b>-316.44</b>	<b>36.45</b>
<b>20 Employment Benefit Expenses</b>		
Salary & Wages	596.67	540.52
Contribution to Provident Fund.	28.79	21.06
Contribution to E.S.I.	15.04	12.22
Gratuity	5.34	0.30
Perquisites - Employee	0.78	0.31
Bonus	19.31	16.02
Director's & Key Managerial Remuneration / Perquisites	75.00	75.00
Labour Welfare Exp.	4.06	2.42
<b>Total</b>	<b>744.98</b>	<b>667.85</b>
<b>21 Financial Cost</b>		
Interest on Cash Credit/LC Charges Facility	25.03	30.01
Interest on Term loan (Net of Subsidy)	50.32	134.38
Interest on Unsecured Loans	79.27	70.96
Interest to Creditors/Others	-	9.69
Bank Charges	4.16	16.12
Interest on GST & TDS Late Payment	-	0.06
Interest on Car Loan	0.47	0.89
<b>Total</b>	<b>159.24</b>	<b>262.11</b>



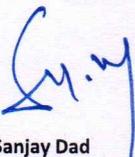
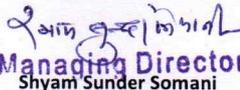
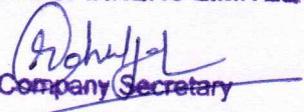
# SRM Spinners Limited

Notes Forming Integral Part of Financial Statement as at 31st March, 2023

Particulars	(₹ in Lakhs)	
	Figures as at the end of current reporting period	Figures as at the end of the previous reporting period
<b>22 Depreciation &amp; Amortised Cost (As Per Annexure 8)</b>		
Depreciation	449.98	447.14
	<b>449.98</b>	<b>447.14</b>
<b>23 Other Expenses</b>		
<b>Direct Production Overheads</b>		
Power & Fuel		
Repairs & Maintenance (Building)	703.56	662.85
Repairs & Maintenance (Plant & Machinery) (Net)	7.95	3.27
Other Manufacturing Exp.	17.09	13.94
Job Charges - TFO	7.03	4.31
	14.08	2.74
	<b>(a) 749.71</b>	<b>687.11</b>
<b>Administrative Expenses</b>		
Telephone Expenses	0.60	0.59
Rates & Taxes	1.11	0.07
Postage & Telegram	0.95	0.58
Audit Fees	1.00	1.00
Conveyance & Vehicle Running Expenses	31.52	30.40
Insurance exp	11.00	11.61
Office Expenses	9.89	5.74
Printing & Stationery	1.06	1.15
Legal & Professional Expenses	7.84	3.21
Transportation and staff rent Expenses	29.43	26.75
Entry tax Demand	-	0.25
Annual Maintenance Charges	0.81	0.64
Provident Fund Exp	-	0.08
Late Fees /Interest on Delayed Payment of TDS/GST	0.00	0.00
	<b>(b) 95.21</b>	<b>82.08</b>
<b>Selling &amp; Distribution Expenses</b>		
Sales Commission		
Export Expenses	12.11	75.35
Freight & Forwarding/ Loading/unloading Charges	3.61	-
Travelling Expenses	92.40	108.95
Advertisement & Publicity	1.84	0.40
Rate Discount / Discount/Quality claim (Net)	0.05	0.03
	15.85	8.86
	<b>(c) 125.86</b>	<b>193.58</b>
	<b>Total (a+b+c) 970.79</b>	<b>962.77</b>
<b>24 Earning Per Share</b>		
The calculation of Earning Per Share (EPS) has been made in accordance with Accounting Standard-20." Earning Per Share" issued by chartered accountant of India. A statement on calculation of Basic and Diluted EPS is as under:-		
Net Profit after taxation		
Weighted average number of Equity Shares	349.10	283.63
Add: Dilutive Potential Equity Shares	Nos. 135.00	135.00
No. of Equity Shares for Dilutive EPS	-	-
Nominal Value of Shares in Rs.	135.00	135.00
Basic Earning Per Shares in Rs.	10	10
Diluted Earning Per Shares in Rs.	2.59	2.10
	2.59	2.10
<b>25 Related Party Disclosure</b>		
<b>Key Managerial Personnel</b>		
Vishal Rajendra Prasad Agarwal	Director	
Shyam Sunder Somani	Managing Director	
Raghav Somani	CFO - Chief Financial Officer	
Rahul Jain	Company Secretary	
Manisha Goenka	Director	
Murlimanohar Rander	Independent Director	
Bheru Lal Kabra	Independent Director	



# SRM Spinners Limited

Particulars	(₹ in Lakhs)		
	Figures as at the end of current reporting period	Figures as at the end of the previous reporting period	
<b>25 Related Party Disclosure-Continued</b>			
<b>Relatives of Key Managerials Personnel</b>			
Indu Agarwal		Relative of Director	
Pooja Agarwal		Relative of Director	
<b>Others</b>			
Vishal Agarwal - HUF		Director's HUF	
Rajendra Prasad Agarwal-HUF		Director's HUF	
RAM KRUPA PROPERTIES PRIVATE LIMITED		Co in which Director is interested	
Shree Mahabir Management Services Private Limited		Co in which Director is interested	
SHREEDHAR COTSYN PRIVATE LIMITED		Co in which Director is interested	
Siddhartha Super Spinning Mills Limited		Co in which Director is interested	
	<b>Transactions</b>	<b>Key Managerial Personnel</b>	<b>Relatives of Key Managerials Personnel</b>
			<b>Others</b>
<b>Revenue</b>			
Sales	-	-	579.86
<b>Expenditure</b>			
Remunerations	29.92	36.00	-
Interest	24.00	-	55.27
Purchases	-	-	321.13
<b>26 Contingent Liabilities and Commitments (to the extent not provided for)</b>			
<b>1. Contingent Liabilities</b>			
(a) Guarantees -Outstanding under EPCG		105.85	105.85
<b>27 Additional Information to the financial statements</b>			
<b>1. Consumption of Imported &amp; Indegenious Items</b>			
Raw Material		4978.88	4641.57
Spare Parts		358.57	327.65
<b>28</b> The figures of the previous period have been re-grouped / re-arranged and / or recast wherever found necessary.			
<b>29</b> Statement Showing Ratio Analysis as per Annexure I			
<b>30</b> Significant accounting policies and practices adopted by the Company are disclosed in the statement annexed to these financial statements as Annexure II			
<b>Significant Accounting Policies &amp; Notes on Financial Statements</b> For S.Dad & Co.			
<b>Chartered Accountants</b>			
		 <b>Managing Director</b> Shyam Sunder Somani Managing Director	 <b>For and on Behalf of the Board</b> <b>For SRM Spinners Limited</b> Vishal Rajendra Prasad Agarwal Director
<b>Sanjay Dad</b> Partner M.No. 076334 Bhilwara, 02nd Aug, 2023 UDIN: 23076334BGXAJX3132		 <b>For SRM SPINNERS LIMITED</b> Chief Financial Officer Raghav Somani CFO	 <b>For SRM SPINNERS LIMITED</b> Company Secretary Rahul Jain Company Secretary

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## Annexure II

### SIGNIFICANT ACCOUNTING POLICIES

#### Basis of Preparation of Financial Statements:

These financial statements are prepared in accordance with Indian Generally Accepted Accounting Principles (GAAP) under historical cost convention on the accrual basis (unless otherwise stated hereinafter). GAAP comprises mandatory accounting standards as prescribed under section 133 of the Companies Act 2013 read with Rule 7 of the Companies (Accounts) Rules 2014, the provisions of the Act (to the extent notified). These accounting policies have been consistently applied by the company with those used in previous year

#### Property Plant and Equipment

Property Plant and Equipment are stated at cost comprising of purchase price and any initial directly attributable cost of bringing the asset to its working condition for its intended use, less accumulated depreciation (other than freehold land) and impairment loss, if any.

Depreciation is provided for fixed assets on a straight line basis so as to expense the cost less residual value over their estimated useful lives based on a technical evaluation. The estimated useful lives and residual values are reviewed at the end of each reporting period, with the effect of any change in estimate accounted for on a prospective basis.

The estimated useful lives are as mentioned below:

Buildings	30 Years
Plant & Machinery	15 Years
Electric Installation	10 Years
Vehicles- Two Wheelers	10 Years
Vehicles- Four Wheelers	8 Years
Furniture's and Fixture	10 Years
Computer/Printers	3 Years
Office Equipment's	5 Years

#### Government Grants:

Any government grant is recognized when there is reasonable assurance of its receipt. A capital grant is deducted from the original cost of the fixed assets. Revenue grant is recognized in the Statement of Profit and Loss by adopting 'Income Approach' as defined in AS – 12.

#### Foreign Currency Transaction:

Foreign currency transactions are recorded at the exchange rate prevailing on the date of transaction. Monetary assets and liabilities in foreign currency if existing at the Balance Sheet date are restated at the year-end exchange rates.

The premium or discount on forward exchange contracts entered into to hedge an existing asset / liability is amortized as expense or income over the life of the contract. Any profit or loss arising on cancellation or renewal of such a forward exchange contract is recognized as income or as expenses as the case may be on such occurrence.

Forward exchange contracts outstanding as at the year end on account of firm commitment are marked to market. In accordance with the announcement by the institute of Chartered Accountants of India on 'Accounting for Derivatives' the losses, if any, are recognized in the Statement of Profit and Loss while gains are ignored.

Exchange difference, including, premium or discount on forward exchange contracts, arising are recognized in the Statement of Profit and Loss.

#### Revenue Recognition:



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- Sale of good is recognized at the point of dispatch to customers.
- Other Incomes are accounted for on accrual basis except where the receipt of Income is uncertain.
- Insurance claims are accounted for in the year of lodgment to the extent they are measurable and any shortfall/excess is adjusted on receipt of the final claim.

## Inventories

Inventories are valued at lower of cost or net realizable value, after providing for obsolescence and damages as follows (as taken, valued & certified by Management): -

Raw Material, Packing Material & Stores and Spares	At cost, on FIFO/ weighted average basis
Finished goods	At cost, plus appropriate production overheads, including excise duty paid/ payable on such goods if applicable.
Material in Process	At Cost, plus appropriate production overheads.

## Retirement Benefits:

- Contribution to provident fund is accounted for on accrual basis. The Company makes contribution to provident fund plan administrated by the Government of India.
- The liability in respect of gratuity & leave encashment has not been accounted as none of the employees have completed qualified period of service. The same will be accounted as & when ascertain/paid.

## Borrowing Cost:

Borrowing costs relating to acquisition/ construction of qualifying assets are capitalized until the time all substantial activities necessary to prepare the qualifying assets for their intended use are complete. A qualifying asset is one that necessarily takes substantial period of time to get ready for its intended use. All other borrowing costs are charged to revenue.

## Taxes on Income

- Current tax has been provided as per the provision of Income Tax Act 1961.
- Tax expenses comprise of current and deferred tax. Current income tax is measured at the amount expected to be paid to the tax authorities in accordance with the Indian Income Tax Act, 1961. Deferred tax reflects the impact of current year timing differences between book profit and taxable income for the year and reversal of timing differences of earlier years.  
The deferred tax for timing differences between the book profit and taxable income for the year is accounted for using the tax rates and laws that have been substantially enacted as of the Balance Sheet date. Deferred tax assets are recognized only to the extent that there is reasonable certainty that sufficient future taxable income will be available against which such deferred tax assets can be realized. If the company has carry forward unabsorbed depreciation and tax losses, deferred tax assets are recognized only to the extent there is virtual certainty supported by convincing evidence that sufficient taxable income will be available against which such deferred tax asset can be realized.
- Minimum Alternate Tax (MAT) credit is recognized as an asset only when and to the extent there is convincing evidence that the company will pay normal income tax during the specified period. In the year in which the MAT credit becomes eligible to be recognized as an asset in accordance with the recommendations contained in guidance note issued by the Institute of Chartered Accountants of India, the said asset is created by way of a credit to the Profit and Loss Account and shown as MAT Credit entitlement. The company reviews the same at each Balance Sheet date and write down the carrying amount of MAT credit entitlement to the extent there is no longer convincing evidence to the effect that the company will pay normal income-tax during specified period.

## Impairment of Assets (AS-28)



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Factors giving rise any indication of any impairment of the carrying amount of the Company's assets are appraised at each Balance Sheet date to determine and provide/revert an impairment loss following accounting standard AS-28 for impairment of assets

## Earning Per Share

Basic earning per share is calculated by dividing the net profit or loss for the year attributable to equity shareholders (after deducting attributable taxes) by the weighted average number of equity shares outstanding during the year. The weighted average number of equity shares outstanding during the year is adjusted for events of preferential issue allotment of equity shares. For the purpose of calculating diluted earning per shares, the net profit or loss for the year attributable to equity shareholders and the weighted average number of shares outstanding during the year are adjusted for the effects of all dilutive potential equity shares.

## Provisions, Contingent Liabilities and Contingent Assets

A provision is recognized when the company has a present obligation as a result of past event and it is probable that an outflow of resources will be required to settle the obligation, in respect of which a reliable estimate can be made. These are reviewed at each balance sheet date and adjusted to reflect the current best estimates. Contingent liabilities are disclosed when there is a possible obligation arising from past events, the existence of which will be confirmed only by the occurrence or non-occurrence of one or more uncertain future events not wholly within the control of the company or a present obligation that arises from past events where it is either not probable that an outflow of resources will be required to settle the obligation or a reliable estimate of the amount cannot be made. Contingent assets are neither recognized nor disclosed in the financial statements.

## CASH FLOW STATEMENT

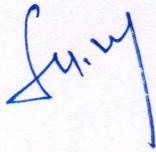
The Cash Flow Statement is prepared by the indirect method set out in Accounting Standard 3 on Cash Flow Statements and presents the cash flows by operating, investing and financing activities of the company. Cash and cash equivalents presented in the Cash Flow Statement consist of cash on hand and demand deposits with banks.

In terms of our report of even date attached.

For - S. Dad & Co.

Chartered Accountants

Firm Regn No. 007534C



Sanjay Dad

Partner

M. No. 076334

Bhilwara, 02<sup>nd</sup> August, 2023

UDIN:- 23076334BGXAJX3132



For- SRM Spinners Limited

श्याम सुन्दर सोमनी  
Managing Director

Shyam Sunder Somani

Director

(DIN:00361858)

For SRM SPINNERS LIMITED

रघुव सोमनी  
Chief Financial Officer

CFO

For and on Behalf of the Board

For SRM Spinners Limited

विशाल राजेंद्रा प्रसाद  
Agarwal  
Director

Director

(DIN:00376242)

For SRM SPINNERS LIMITED

राहुल जैन  
Company Secretary

Company Secretary