



**SREE**  
**AKKAMAMBA**  
**TEXTILES LIMITED**  
**TANUKU**  
**67th ANNUAL REPORT**  
**2020 - 2021**

## **SREE AKKAMAMBA TEXTILES LIMITED**

Registered Office : Venkatarayapuram, Tanuku - 534 215  
West Godavari District, Andhra Pradesh.

### **Board of Directors**

Sri P.Narendranath Chowdary  
Sri M.S.R.V.K. Rangarao  
Sri M. Narendranath  
Sri J. Murali Mohan  
Sri N.V. Somaraju  
Sri J. Suresh

Chairman  
Managing Director

### **C.F.O.**

Sri N. Satyanarayana

General Manager (Finance & Admn.)

### **Bankers :**

Union Bank of India (e-Andhra Bank)  
State Bank of India

### **Auditors :**

M/s. Brahmayya & Co.,  
Chartered Accountants  
Vijayawada.

### **Registered Office & Mills :**

Venkatarayapuram,  
Tanuku - 534 215  
Andhra Pradesh.

### **Cost Auditors :**

M/s. Narasimha Murthy & Co.,  
Hyderabad.

### **Company CIN :**

U51909AP1954PLC000525

### **Registrar & Share Transfer Agents :**

XL Softech Systems Ltd.,  
3, Sagar Society, Road No.2,  
Banjara Hills, Hyderabad - 500 034

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## **Notice to Shareholders**

NOTICE is hereby given that 67th Annual General Meeting of the Company will be held on 25th September, 2021 at 10.00 AM at the Registered Office of the Company at Venkatarayapuram, Tanuku, Andhra Pradesh, to transact the following business.

### **ORDINARY BUSINESS:**

1. To consider and adopt the Statement of Profit and Loss for the year ended 31st March, 2021 and Balance Sheet as at that date and the Reports of the Directors and Auditors thereon.
2. To appoint a Director in place of Sri M.Narendranath who retires by rotation and being eligible offers himself for re-appointment.
3. To ratify the appointment of M/s. Brahmayya & Co., Vijayawada (Reg.No.000513S) as statutory auditors of the Company for the year 2021-22 and to fix their remuneration.

### **SPECIAL BUSINESS:**

4. To consider and if thought fit to pass with or without modification the following Resolution as a Special Resolution:

"RESOLVED THAT pursuant to the provisions of Section 73 and other applicable provisions of the Companies Act, 2013 read with Companies (Acceptance of Deposits) Rules, 2014, the consent of the Members be and is hereby accorded to the Board of Directors of the company for accepting Fixed Deposits from Members within the limits prescribed in the Act."

"RESOLVED FURTHER THAT the Board of Directors or any person authorized thereof be and is hereby authorized to take all such steps as per the provisions of the Companies Act, 2013 and Rules made thereunder in this regard to give effect to this Resolution".

5. To consider and if thought fit to pass with or without modification the following Resolution as an Ordinary Resolution:

"RESOLVED THAT pursuant to the provisions of Sec.148 of the Companies Act, 2013 and other applicable provisions, if any, and rules made thereunder, the Company hereby ratifies the payment of remuneration of Rs.80,000./- (Rupees eighty thousand only) per annum to M/s.Narasimha Murthy & Co., Cost Accountants, Hyderabad, who were appointed as Cost Auditors by the Board at its meeting held on 26 June, 2021 for conducting the Cost Audit for the year 2021-22 in respect of the products viz., Cotton and Blended Yarns".

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

"RESOLVED that in accordance with the provisions of Section 197 read with schedule V of the Companies Act, 2013 and other applicable statutory provisions, if any, consent and approval of the company, be and is hereby accorded for re-appointment of Sri M.S.R.V.K. Rangarao as Managing Director of the company for a period of five years with effect from 1st October,2021 upon the terms and conditions set out hereunder with

liberty to the Board of Directors to revise and / or accept any variation in the under mentioned terms and conditions of remuneration within the maximum limits prescribed in Schedule V to the Companies Act, 2013.

Sri M.S.R.V.K.Rangarao shall not be subject to retirement by rotation.

I. Remuneration:

a) Salary: Rs.3,30,000/- (Rupees three lakh thirty thousand only) per month.

b) Commission:

Subject to overall ceilings laid down in section 197 of the Companies Act, 2013.

II. Perquisites:

(i) Housing: The expenditure incurred by the company on hiring furnished accommodation will be subject to the ceiling of 50% of the salary, over and above 10% payable by Managing Director. In case the accommodation provided is owned by the company, 10% of the salary shall be deducted by the company.

In case the company does not provide accommodation, the house rent allowance will be paid by the company, to the Managing Director not exceeding 50% of the salary.

The expenditure incurred by the company on gas, electricity, water and furnishings shall be valued as per the Income Tax Rules, 1962. This will however, be subject to a ceiling of 10% of the salary of the Managing Director.

(ii) Medical Reimbursement: Medical benefits for self and family. Reimbursement of expenses actually incurred, the total cost of which to the company shall not exceed one month's salary in a year or three months salary over a period of three years.

(iii) Leave Travel Concession: For self and family once in a year in accordance with the rules of the company.

(iv) Club Fees: Subject to a maximum of two clubs. This will not include admission and life membership fees.

(v) Personal Accident Insurance: Premium not exceeding Rs.10,000/- (Rupees ten thousand only) per annum.

(vi) Provident Fund / Superannuation Fund / Annuity Fund: Company's contribution to Provident Fund, Superannuation Fund and Annuity Fund, to the extent these either singly or put together are not taxable under the Income Tax Act, 1961.

(vii) Gratuity: Half a month's salary for each completed year of service.

(viii) Leave: Entitled to one month's leave, as per the rules of the company on full pay, for every 11 months of service. Encashment of leave at the end of the tenure will not be included in the computation of the ceiling on perquisites.

(ix) Telephone: Free telephone facility at the residence for use on the company's business.

(x) Car: Use of company's car on company's business with driver and all expenses on maintenance, repairs and cost of petrol.

**Sree Akkamamba Textiles Ltd.,**

(Provision of car for use of company's business and telephone at the residence will not be considered as perquisites. Personal long distance calls on telephone and use of car for private purpose shall be billed by the company)

"RESOLVED further that in the event of loss or inadequacy of profits in any financial year, the aforesaid remuneration including perquisites, subject to the conditions or restrictions as prescribed in Schedule V of the Companies Act, 2013 be paid to the Managing Director as minimum remuneration".

(BY ORDER OF THE BOARD)

Registered Office:  
Venkatarayapuram,  
TANUKU - 534 215,  
26th June, 2021

for SREE AKKAMAMBA TEXTILES LTD  
(P.NARENDRANATH CHOWDARY)  
CHAIRMAN

**NOTES:**

1. A member entitled to attend and vote can appoint a proxy to attend and vote instead of himself and that a proxy need not be a member. A person can act as a proxy on behalf of members not exceeding fifty and holding in the aggregate not more than ten percent of the total share capital of the company. A member holding more than ten percent of the total share capital of the company may appoint a single person as proxy and such person cannot act as a proxy for any other person or shareholder.
2. The Register of Members of the Company will remain closed from 20th September, 2021 to 25th September, 2021 (both days inclusive).
3. Members are requested to intimate to the Company, changes if any, in their registered addresses at an early date.
4. As per the provisions of Investor Education and Protection Fund (Awareness and Protection of Investors) Rules, 2001, the un-claimed Dividend in respect of Dividend for the year 2012-13 has been transferred to Investor Education and Protection Fund as envisaged in Section 125 (2) (c) of the Companies Act, 2013. Shareholders, who have not encashed the Dividends, may make a request to the Company for the payment of un-encashed Dividend amount in respect of Dividend declared from the years 2013-14 onwards in order to enable the Company to proceed with their request in case the dividend warrants remain un-encashed.

**ANNEXURE TO NOTICE:**

Explanatory Statement as required under section 102 (1) of the Companies Act, 2013.

**Item No.4:**

As per the provisions of the Companies Act, 2013, the company can accept fixed deposits only from its members. As such your Board of Directors considers it advisable to continue acceptance of Fixed Deposits from Members which would enable the Company to augment its Financial Resources for working capital requirements.

Your Directors therefore recommend the resolution for your approval.

Directors and Key Managerial Personnel may be deemed to be interested in the resolution in the event they place Fixed Deposits with the Company.

**Item No.5:**

The Board on the recommendation of the Audit Committee, approved the appointment and remuneration of M/s.Narasimha Murthy & Co., the Cost Auditors to conduct the audit of the Cost records of the company for the financial year ending 31 March,2022 and remuneration of Rs.80,000/- plus applicable taxes, out-of-pocket and travelling expenses have been fixed for this purpose.

In accordance with the provisions of Section 148 of the Companies Act, 2013 read with the Companies (Audit and Auditors) Rules, 2014, ratification for the remuneration payable to the Cost Auditors for the financial year 2021-22 by way of Ordinary Resolution is being sought from the members.

Your Directors therefore recommend the Resolution for approval.

None of the Directors or Key Managerial Personnel of the company or their relatives are concerned or interested in the resolution.

**Item No.6:**

The present term of Sri M.S.R.V.K.Rangarao as Managing Director of the company completes by 30th September, 2021.

The Board of Directors at its meeting held on 26th June, 2021 has approved the re-appointment of Sri M.S.R.V.K.Rangarao as Managing Director of the company for a further period of five years with effect from 1st October, 2021 subject to approval of the company in General Meeting on the terms and conditions set out in the proposed resolution. The Board recommends the resolution for approval of the shareholders.

None of the Directors of the company except Sri M.S.R.V.K.Rangarao himself may be deemed to be concerned or interested in the resolution.

(BY ORDER OF THE BOARD)

Registered Office:  
Venkatarayapuram,  
TANUKU - 534 215,  
26th June, 2021

for SREE AKKAMAMBA TEXTILES LTD

(P.NARENDRANATH CHOWDARY)  
CHAIRMAN

## **Directors' Report :**

Your Directors have pleasure in presenting the 67th Annual Report together with the Audited Statement of Accounts for the year ended 31st March,2021.

### **FINANCIAL RESULTS:**

	<b>This Year Rs.</b>	Previous year Rs.
Profit/(Loss) for the year	<b>(82,40,180)</b>	(5,09,65,280)
Add: Balance brought forward from prev. year	<b>1,00,82,843</b>	4,75,56,348
	<b>18,42,663</b>	(34,08,932)
Less: Provision for taxation :		
- Current	-	-
- Deferred	(21,39,949)	(1,56,06,105)
- for earlier years	-	63,917
Add: Excess provision for earlier year	-	-
Add: MAT credit entitlement	-	-
Total available for appropriation	<b>39,82,612</b>	1,21,33,256
Dividend paid during the year	-	17,00,807
Tax on Dividend paid during the year	-	3,49,606
Balance carried forward	<b>39,82,612</b>	1,00,82,843
	<b>39,82,612</b>	1,21,33,256

### **Dividend:**

In view of the losses incurred, your Directors have not recommended any Dividend for the year 2020-21.

### **Performance:**

During the year under review, your company achieved a turnover of Rs.99.68 Crores as compared to Rs.106.30 Crores in the previous year. The drop in turnover is mainly on account of shut down of the mill during the month of April, 2020 due to lock down declared by the Government owing to Covid-19 virus. During the year, the company incurred a loss of Rs.82.40 Lakhs, as against a loss of Rs.5.10 Crores in the previous year. The loss incurred is mainly on account of suspension of operations in April, 20 and lower utilization during the first six months due to the pandemic.

**Capital investment:**

During the year under review, the Company has not made any major capital expenditure.

**Outlook for the Current Year:**

Inspite of the prevailing pandemic Covid-19 conditions, the demand for the Yarn has picked up from December, 2020 onwards and the selling prices are also continued to be firm in the current financial year. Due to the severity of Covid-19 cases, the plant was shut down from 17th to 31st May, 2021 and reopened on 1st June, 2021. Though, the demand and outlook for the current year seems to be strong, the revenue generation and profitability would certainly depend on the control of pandemic in the coming months.

**Fixed Deposits:**

The details of Fixed Deposits accepted by the company from it's members under section 73(2) of the Companies Act, 2013 are as under:

i)	Deposits accepted/renewed during the year:	Rs.3,14,44,000/-
ii)	Remained unpaid or unclaimed as at the end of the year:	NIL
iii)	Whether there has been any default in repayment of . deposits or payment of interest thereon during the year and if so, number of such cases and the total amount involved:	NIL
iv)	The details of deposits which are not in compliance with the requirements of Chapter V of the Act:	NIL

**Conservation of Energy, Technology Absorption and Foreign Exchange earning and outgo:**

Information pursuant to Section 134(3) (m) of the Companies Act, 2013 read with rule 8 of The Companies (Accounts) Rules, 2014 is given in Annexure 'A' forming part of this Report.

**Particulars of Employees:**

None of the employees have drawn the salary in excess of the amount specified in Rule 5(2) of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014.

**Investor Education and Protection Fund (IEPF):**

During the year under review, the company has transferred to IEPF an amount of Rs.1,13,606/- on 21-07-2020 towards unclaimed dividend for the year 2012-13 corresponding to 56,803 equity shares.

**Prevention of Sexual harassment at work place policy:**

The company has in place a Prevention of Sexual Harassment Policy in line with the requirements of the Sexual Harassment of Women at workplace (Prevention, Prohibition and Redressal) Act, 2013. An Internal Compliance Committee (ICC) has been set up to redress the complaints received regarding sexual harassment. All employees are covered under this policy. As on the date of this report, there were no complaints received by the ICC.



**The Directors' responsibility statement:**

Pursuant to section 134 (3)(c) of the Companies Act, 2013, your Directors state that -

- a. In the preparation of annual accounts, the applicable Accounting Standards have been followed along with proper explanation relating to material departures;
- b. The directors had selected such accounting policies and applied them consistently and made judgments and estimates that are reasonable and prudent so as to give a true and fair view of the state of affairs of the company at the end of the financial year and of the profit and loss of the company for that period;
- c. The proper and sufficient care has been taken for maintenance of accounting records in accordance with provisions of the Companies Act, 2013 for safeguarding the assets of the company and for preventing and detecting fraud and other irregularities;
- d. The annual accounts of the company have been prepared on a going concern basis; and
- e. The directors had devised proper systems to ensure compliance with the provisions of all applicable laws and that such systems were adequate and operating effectively.

**Extract of Annual Return:**

An extract of Annual Return in Form MGT-9 as on 31 March, 2021 is attached as Annexure- B to this report.

**Board Meetings held during the year:**

During the year under review, 4 meetings of the Board of Directors of the Company were held on 27-06-2020, 26-09-2020, 10-11-2020 and 06-02-2021.

**Nomination and Remuneration Policy:**

The Board of Directors of your company has, on recommendation of the Nomination & Remuneration Committee, adopted a Nomination & Remuneration Policy which lays down the framework in relation to the criteria for selection and appointment of Board members and remuneration of Directors/Key Managerial Personnel and Senior Management of the company. This policy can be accessed on the company's website [www.akkamamba.com](http://www.akkamamba.com).

**Particulars of loans, guarantees or investments:**

During the year under review, the company has neither given any loans/ guarantees nor made any investments covered under the provisions of Section 186 of the Companies Act, 2013.

**Related party transactions:**

The particulars of contracts or arrangements with related parties referred to in sub-section (1) of section 188 of the Companies Act, 2013 are furnished in Annexure-C (in form AOC 2) forming part of this report.

**Material changes and commitments affecting the financial position of the Company which have occurred between end of the financial year and the date of Report:**

There were no material changes and commitments affecting the financial position of the Company between end of the financial year (31st March, 2021) and the date of the Report (26 June, 2021).

**Risk Management Policy:**

The company has not developed any risk management policy, as in the opinion of the Board, the elements which may threaten the existence of the company are insignificant.

**Corporate Social Responsibility:**

In view of the losses incurred, your company has not spent any amount towards CSR activity during the financial year 2020-21.

**Directors:**

Under Article 111 of the Articles of Association of the company, Sri M. Narendranath retires by rotation at the ensuing Annual General Meeting and being eligible for re-appointment.

The Independent Directors of the company have declared that they meet the criteria of Independence in terms of Section 149(6) of the Companies Act, 2013 and that there is no change in their status of Independence.

**Names of Companies which have become or ceased to be Subsidiaries/ Joint Ventures/Associates:**

There are no Subsidiaries / Joint Ventures / Associates existing / become/ ceased during the year.

**Significant and material orders passed by the regulators or courts or tribunals impacting the going concern status and company's operations in future:**

There are no significant and material orders passed by the Regulators or Courts or Tribunals which would impact the going concern status or operations of the Company.

**Adequacy of internal financial controls:**

Your company conducts a review of the financial and operating controls. The internal control system of your company commensurate with its size and nature of the business.

**Audit committee:**

Audit Committee comprises of 3 non whole-time Independent Directors Sri J.Murali Mohan, Sri N.V.Somaraju, Sri J.Suresh and 1 whole-time Director Sri.M.S.R.V.K.Rangarao. Sri J.Murali Mohan is the Chairman of the Committee.

**Nomination and Remuneration Committee:**

The Nomination and Remuneration Committee comprises of 3 non whole-time Independent Directors Sri J.Murali Mohan, Sri N.V.Somaraju and Sri J.Suresh. Sri J.Murali Mohan is the Chairman of the Committee.

**Sree Akkamamba Textiles Ltd.,**

**Auditors:**

At the 63rd Annual General Meeting (AGM) held on 26th July, 2017, M/s.Brahmayya & Co., Chartered Accountants, Vijayawada, were appointed as the statutory auditors of the company for a period of 5 years from the conclusion of 63rd AGM until the conclusion of 69th AGM.

In terms of Section 139 (1) of the Companies Act, 2013, the said appointment shall be subject to ratification by members in the ensuing AGM to carry the statutory audit for the financial year 2021-22.

The Auditors Report to the shareholders for the year under review does not contain any qualification.

**Cost Auditors:**

M/s.Narasimha Murthy & Co., Cost Accountants, Hyderabad are re-appointed by the Board as Cost Auditors of the Company for the financial year 2021-22. .

**Industrial relations:**

The relations with the employees at all levels are continued to be cordial.

**Acknowledgement:**

The Directors wish to place on record their appreciation for the co-operation the company received from various departments of Central and State Governments, Consortium of Banks, Deposit holders, Insurance Companies, A.P. Gas Power Corpn. Ltd. APEPDCL, GAIL and a host of customers, for their continued support and assistance. The Directors also wish to place on record their appreciation to employees at all levels for their hard work, dedication and commitment.

Venkatarayapuram  
Tanuku - 534 215  
Date: 26 June, 2021

For and on behalf of the Board of Directors  
(P.NARENDRANATH CHOWDARY)  
Chairman

**Annexure 'A' to Directors' Report**

Particulars of Conservation of Energy, Technology Absorption and Foreign Exchange.

**A. Conservation of Energy:**

Efforts to conserve and optimise the use of energy through operational methods and other means are continued.

**Significant Initiatives**

- Use of Indian Energy Echange (IEX) power has resulted in savings of Rs.31.71 lakhs.
- Most of the departmental lighting replaced with LED tube lights thereby saving 20% in lighting load amounting to around Rs.10 lakhs per annum.
- Modification made to supply and exhaust Fan blades in Humidification Plants to reduce the power consumption.

**B. Disclosure of particulars with respect to Absorption of Technology, Research & Development:**

Research and Development activities are carried out on an ongoing basis for improving the efficiency and also for improving quality of its products. No separate expenditure was incurred for R & D.

**C. Foreign Exchange earnings and outgo:**

There were no foreign exchange earnings during the year. The company incurred expenditure in foreign currency equivalent to Rs.2,08,45,778/- (previous year Rs. 1,32,63,093/-) towards import of raw materials, capital goods, spares etc.

**Annexure 'B' to Directors' Report**

**FORM NO. MGT 9**

"Pursuant to Section 92 (3) of the Companies Act, 2013 and rule 12(1) of the Company  
“(Management & Administration ) Rules, 2014.”

**EXTRACT OF ANNUAL RETURN**

**As on the financial year ended on 31/03/2021**

**I REGISTRATION & OTHER DETAILS**

i	CIN	U51909AP1954PLC000525
ii	Registration Date	8-Apr-54
iii	Name of the Company	SREEAKKAMAMBATEXTILES LIMITED.
iv	Category of the Company	Public Company
<b>v</b>	<b>Address of the Registered office &amp; contact details</b>	
	Address :	Venkatarayapuram
	Town / City :	Tanuku
	State :	Andhra Pradesh - 534215
	Country Name :	India
	Telephone (with STD Code) :	08819-224945
	Email Address :	akkamamba@gmail.com
	Website, if any:	www.akkamamba.com
vi	Whether listed company	No
<b>vii</b>	<b>Name and Address of Registrar &amp; Transfer Agents ( RTA ):-</b>	
	Name of RTA :	XL Softech Systems Ltd.,
	Address :	3, Sagar Society, Road No. 2, Banjara Hills,
	Town / City :	Hyderabad
	State :	Telangana
	Pin Code :	500 034
	Telephone :	040 - 23545913/14/15
	Email Address :	xlfield@gmail.com

**II. PRINCIPAL BUSINESS ACTIVITY OF THE COMPANY**

"All the business activities contributing 10 % or more of the total turnover“ of the company shall be stated:-"

Spinning Mill

Sl. No.	Name and Description of main products / services	NIC Code of the Product / service	% to total turnover of the company
1	Spun Yarn	13111	100

**III. PARTICULARS OF HOLDING, SUBSIDIARY AND ASSOCIATE COMPANIES -**

No. of Companies for which information is being filled	Nil
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**IV. SHAREHOLDING PATTERN (Equity Share Capital Breakup as percentage of Total Equity)**

**i. Category-wise Shareholding**

Category of Shareholders	No. of Shares held at the beginning of the year				No. of Shares held at the end of the year				(% Change during the year
	Demat	Physical	Total	% of Total Shares	Demat	Physical	Total	% of Total Shares	
<b>A. Promoters</b>									
(1) Indian									
a) Individual/ HUF	0	943120	943120	55.45%	0	943120	943120	55.45%	0.00%
b) Central Govt	0	0	0	0.00%	0	0	0	0.00%	0.00%
c) State Govt(s)	0	0	0	0.00%	0	0	0	0.00%	0.00%
d) Bodies Corp.	0	8880	8880	0.52%	0	8880	8880	0.52%	0.00%
e) Banks/ FI	0	0	0	0.00%	0	0	0	0.00%	0.00%
f) Any others	0	0	0	0.00%	0	0	0	0.00%	0.00%
<b>(2) Foreign</b>									
a) NRI - Individual/	0	0	0	0.00%	0	0	0	0.00%	0.00%
b) Other - Individual/	0	0	0	0.00%	0	0	0	0.00%	0.00%
c) Bodies Corp.	0	0	0	0.00%	0	0	0	0.00%	0.00%
d) Banks/ FI	0	0	0	0.00%	0	0	0	0.00%	0.00%
e) Any Others	0	0	0	0.00%	0	0	0	0.00%	0.00%
<b>Total shareholding of Promoters (A)</b>	0	952000	952000	55.97%	0	952000	952000	55.97%	0.00%
<b>B. Public Shareholding</b>									
<b>1. Institutions</b>									
a) Mutual Funds	0	0	0	0.00%	0	0	0	0.00%	0.00%
b) Banks/ FI	0	0	0	0.00%	0	0	0	0.00%	0.00%
c) Central Govt	0	0	0	0.00%	0	0	0	0.00%	0.00%
d) State Govt(s)	0	0	0	0.00%	0	0	0	0.00%	0.00%
e) Venture Capital Funds	0	0	0	0.00%	0	0	0	0.00%	0.00%
f) Insurance Companies	0	0	0	0.00%	0	0	0	0.00%	0.00%
g) FIs	0	0	0	0.00%	0	0	0	0.00%	0.00%
h) Foreign Venture Capital Funds	0	0	0	0.00%	0	0	0	0.00%	0.00%
i) Others (Bodies Corp.)	0	0	0	0.00%	0	0	0	0.00%	0.00%
<b>Sub-total (B)(1):-</b>	0	0	0	0.00%	0	0	0	0.00%	0.00%
<b>2. Non-Institutions</b>									
a) Bodies Corp.									
i) Indian	0	140000	140000	8.23%	0	140000	140000	8.23%	0.00%
ii) Overseas	0	0	0	0.00%	0	0	0	0.00%	0.00%
b) Individuals									
i) Individual shareholders holding nominal share capital upto Rs. 1 lakh	68631	278108	346739	20.39%	69031	267589	336620	19.79%	-0.59%
ii) Individual shareholders holding nominal share capital in excess of Rs 1 lakh	133828	128240	262068	15.41%	165947	106240	272187	16.00%	0.59%
c) Others (specify)	0	0	0	0.00%	0	0	0	0.00%	0.00%
<b>Sub-total (B)(2):-</b>	202459	546348	748807	44.03%	234978	513829	748807	44.03%	0.00%
<b>Total Public Shareholding (B)=(B)(1)+ (B)(2)</b>	202459	546348	748807	44.03%	234978	513829	748807	44.03%	0.00%
<b>C. Shares held by Custodian for GDRs &amp; ADRs</b>	0	0	0	0.00%	0	0	0	0.00%	0.00%
<b>Grand Total (A+B+C)</b>	202459	1498348	1700807	100.00%	234978	1465829	1700807	100.00%	0.00%

**Sree Akkamamba Textiles Ltd.,**

**ii. Shareholding of Promoters**

S.No.	Shareholder's Name	Shareholding at the beginning of the year			Shareholding at the end of the year			(% change in share holding 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	M. VIKRAM PRASAD	10800	0.63%	0.00%	10800	0.63%	0.00%	0.00%
2	M.SATYANARAYANAMMA	55677	3.27%	0.00%	55677	3.27%	0.00%	0.00%
3	P.NARENDRANADH CHOWDARY	40000	2.35%	0.00%	40000	2.35%	0.00%	0.00%
4	P. V KRISHNA RAO	20000	1.18%	0.00%	20000	1.18%	0.00%	0.00%
5	P.PATCHYUTARAMAYYA	4000	0.24%	0.00%	4000	0.24%	0.00%	0.00%
6	J. USHA RANI	14857	0.87%	0.00%	14857	0.87%	0.00%	0.00%
7	S.RANGANAYAKI	12000	0.71%	0.00%	12000	0.71%	0.00%	0.00%
8	M. KAMALA DEVI	12000	0.71%	0.00%	12000	0.71%	0.00%	0.00%
9	P.S.R.V.K.RANGA RAO	40000	2.35%	0.00%	40000	2.35%	0.00%	0.00%
10	M. THIMMARAJA	2000	0.12%	0.00%	2000	0.12%	0.00%	0.00%
11	M. RENUKA	38000	2.23%	0.00%	38000	2.23%	0.00%	0.00%
12	G.DEVI	20000	1.18%	0.00%	20000	1.18%	0.00%	0.00%
13	G. ANURADHA	20000	1.18%	0.00%	20000	1.18%	0.00%	0.00%
14	M. NARENDRANADH	2000	0.12%	0.00%	2000	0.12%	0.00%	0.00%
15	M. NARAYANAMMA	38000	2.23%	0.00%	38000	2.23%	0.00%	0.00%
16	M. VIKRAM PRASAD	16000	0.94%	0.00%	16000	0.94%	0.00%	0.00%
17	J. ANANTHA LAKSHMI	2000	0.12%	0.00%	2000	0.12%	0.00%	0.00%
18	M.S.R.V.K RANGA RAO	49600	2.92%	0.00%	49600	2.92%	0.00%	0.00%
19	M. HARISCHANDRA PRASAD	49600	2.92%	0.00%	49600	2.92%	0.00%	0.00%
20	P.VENKATARAYUDU	10000	0.59%	0.00%	10000	0.59%	0.00%	0.00%
21	P. RAVI	10000	0.59%	0.00%	10000	0.59%	0.00%	0.00%
22	M. NARENDRANADH	59200	3.48%	0.00%	59200	3.48%	0.00%	0.00%
23	M. THIMMARAJA	81600	4.80%	0.00%	81600	4.80%	0.00%	0.00%
24	S. V. INV & FIN. CO LTD.,	1760	0.10%	0.00%	1760	0.10%	0.00%	0.00%
25	T. M. INV & FINANCE CO (P) LTD.,	200	0.01%	0.00%	200	0.01%	0.00%	0.00%
26	S. T. INV & FINANCE CO (P) LTD	200	0.01%	0.00%	200	0.01%	0.00%	0.00%
27	S. V. DEVELOPERS & SEC P LTD.	3360	0.20%	0.00%	3360	0.20%	0.00%	0.00%
28	V. FINANCE PRIVATE LIMITED	3360	0.20%	0.00%	3360	0.20%	0.00%	0.00%
29	M. SRIVANI	2500	0.15%	0.00%	2500	0.15%	0.00%	0.00%
30	E. RAMALAKSHMI	2858	0.17%	0.00%	2858	0.17%	0.00%	0.00%
31	N. ANANTALAKSHMI DEVI	2857	0.17%	0.00%	2857	0.17%	0.00%	0.00%
32	S.B.RADHIKA	2857	0.17%	0.00%	2857	0.17%	0.00%	0.00%
33	M.KAMALADEVI	2857	0.17%	0.00%	2857	0.17%	0.00%	0.00%
34	P. VENKATA RAYUDU	4000	0.24%	0.00%	4000	0.24%	0.00%	0.00%
35	P. RAVI	4000	0.24%	0.00%	4000	0.24%	0.00%	0.00%
36	M. VENKATARAYUDU	7000	0.41%	0.00%	7000	0.41%	0.00%	0.00%
37	M. THIMMARAJA (IND)	32000	1.88%	0.00%	32000	1.88%	0.00%	0.00%
38	M. NARENDRANATH (IND)	139800	8.22%	0.00%	139800	8.22%	0.00%	0.00%
39	M. MRUTYUMJAYA PRASAD	107800	6.34%	0.00%	107800	6.34%	0.00%	0.00%
40	P. SUJATHA	952	0.06%	0.00%	952	0.06%	0.00%	0.00%
41	T. RAJKUMAR	952	0.06%	0.00%	952	0.06%	0.00%	0.00%
42	M.ASHA RANI	953	0.06%	0.00%	953	0.06%	0.00%	0.00%
43	M. RENUKA	5200	0.31%	0.00%	5200	0.31%	0.00%	0.00%
44	M. NARAYANAMMA	5200	0.31%	0.00%	5200	0.31%	0.00%	0.00%
45	M. RUKMINI	7000	0.41%	0.00%	7000	0.41%	0.00%	0.00%
46	M. RAMYATARA	7000	0.41%	0.00%	7000	0.41%	0.00%	0.00%
	TOTAL	952000	55.97%	0.00%	952000	55.97%	0.00%	0.00%

iii Shareholding Pattern of top ten Shareholders (other than Directors, Promoters and Holders of GDRs and ADRs):

SI. No.: 1 For Each of the Top 10 Shareholders	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
1) B RAMESH KUMAR				
At the beginning of the year	40,000	2.35%		
Changes During the Year	-			
At the End of the year	40,000	2.35%	40,000	2.35%
2) BOLLA SESHA SAI				
At the beginning of the year	36,000	2.12%		
Changes During the Year	-			
At the End of the year	36,000	2.12%	36,000	2.12%
3) VASIREDDY BHARATH				
At the beginning of the year	26,240	1.54%		
Changes During the Year	-			
At the End of the year	26,240	1.54%	26,240	1.54%
4) UMADEVI YARLAGADDA				
At the beginning of the year	25,600	1.51%		
Changes During the Year	-			
At the End of the year	25,600	1.51%	25,600	1.51%
5) VADLAPATLA KANAKADURGA DEVI				
At the beginning of the year	22,000	1.29%		
Changes During the Year	-			
At the End of the year	22,000	1.29%	22,000	1.29%
6) V V N M RAMAKRISHNA KARTHIK				
At the beginning of the year	21,200	1.25%		
Changes During the Year	-		-	
At the End of the year	21,200	1.25%	21,200	1.25%
7) PAMULAPATI SAKUNTALA DEVI				
At the beginning of the year	18,000	1.06%		
Changes During the Year	-			
At the End of the year	18,000	1.06%	18,000	1.06%
8) B RAMESH KUMAR				
At the beginning of the year	16,000	0.94%		
Changes During the Year	-			
At the End of the year	16,000	0.94%	16,000	0.94%
9) RAJESWARI DEVI V				
At the beginning of the year	12,800	0.75%		
Changes During the Year	-			
At the End of the year	12,800	0.75%	12,800	0.75%
10) JAGARLAMUDI MOHINI DEVI				
At the beginning of the year	12,000	0.71%		
Changes During the Year	-			
At the End of the year	12,000	0.71%	12,000	0.71%



iv Shareholding of Directors and Key Managerial Personnel:

1. PENDYALA NARENDRNATH CHOWDARY		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
At the beginning of the year		40000	2.35	40000	2.35
Changes During the Year					
<b>Increase</b>					
<b>Date</b>	<b>Reason for Increase</b>				
	Allotment				
	Bonus				
	Sweat				
	Other				
<b>Decrease</b>					
<b>Date</b>	<b>Reason for Decrease</b>				
	Transfer				
	Other				
At the End of the year				40000	2.35

2 SRI MULLAPUDI NARENDRANATH		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
At the beginning of the year		201000	11.82	201000	11.82
Changes During the Year					
<b>Increase</b>					
<b>Date</b>	<b>Reason for Increase</b>				
	Allotment				
	Bonus				
	Sweat				
	Other				
<b>Decrease</b>					
<b>Date</b>	<b>Reason for Decrease</b>				
	Transfer				
	Other				
At the End of the year				201000	11.82

3. SRI MULLAPUDI SRI RAMACHANDRA VENKATA KRISHNA RANGARAO	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
At the beginning of the year	49,600	2.92	49,600	2.92
Changes During the Year				
<b>Increase</b>				
<b>Date</b>	<b>Reason for Increase</b>			
	Allotment			
	Bonus			
	Sweat			
	Other			
<b>Decrease</b>				
<b>Date</b>	<b>Reason for Decrease</b>			
	Transfer			
	Other			
At the End of the year			49,600	2.92

4. SRI JAGARLAMUDI MURALI MOHAN	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
At the beginning of the year	4,000	0.24	4,000	0.24
Changes During the Year				
<b>Increase</b>				
<b>Date</b>	<b>Reason for Increase</b>			
	Allotment			
	Bonus			
	Sweat			
	Other			
<b>Decrease</b>				
<b>Date</b>	<b>Reason for Decrease</b>			
	Transfer			
	Other			
At the End of the year			4,000	0.24

**Sree Akkamamba Textiles Ltd.,**

5. SRI NULI VENKATA SOMARAJU		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
At the beginning of the year		1000	0.06%	1000	0.06%
Changes During the Year					
<b>Increase</b>					
<b>Date</b>	<b>Reason for Increase</b>				
	Allotment				
	Bonus				
	Sweat				
	Other				
<b>Decrease</b>					
<b>Date</b>	<b>Reason for Decrease</b>				
	Transfer				
	Other				
At the End of the year				1000	0.06%

6. SRI JAGARLAMUDI SURESH		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
At the beginning of the year		0	0.00%	0	0.00%
Changes During the Year					
<b>Increase</b>					
<b>Date</b>	<b>Reason for Increase</b>				
	Allotment				
	Bonus				
	Sweat				
	Other				
<b>Decrease</b>					
<b>Date</b>	<b>Reason for Decrease</b>				
	Transfer				
	Other				
At the End of the year				0	0.00%

## V INDEBTEDNESS

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

(Amount in Rs.)

Indebtedness at the beginning of the financial year	Secured Loans excluding deposits	Unsecured Loans	Deposits	Total Indebtness
i) Principal Amount	281578776	25149125	114922000	421649901
ii) Interest due but not paid	0	0	0	0
iii) Interest accrued but not due	0	0	13344817	13344817
<b>Total (i+ii+iii)</b>	281578776	25149125	128266817	434994718
Change in Indebtedness during the financial year	Secured Loans excluding deposits	Unsecured Loans	Deposits	Total Indebtness
* Addition	23113	100039944	31444000	131507057
* Reduction	0	40000000	44584000	84584000
<b>Net Change</b>	23113	60039944	-13140000	46923057
Indebtedness at the end of the financial year	Secured Loans excluding deposits	Unsecured Loans	Deposits	Total Indebtness
i) Principal Amount	281601889	85189069	101782000	468572958
ii) Interest due but not paid	0	0	0	0
iii) Interest accrued but not due	0	0	11548959	11548959
<b>Total (i+ii+iii)</b>	281601889	85189069	113330959	480121917

**VI. REMUNERATION OF DIRECTORS AND KEY MANAGERIAL PERSONNEL**

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

Sl. no.	Particulars of Remuneration	Name of MD/WTD/ Manager		Total Amount (Rupees)
		MSRVK Rangarao, Managing Director		
1	Gross salary	3031883		3031883
	(a) Salary as per provisions contained in section 17(1) of the Income-tax Act, 1961	2869451		2869451
	(b) Value of perquisites u/s 17(2) Income-tax Act, 1961	162432		162432
	(c) Profits in lieu of salary under section 17(3) Income- tax Act, 1961	---		---
2	Stock Option	---		---
3	Sweat Equity	---		---
4	Commission	---		---
	- as % of profit	---		---
	- others, specify	---		---
5	Others, please specify	---		---
	Total (A)	3031883		3031883
	Ceiling as per the Act(excluding commission)	8400000		8400000

**B. Remuneration to other directors:**

Sl. no.	Particulars of Remuneration	Name of Directors			Total Amount(Rs.)
		J.Murali Mohan	N V Somaraju	J Suresh	
1	<b>Independent Directors</b>				
	Fee for attending board/ committee meetings	40000	0	40000	80000
	Commission	-	-	-	-
	Others, please specify	-	-	-	-
	Total (1)	40000	0	40000	80000
2	<b>Other Non-Executive Directors</b>				
	Fee for attending board committee meetings	-	-	-	-
	Commission	-	-	-	-
	Others, please specify	-	-	-	-
	Total (2)	-	-	-	-
	Total (B)=(1+2)	40000	0	40000	80000
	Total Managerial Remuneration				3111883
	Overall Ceiling as per the Act		-	-	-

**C. REMUNERATION TO KEY MANAGERIAL PERSONNEL OTHER THAN MD/MANAGER/WTD**

Sl. no.	Particulars of Remuneration	Key Managerial Personnel			
		CEO	Company Secretary	CFO	Total
1	Gross salary	0	0	0	0
	(a) Salary as per provisions contained in section 17(1) of the Income-tax Act, 1961	0	0	0	0
	(b) Value of perquisites u/s 17(2) Income-tax Act, 1961	0	0	0	0
	(c) Profits in lieu of salary under section 17(3) Income-tax Act, 1961	0	0	NIL	0
2	Stock Option	0	0	0	0
3	Sweat Equity	0	0	0	0
4	Commission				
	- as % of profit	0	0	0	0
	- others, specify...	0	0	0	0
5	Others, please specify	0	0	0	0
	Total	0	0	0	0

**VII. PENALTIES / PUNISHMENT/ COMPOUNDING OF OFFENCES:**

Type	Section of the Companies Act	Brief Description	Details of Penalty / Punishment/ Compounding fees imposed	Authority [RD / NCLT/ COURT]	Appeal made, if any (give Details)	
<b>A. COMPANY</b>						
Penalty	-	-	-	-	-	-
Punishment	-	-	-	-	-	-
Compounding	-	-	-	-	-	-
<b>B. DIRECTORS</b>						
Penalty	-	-	-	-	-	-
Punishment	-	-	-	-	-	-
Compounding	-	-	-	-	-	-
<b>C. OTHER OFFICERS IN DEFAULT</b>						
Penalty	-	-	-	-	-	-
Punishment	-	-	-	-	-	-
Compounding	-	-	-	-	-	-

**Annexure 'C' to Directors' Report**

**FORM NO.AOC-2**

(Pursuant to clause (h) of sub-section (3) of section 134 of the Act and Rule 8(2) of the Companies (Accounts) Rule, 2014)

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

1. Details of contracts or arrangements or transactions not at arm's length basis.
  - a) Name(s) of the related party and nature of relationship: NIL
  - b) Nature of contracts/arrangements/transactions: NIL
  - c) Duration of the contracts/arrangements/transactions: NIL
  - d) Salient terms of the contracts/arrangements/transactions including the value, if any: NIL
  - e) Justification for entering into such contracts/arrangements/transactions: NIL
  - f) Date(s) of approval by the Board: NIL
  - g) Amount paid as advances, if any: NIL
  - h) Date on which the special resolution was passed in general meeting as required under first proviso to section 188: NIL

2. Details of material contracts/arrangement/transactions at arm's length basis

Name(s) of the related party and nature of relationship	Nature of contracts / arrangements / transactions	Duration of the contracts / arrangements / transactions	Salient terms of the contracts/ arrangements/ transactions including the value, if any (Rs. Lakhs)	Date(s) of approval by the Board, if any	Amount paid as advance, if any
M/s. Sree Venkataraya Printers & Packers Pvt.Ltd.	Purchase of paper cones and boxes / pads	01.04.2020 to 31.03.2021	117.79	08-02-2020	Nil
M/s.Royal Printing Works	Printing & supply of stationery	01.04.2020 to 31.03.2021	1.61	08-02-2020	Nil
M/s VSM Spg. Mills Pvt. Ltd.	Payment of Rent	01.04.2020 to 31.03.2021	11.18	08-02-2020	Nil

**Annexure 'D' to Directors' Report**

**ANNUAL REPORT ON CSR ACTIVITIES**

A brief outline of the company's CSR policy, including overview of projects or programs proposed to be undertaken and a reference to the web-link to the CSR policy and projects or programs.

**The Composition of the CSR Committee:**

Sri M. Narendranath, Chairman - Non-executive Director

Sri J. Murali Mohan - Independent Director and

Sri M.S.R.V.K. Rangarao,- Executive Director

The Committee met once during the year under review.

**Average net profit of the company for last three financial years**

Average Net Loss Rs.(4,11,36,100/-).

Prescribed CSR expenditure (2% of the average net profit of last three financial years)

Since the profit during last 3 consecutive years is less than Rs.5 crores, the company during the financial year 2020-21 was not required to spend any amount towards CSR.

Details of CSR spent during the financial year;

- (a) Amount to be spent for the year: NIL
- (b) Amount spent during the year NIL
- (c) Balance unspent amount; NIL
- (d) Manner in which the amount spent during the financial year is detailed below:

Sl. No.	CSR project or activity identified	Sector in which the project is covered	Projects or programs (1) Local area or other (2) Specify the State and district where projects or programs were undertaken	Amount outlay (budget) project or programs-wise	Amount spent on the projects or programs Sub-heads (1) Direct expenditure on projects or programs (2) overheads	Cumulative expenditure up to the reporting period	Amount spent Direct or through implementing agency
--	--	--	--	--	--	--	--

**Responsibility Statement by the Corporate Social Responsibility Committee:**

The implementation and monitoring of CSR Policy, is in compliance with CSR objectives and policy of the Company.

Tanuku  
26 June, 2021

(M.S.R.V.K. Rangarao)  
Director

(M. Narendranath)  
Chairman-CSR Committee



## **INDEPENDENT AUDITORS' REPORT**

To The Members of **SREEAKKAMAMBA TEXTILES LIMITED, TANUKU**  
**Report on the Audit of the Financial Statements**

### **Opinion**

We have audited the accompanying financial statements of **SREE AKKAMAMBA TEXTILES LIMITED ("the Company")** which comprise the Balance sheet as at 31st March, 2021, the Statement of Profit and Loss and Statement of Cash Flows for the year then ended, and notes to the financial Statements including a summary of significant accounting policies and other explanatory information.

In our opinion and to the best of our information and according to the explanations given to us, the aforesaid financial statements give the information required by the Companies Act, 2013 in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India, of the state of affairs of the Company as at 31st March, 2021, its loss and its Cash Flow Statement for the year ended on that date.

### **Basis for Opinion**

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

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

The Company's Board of Directors are responsible for the other information. The other information comprises the information included in the Company's annual report, but does not include the financial statements and our auditors' report thereon.

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

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

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

### **Management's Responsibilities 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 Standards prescribed under Section 133 of the

Companies Act, 2013 read with relevant rules issued there under and other accounting principles generally accepted in India.

This responsibility also includes maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding of the assets of the company and for preventing and detecting the frauds and other irregularities; selection and application of appropriate accounting policies; making judgments and estimates that are reasonable and prudent; and design, implementation and maintenance of adequate internal financial controls, that were operating effectively for ensuring the accuracy and completeness of the accounting records, relevant to the preparation and presentation of the financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error.

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

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

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

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

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

continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Company to cease to continue as a going concern.

- Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

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

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

**Report on Other Legal and Regulatory Requirements:**

- 1) As required by the Companies (Auditor's Report) Order, 2016 ("the Order") issued by the Central Government of India in terms of sub-section (11) of section 143 of the Act, we give in the "Annexure- A", a statement on the matters specified in the paragraph 3 and 4 of the Order, to the extent applicable.
- 2) As required by Section 143(3) of the Companies Act, 2013, we report that:
  - a) We have sought and obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purposes of our audit.
  - b) In our opinion, proper books of account as required by law have been kept by the Company so far as it appears from our examination of those books.
  - c) The Balance Sheet, the Statement of Profit and Loss, the Cash Flow Statement dealt with by this Report are in agreement with the books of account.
  - d) In our opinion, the aforesaid financial statements comply with the Accounting Standards specified under Section 133 of the Companies Act, 2013 read with rule 7 of the Companies (Accounts) Rules, 2014.
  - e) On the basis of written representations received from the directors as on 31st March, 2021 and taken on record by the Board of Directors, none of the directors is disqualified as on 31st March, 2021 from being appointed as a director in terms of Section 164(2) of the Act.
  - f) With respect to the adequacy of internal financial controls with reference to financial statements of the Company and the operating effectiveness of such controls, refer to our separate report in "Annexure B", and
  - g) With respect to the other matters to be included in the Auditor's report under Section 197(16).

According to the information and explanations given to us and based on our examination of the records of the Company, the Company has paid/provided for managerial remuneration in accordance with the requisite approvals mandated by the provisions of section 197 read with Schedule V to the Companies Act. The remuneration paid to the Managing Director is not in

excess of the limits prescribed in Section 197 read with Schedule V to the Companies Act, 2013. The Ministry of Corporate Affairs has not prescribed other details under Section 197(16) which are required to be commented upon by us.

- h) With respect to the other matters to be included in the Auditor's report in accordance with Rule 11 of the Companies (Audit and Auditors) Rules, 2014, in our opinion and to the best of our information and according to the explanations given to us:
- i. The Company has disclosed the impact of pending litigations on its financial position in its financial statements - Refer Note 24 to the financial statements;
  - ii. The Company did not have any long term contracts including derivative contracts for which there were any material foreseeable losses as at 31st March 2021.
  - iii. There has been no delay in transferring amounts, required to be transferred, to the Investor Education and Protection Fund by the Company.

For Brahmaya & Co.,  
Chartered Accountants  
Firm Registration Number: 000513S

T.V.RAMANA  
Partner  
ICAI Membership. No. 200523

**Place : Tanuku**  
Date : 26th June, 2021

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

The Annexure referred to in Paragraph 1 under the heading of "Report on other Legal and Regulatory Requirements" of our report of even date, to the members of **SREE AKKAMAMBA TEXTILES LIMITED ("the Company")**, for the year ended 31 March 2021. We report that:

- 1.1 The Company has maintained proper records showing full particulars including quantitative details and situation of its fixed assets.
- 1.2 The Fixed Assets are physically verified by the management according to a phased program designed to cover all the items over a period of three years which, in our opinion, is reasonable having regard to the size of the Company and the nature of its assets. Pursuant to the program, a portion of the fixed assets has been physically verified by the management during the year and no material discrepancies have been noticed on such verification.
- 1.3 The title deeds of immovable property are held in the name of the company.
- 2.1 The inventory has been physically verified by the management at reasonable intervals during the year under report. In our opinion, the frequency of such verification is reasonable.
- 2.2 On the basis of our examination of the inventory records, in our opinion, the Company is maintaining proper records of its inventory. The discrepancies noticed on physical verification of inventories as compared to book records were not material.
- 3.1 The Company has not granted any loans to companies, firms or other parties covered in the register maintained under Section 189 of the Companies Act 2013. Therefore the provisions of clause 3(iii)(a), 3(iii)(b) and 3(iii)(c) of the said order are not applicable to the Company.
4. In our opinion and according to the information and explanations provided to us, the Company has not granted any loans or provided any guarantees or security to the parties covered under Section 185 of the Companies Act 2013. The Company has complied with the provisions of Section 186 of the Act in respect of investments made or loans or guarantee or security provided to the parties covered under Section 186 of the Act.
5. In our opinion the Company has complied with the provisions of section 73 to 76 and other applicable provisions of the Companies Act, 2013 and Companies (Acceptance of Deposits) Rules, 2014 with regard to the deposits accepted from the public. According to the information furnished to us, no order has been passed on the Company by the Company Law Board or National Company Law Tribunal or Reserve Bank of India or any Court or any other Tribunal for non-compliance with the provisions of Sections 73 to 76 of the Companies Act 2013.
6. We have broadly reviewed the books of account and records maintained by the Company pursuant to the Rules made by the Central Government for the maintenance of Cost Records under section 148 of the Companies Act, 2013 and we are of the opinion that prima facie the prescribed accounts and records have been made and maintained. We have not, however, made a detailed examination of the records with a view to determine whether they are accurate or complete.
- 7.1 According to the information and explanations given to us and the basis of our examination of the records of the Company, in our opinion, the Company is regular in depositing with the appropriate authorities, the undisputed statutory dues including Provident Fund, Employees' State Insurance, Income Tax, Goods and Service Tax, Duty of Customs, Cess and other material statutory dues applicable to it.

- According to the information and explanations given to us, no undisputed amounts payable in respect of Provident Fund, Income Tax, Goods and Service Tax ,duty of customs, cess and other material statutory dues were in arrears as at 31st March 2021 for a period of more than six months from the date they became payable.
- 7.2 According to the information and explanations given to us, there were no amounts of Goods and Service Tax, Customs Duty, Excise Duty, Cess, Income Tax that have been disputed by the Company, and hence, were not remitted to the concerned authorities at the date of the Balance Sheet under report.
8. According to the records of the Company examined by us, and the information and explanations given to us, there were no defaults in repayment of dues to financial institutions, banks or debenture holders at the date of the Balance Sheet.
9. In our opinion, and according to the information and explanations given to us, the termloans/ debt instruments taken by the Company have been applied for the purpose for which they were raised.
10. According to the information and explanations given to us, we have neither come across any instance of material fraud by the Company or on the Company by its employees or officers noticed or reported during the year, nor have we been informed of any such case by the management.
11. According to the information and explanations given to us, the managerial remuneration has been paid in accordance with the requisite approvals mandated by the provisions of section 197 read with schedule V to the Companies Act.
12. In our opinion, and according to the information and explanations furnished to us, the Company is not a chit fund or a nidhi/mutual benefit fund/society and hence, the requirements of clause 3(xii) of the Companies (Auditors Report) Order 2016 are not applicable to the Company during the year under report.
13. According to the information and explanations given to us, all the transactions with the related parties are in compliance with section 177 and 188 of the Companies Act, 2013 where applicable and the details have been disclosed in the Financial Statements etc as required by the accounting standards.
14. According to the records of the company examined by us and the information and explanations given to us, there are no preferential allotment / private placement of shares or fully or partly convertible debentures during the year as per the Section 42 of the Companies Act 2013.
15. According to the information and explanations given to us, the Company has not entered into any non-cash transactions with the directors or persons connected with him as per Section 192 of the Companies Act 2013.
16. According to the information and explanations given to us, the Company is not required to be registered under the section 45-IA of the Reserve Bank of India Act, 1934.

For BRAHMAYYA & CO.,  
Chartered Accountants  
Firm Registration Number : 000513S  
T.V. RAMANA  
Partner  
ICAI Membership Number:200523

Place: Tanuku  
Date : 26th June,2021

## **ANNEXURE - B TO THE INDEPENDENT AUDITORS' REPORT**

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

We have audited the internal financial controls with reference to financial statements of **SREE AKKAMAMBA TEXTILES LIMITED, ("the Company")** as of 31st March 2021 in conjunction with our audit of the financial statements of the Company for the year ended on that date.

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

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

#### **Auditors' Responsibility**

Our responsibility is to express an opinion on the Company's internal financial controls with reference to financial statements based on our audit.

We have conducted our audit in accordance with the Guidance Note on Audit of Internal Financial Controls over Financial Reporting and the Standards on Auditing, issued by ICAI and deemed to be prescribed under section 143(10) of the Companies Act, 2013, to the extent applicable to an audit of internal financial controls, both applicable to an audit of Internal Financial Controls issued by the Institute of Chartered Accountants of India.

Those Standards and the Guidance Note require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether adequate internal financial controls with reference to financial statements 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 with reference to financial statements and their operating effectiveness.

Our audit of internal financial controls with reference to financial statements included obtaining an understanding of internal financial controls with reference to financial statements, 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 decisive factor, 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 so obtained is sufficient and appropriate to provide a basis for our audit opinion on the Company's internal financial controls system with reference to financial statements.

**Meaning of Internal Financial Controls with reference to financial statements**

A company's internal financial control with reference to financial statements 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 with reference to financial statements 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 with reference to financial statements**

Because of the inherent limitations of internal financial controls with reference to financial statements, 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 with reference to financial statements to future periods are subject to the risk that the internal financial control with reference to financial statements 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 with reference to financial statements and such internal financial controls with reference to financial statements were operating effectively as at 31st March 2021, based on "the internal control with reference to financial statements criteria established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls With reference to financial statements issued by the Institute of Chartered Accountants of India".

For Brahmaya & Co.,  
Chartered Accountants  
Firm Registration Number:000513S  
T.V.RAMANA  
Partner  
ICAI Membership. No. 200523

Place : Tanuku  
Date : 26th June, 2021



## Balance Sheet As at 31st March, 2021

Equity and Liabilities	Notes	As at 31st March 2021 Rs.	As at 31st March 2020 Rs.
<b>Shareholders' Funds</b>			
Share Capital	2	1,70,08,070	1,70,08,070
Reserves and Surplus	3	30,43,38,062	31,04,38,293
		<b>32,13,46,132</b>	<b>32,74,46,363</b>
<b>Non-Current Liabilities</b>			
Long-term Borrowings	4	15,09,23,333	9,56,88,000
Other Long-term liabilities	5	1,96,62,735	1,88,83,300
Deferred Tax Liability (Net)	6	6,79,26,995	7,00,66,944
Long-term Provisions	7	17,17,514	14,58,776
		<b>24,02,30,577</b>	<b>18,60,97,020</b>
<b>Current Liabilities</b>			
Short-term Borrowings	8	26,25,82,958	28,09,61,901
Trade Payables:	9.1		
a) Total outstanding dues of micro and small enterprises		2,92,355	2,66,417
b) Total outstanding dues of creditors other than micro and small enterprises		8,29,27,000	18,45,60,474
Other Current Liabilities	9.2	11,80,94,038	9,38,91,803
Short term Provisions	7	13,89,142	22,17,966
		<b>46,52,85,493</b>	<b>56,18,98,561</b>
<b>TOTAL</b>		<b>102,68,62,202</b>	<b>107,54,41,944</b>
<b>Assets</b>			
<b>Non current Assets</b>			
Property, Plant and Equipment			
Tangible Assets (Net Block)	10	58,58,55,903	63,28,72,588
Capital Work in Progress		--	--
Non-current Investments	11	3,88,20,798	3,88,20,798
Deferred Tax Assets (net)			
Long term Loans and Advances	12	5,68,19,763	5,68,19,763
Trade Receivables	13.1	--	--
Other Non Current assets	13.2	--	--
		<b>68,14,96,464</b>	<b>72,85,13,149</b>
<b>Current Assets</b>			
Inventories	14	19,73,31,177	21,91,64,554
Trade Receivables	13.1	13,01,48,706	10,68,70,628
Cash and Bank Balances	15	56,90,083	88,85,601
Short term Loans and Advances	12	98,35,015	80,85,719
Other Current Assets	13.2	23,60,757	39,22,293
		<b>34,53,65,738</b>	<b>34,69,28,795</b>
<b>TOTAL</b>		<b>102,68,62,202</b>	<b>107,54,41,944</b>
Summary of Significant Accounting policies	1		

The accompanying notes are an integral part of the financial statements.

As per our report of even date for BRAHMAYYA & CO. Chartered Accountants Firm Regn.No.000513S T.V.Ramana Partner Membership No:200523 Place: Venkatarayapuram, Tanuku Date: 26th June, 2021

For and on behalf of the Board of Directors  
P.Narendranath Chowdary, Chairman  
M.S.R.V.K. Rangarao, Managing Director  
N.Satyanarayana, General Manager (Fin & Admin)

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

Particulars	Notes	Current Reporting Period 2020-21 Rs.	Previous Reporting Period 2019-20 Rs.
<u>Income:</u>			
Revenue from operations	16	99,68,40,007	106,30,46,500
Other Income	17	28,60,394	1,18,16,302
Total Revenue (I)		99,97,00,401	107,48,62,802
<u>Expenses:</u>			
Cost of raw materials and components consumed	18	51,05,38,063	58,35,18,242
"[Increase]/Decrease in Inventories of finished goods	19	1,26,02,798	(1,56,13,070)
Employee benefits expense	20	15,20,83,826	16,90,05,734
Other expenses	21	23,95,16,239	28,79,70,402
Depreciation and amortization expense	22	4,23,53,718	4,26,80,496
Finance Costs	23	5,08,45,937	5,82,66,278
Total Expenses (II)		100,79,40,581	112,58,28,082
Profit/(Loss) before exceptional items & tax		(82,40,180)	(5,09,65,280)
Exceptional item		--	--
<b>Profit/(Loss) before tax</b>		<b>(82,40,180)</b>	<b>(5,09,65,280)</b>
Less : <u>Tax expenses:</u>			
Tax		--	--
MAT credit entitlement utilised		--	--
Current tax		--	--
Deferred tax		(21,39,949)	(1,56,06,105)
Tax for earlier years		--	63,917
MAT credit entitlement		--	--
<b>Total tax expense</b>		<b>(21,39,949)</b>	<b>(1,55,42,188)</b>
<b>Profit/(Loss)( after tax) for the year from continuing operations</b>		<b>(61,00,231)</b>	<b>(3,54,23,092)</b>
Earning per Equity Share:			
Basic and diluted		(3.59)	(20.83)
Summary of Significant Accounting policies	1		

The accompanying notes are an integral part of the financial statements.

As per our report of even date  
for BRAHMAYYA & CO.  
Chartered Accountants  
Firm Regn.No.000513S  
T.V.Ramana  
Partner  
Membership No:200523  
Place: Venkatarayapuram, Tanuku  
Date: 26th June, 2021

For and on behalf of the Board of Directors  
P.Narendranath Chowdary, Chairman  
M.S.R.V.K. Rangarao, Managing Director  
N.Satyanarayana, General Manager (Fin & Admin)

**CASH FLOW STATEMENT FOR THE YEAR 2020-21**

	<b>2020-2021</b>	<b>2019-2020</b>
	<b>Rs.</b>	<b>Rs.</b>
<b>I. CASH FLOW FROM OPERATING ACTIVITIES:</b>		
Net Profit before Tax	<b>(82,40,180)</b>	(5,09,65,280)
Add/Less:		
Adjustments for:		
Depreciation	<b>4,23,53,718</b>	4,26,80,496
Interest paid	<b>4,95,91,727</b>	5,73,86,278
Interest received	<b>(10,82,328)</b>	(16,29,908)
Dividends received	--	(90,58,200)
Profit on sale of assets	--	(7,99,962)
Loss on sale of assets/written off	<b>21,78,747</b>	--
Operating Profit before working capital changes	<b>8,48,01,684</b>	3,76,13,424
Adjustments for		
Inventories	<b>2,18,33,377</b>	5,21,74,488
Investments	--	--
Long Term Liability	<b>7,79,435</b>	(5,90,415)
Long Term Provision	<b>2,58,738</b>	(26,599)
Trade Payables	<b>(10,16,07,536)</b>	3,23,91,546
Current Liability	<b>1,41,35,568</b>	(1,22,60,164)
Short term Provision	<b>(8,28,824)</b>	(1,60,492)
Trade Receivables	<b>(2,32,78,078)</b>	(78,01,659)
Long term Loans & Advances	--	(17,56,800)
Short term Loans & Advances	<b>(29,51,067)</b>	1,13,11,208
Current Assets	<b>15,61,536</b>	8,04,482
Cash Generated from operations	<b>(52,95,167)</b>	11,16,99,018
Less: Direct Taxes paid/Refund (Net)	<b>(12,01,771)</b>	2,25,389
Net Cash from operating activities before extra ordinary items	<b>(40,93,396)</b>	11,14,73,629
Net cash from Operating activities (A)	<b>(40,93,396)</b>	11,14,73,629

**Sree Akkamamba Textiles Ltd.,**

	<b>2019-2020 Rs.</b>	<b>2018-2019 Rs.</b>
<b>II. CASH FLOW FROM INVESTMENT ACTIVITIES:</b>		
Purchase of Fixed Assets	<b>(8,15,780)</b>	(22,13,476)
Proceeds from sale of assets	<b>33,00,000</b>	18,20,000
Interest received	<b>10,82,328</b>	16,29,908
Dividends received	--	90,58,200
Net cash used in Investment activities (B)	<b>35,66,548</b>	1,02,94,632
<b>III. CASH FLOW FROM FINANCING ACTIVITIES:</b>		
Acceptance/(Repayment) of loans	<b>4,69,23,057</b>	(6,13,72,038)
Dividends paid	--	(17,00,807)
Dividend Tax paid	--	(3,49,606)
Interest paid	<b>(4,95,91,727)</b>	(5,73,86,278)
Net cash used for Financing activities (C)	<b>(26,68,670)</b>	(12,08,08,729)
Net increase in cash and its equivalents (A+B+C)	<b>(31,95,518)</b>	9,59,532
Opening cash & bank balances as on 1-4-2020	<b>88,85,601</b>	79,26,069
Closing cash & bank balances as on 31-3-2021	<b>56,90,083</b>	88,85,601
	<b>31,95,518</b>	(9,59,532)

As per our report of even date  
for BRAHMAYYA & CO.  
Chartered Accountants  
Firm Regn.No.000513S  
T.V.Ramana  
Partner  
Membership No:200523

For and on behalf of the Board of Directors  
P.Narendranath Chowdary Chairman  
M.S.R.V.K. Rangarao, Managing Director  
N.Satyanarayana, General Manager (Fin & Admin)

Place: Venkatarayapuram, Tanuku  
Date: 26th June, 2021

## NOTES FORMING PART OF THE FINANCIAL STATEMENTS

### Note 1 - ACCOUNTING POLICIES

#### i. GENERAL

- a. The financial statements of the company have been prepared in accordance with generally accepted accounting principles in India ( Indian GAAP). The company has prepared these financial statements to comply in all material respects with the accounting standards as prescribed under section 133 of the Companies Act 2013 read with Rule 7 of the Companies (Accounts) Rules 2014 and the provisions of the Act (to the extent notified). The financial statements have been prepared under the historical cost convention on accrual basis.
- b. Use of Estimates - The preparation of financial statements in conformity with accounting principles generally accepted in India requires management, where necessary, to make the estimates and assumptions that effect the reported amounts of assets and liabilities and disclosure of contingent liabilities at the date of the financial statements and the reported amounts of revenues and expenses during the reporting period. Actual results may differ from the estimates. The estimates and underlying assumptions are reviewed on an ongoing basis. Revision to accounting estimates are recognized in the period in which the estimate is revised.

#### ii. PROPERTY, PLANT AND EQUIPMENT

Freehold Land is carried at historical cost. All other items of Property Plant and Equipment are stated at cost of acquisition or construction less accumulated depreciation / amortization and impairment, if any. Cost includes purchase price, taxes and duties, labor cost and directly attributable overheads incurred up to the date the asset is ready for its intended use. However, cost excludes Excise Duty, Value Added Tax and Service Tax, to the extent credit of the duty or tax is availed of. Subsequent costs are included in the asset's carrying amount or recognized as a separate asset, as appropriate, only when it is probable that future economic benefits associated with the item will flow to the Company and the cost of the item can be measured reliably. The carrying amount of any component accounted for as separate asset is derecognized when replaced. All other repairs and maintenance are charged to Profit or Loss during the reporting period in which they are incurred.

Gains and losses on disposals are determined by comparing proceeds with carrying amount. These are included in profit or loss within other gains/ (losses).

##### **Depreciation and Amortization:**

Depreciation is provided under straight line method in accordance with Schedule II to the Companies Act, 2013 treating the plant as a continuous process plant. Depreciation is computed at a uniform rate treating each Machine/Equipment as a single unit, since the value of components forming part thereof is insignificant.

Residual values and useful lives are reviewed and adjusted if appropriate for each reporting period.

Advances paid towards the acquisition of Property, Plant and Equipment outstanding

at each Balance Sheet date is classified as capital advances under other Non-current assets and the cost of assets not put to use before such date are disclosed under capital work-in-progress.

Assets to be disposed off are reported at the lower of carrying value or fair value less cost of sales.

**iii. INVESTMENTS**

Investments are stated at cost and income thereon is accounted for on accrual. Provision towards decline in the value of investments is made only when such decline is other than temporary.

**iv. BORROWING COSTS**

Borrowing costs that are directly attributable to the acquisition, construction or production of assets that necessarily take a substantial period of time to get ready for their intended use or sale are capitalized as part of cost of such assets. Other borrowing costs are recognized as an expense in the period in which they are incurred.

**v. INVENTORIES**

- a) Inventories are valued at lower of cost or net realizable value. In respect of Raw Materials and Stores and Spares, cost is determined using FIFO and weighted average methods respectively except, where the net realizable value of the finished goods in which they are used is less than the cost of finished goods and in such event, if the replacement cost of such materials etc., is less than their book values, they are valued at replacement cost. Cost of work-in-progress and finished goods include appropriate portion of overheads etc.,
- b) Stock of scrap and cotton waste are valued at estimated net realizable value.
- c) Tools and implements are valued at cost after providing for obsolescence.
- d) Machinery spares which can be used only in connection with an item of fixed assets and whose use is expected to be irregular are amortized over the life of the principal asset.

**vi. SALES**

Sales are inclusive of packing charges, freight and handling charges and are exclusive of Sales Tax/GST.

**vii. EMPLOYEE BENEFITS:**

- a) Company's contributions to Employees' Provident fund and Employee State Insurance are made under a Defined Contribution Plan, and are accounted for at actual cost in the year of accrual.
- b) The company's liability to gratuity on retirement of its eligible employees is funded with the Life Insurance Corporation of India. The incremental expense thereon for each year is arrived at as per actuarial valuation and is recognized and charged to the statement of profit and loss in the year in which the employee has rendered service.

- c) Expense on account of unutilized/ unencashed leave is arrived at as per actuarial valuation and is recognized and charged to the statement of profit and loss in the year in which employee has rendered services in lieu of such leave.
- d) Gains/losses arrived at in the above actuarial valuations are charged to the profit and loss account immediately in each year.

**viii. FOREIGN EXCHANGE TRANSACTIONS**

- a) Export sales are initially accounted at the exchange rate prevailing on the date of documentation/invoicing and the same is adjusted with the difference in the rate of exchange arising on actual receipt of proceeds in foreign exchange.
- b) Import of materials/capital equipment is accounted at the rates at which the actual payments are affected.
- c) Assets and liabilities arising out of foreign exchange transactions, as mentioned above, are translated at the rates of exchange ruling on the date of Balance Sheet and are suitably adjusted to the appropriate revenue/capital account.

**ix. DIVIDEND**

Final dividends on shares are recorded as liability on the date of approval by the shareholders and interim dividend are recorded as liability on the date of declaration by the company Board of Directors.

**x. TAXATION**

Provision is made for income tax liability estimated to arise on the results for the year at the current rate of tax in accordance with the Income Tax Act, 1961.

- Deferred tax resulting from timing differences between book and tax profits is accounted for under the liability method, at the current rate of tax.
- Deferred tax assets arising on account of brought forward losses and unabsorbed depreciation are recognized only when there is virtual certainty supported by convincing evidence that such assets will be realized. Deferred tax assets arising on other temporary timing differences are recognized only if there is a reasonable certainty of realization.
- Minimum alternate tax payable under the provisions of the Income Tax Act, 1961 is recognized as an asset in the year in which credit become eligible and is set off to the extent allowed in the year in which the company becomes liable to pay income taxes at the enacted tax rates.

**xi. IMPAIRMENT OF ASSETS**

An asset is treated as impaired when the carrying cost of the same exceeds its recoverable amount. An impairment loss is charged to the Statement of Profit and Loss in the year in which an asset is identified as impaired. The impairment loss recognized in prior accounting period is reversed if there has been a change in the estimate of recoverable amount.

**xii. CONTINGENT LIABILITIES**

Contingent liabilities are not recognized in the accounts, but are disclosed after a careful evaluation of the concerned facts and the legal issues involved.

<b>Note 2 - Share Capital</b>	<b>As At 31st March 2021 Rs.</b>	<b>As At 31st March 2020 Rs.</b>
<u>Authorised Shares</u> :		
2750000(31 March 2020 : 2750000) equity shares of Rs.10/-each	<b>2,75,00,000</b>	2,75,00,000
25000 (31-03-2020: 25000) 9.50% Cumulative redeemable preference shares of Rs.100/- each.	<b>25,00,000</b>	25,00,000
	<b>3,00,00,000</b>	3,00,00,000
<u>Issued Shares</u> :		
1769308(31 March 2020 :1769308) equity shares of Rs.10/- each.	<b>1,76,93,080</b>	1,76,93,080
	<b>1,76,93,080</b>	1,76,93,080
<u>Subscribed and fully paid-up shares</u> :		
1700807(31 March 2020 :1700807) equity shares of Rs.10/- each.	<b>1,70,08,070</b>	1,70,08,070
	<b>1,70,08,070</b>	1,70,08,070
Total issued, subscribed and fully paid-up capital	<b>1,70,08,070</b>	1,70,08,070

  

a. Reconciliation of the shares outstanding at the beginning and at the end of the reporting period.	As At 31st March 2021 (Rs.)		As At 31st March 2020 (Rs.)	
	No.	Rs.	No.	Rs.
<u>Equity Shares</u> :				
At the beginning of the period	<b>17,00,807</b>	<b>1,70,08,070</b>	17,00,807	1,70,08,070
Issued during the period - Bonus issue	-	-	-	-
Issued during the period - ESOP	-	-	-	-
Bought back during the period	-	-	-	-
Outstanding at the end of the period	<b>17,00,807</b>	<b>1,70,08,070</b>	17,00,807	1,70,08,070

During the year 2017-18, the Company had bought back 35,545 shares of Rs.10/- each at a premium of Rs.112.33 each in the course of buy-back offer given by the Company as to facilitate removal of Company name from the Dissemination Board of National Stock Exchange under SEBI Circular No.SEBI/HO/MRD/DSA/CIR/P/2016/110 dated 10-10-2016.



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b. Details of shareholders holding more than 5% shares in the company

Equity shares of Rs. 10/- each fully paid	As At 31st March 2021 (Rs.)		As At 31st March 2020 (Rs.)	
	No.	% holding in the class	No.	% holding in the class
1) The Andhra Sugars Ltd.,	1,40,000	8.23%	1,40,000	8.23%
2) Sri Mullapudi Narendranath	2,01,000	11.82%	2,01,000	11.82%
3) Sri Mullapudi Thimmaraja	1,15,600	6.80%	1,15,600	6.80%
4) Sri Mullapudi Mrutyumjaya Prasad	1,07,800	6.34%	1,07,800	6.34%
Total	5,64,400	33.19%	5,64,400	33.19%

c. Rights, Preference and restrictions attached to equity shares:

- 1) The company has only one class of equity shares having a face value of Rs.10/- each. Each holder of equity share is entitled to one vote per share held. In the event of liquidation of Company, the holders of equity share will be entitled to receive the remaining assets of the company after distribution of all preferential amounts, in proportion to the number of equity shares held by the share holders.
- 2) The financial statements of the company were approved by the Board of Directors on 26-06-2021.

<b>Note 3 - Reserves and Surplus</b>	<b>As At 31st March 2021 Rs.</b>	<b>As At 31st March 2020 Rs.</b>
<b>General Reserve</b>		
Balance as per the last Financial Statements	30,00,00,000	30,00,00,000
Add : Transfer from Surplus balance in the Statement of Profit and Loss.		--
Closing Balance	30,00,00,000	30,00,00,000
Capital redemption reserve	3,55,450	3,55,450
Surplus / (Deficit) in Profit and Loss Statements	1,00,82,843	4,75,56,348
Profit/Loss(-) for the year	(61,00,231)	(3,54,23,092)
	39,82,612	1,21,33,256
Less : Appropriations		
Dividend paid	--	17,00,807
Tax on distributed Profits	--	3,49,606
Total Appropriations	--	20,50,413
Net Surplus in statement of Profit and Loss	39,82,612	1,00,82,843
Total Reserves and Surplus taken to Balance Sheet	30,43,38,062	31,04,38,293

Note 4 - Long Term Borrowings	Non-current portion		Current maturities	
	As At 31st March 2021 Rs.	As At 31st March 2020 Rs.	As At 31st March 2021 Rs.	As At 31st March 2020 Rs.
<b>Term Loans</b>				
Rupee loan from banks (secured)				
Term Loan from Andhra Bank	--	2,00,00,000	<b>2,00,00,000</b>	2,50,00,000
UGEC Loan from AB (Covid)	<b>3,25,33,333</b>	--	<b>40,66,667</b>	--
CELC Loan from SBI	<b>5,00,000</b>	--	<b>60,00,000</b>	--
	<b>3,30,33,333</b>	2,00,00,000	<b>3,00,66,667</b>	2,50,00,000
Inter Corporate Loan (Unsecured)	<b>6,00,00,000</b>	50,00,000	<b>2,50,00,000</b>	2,00,00,000
<u>Other Loans and advances:</u>				
Deposits (unsecured)				
Deposit from Directors	--	17,64,000	--	--
Deposits from share holders	<b>5,78,90,000</b>	6,89,24,000	--	--
	<b>11,78,90,000</b>	7,56,88,000	<b>2,50,00,000</b>	2,00,00,000
Total Amount	<b>15,09,23,333</b>	9,56,88,000	<b>5,50,66,667</b>	4,50,00,000
The above amount includes				
Secured borrowings	<b>3,30,33,333</b>	2,00,00,000	<b>3,00,66,667</b>	2,50,00,000
Unsecured borrowings	<b>11,78,90,000</b>	7,56,88,000	<b>2,50,00,000</b>	2,00,00,000
Amount disclosed under the head "other current liabilities"(note 9)	--	--	<b>5,50,66,667</b>	4,50,00,000
Net Amount	<b>15,09,23,333</b>	9,56,88,000	--	--

Term Loans from Banks comprise of:

	i UBI(Andhra Bank)	ii UBI(Andhra Bank)	iii SBI
a) Loan availed (Rs.)	10,00,00,000	3,66,00,000	90,00,000
b) No. of instalments	20 Quarterly	36 Monthly	18 Monthly
c) Instalment commencing from	30-06-2017	31-12-2021	30-11-2020
d) Rate of Interest	MCLR+1.95%+TP	7.50%	7.40%
e) Instalment amount per quarter/month (Rs.)	50,00,000	10,16,667	5,00,000

(The above loans are secured by exclusive first charge on assets created out of the respective loan)

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<b>Note 5 - Other Long Term Liabilities</b>	<b>As At 31st March 2021 Rs.</b>	<b>As At 31st March 2020 Rs.</b>
Trade payables	-	-
Total	-	-
Others		
Outstanding Liabilities for expenses	<b>1,58,44,648</b>	1,36,70,334
Trade Deposits	<b>1,24,842</b>	1,24,842
Advance from customers	-	-
Interest accrued but not due on deposits	<b>36,93,245</b>	50,88,124
Unearned revenue	-	-
Total	<b>1,96,62,735</b>	1,88,83,300

<b>Note 6 - Deferred Tax Liability (Net)</b>	<b>As At 31st March 2021 Rs.</b>	<b>As At 31st March 2020 Rs.</b>
<u>Deferred Tax Liability</u>		
Fixed assets: Impact of difference between tax depreciation and depreciation/amortisation charged for the financial reporting others	<b>10,91,53,496</b>	11,34,46,987
Gross deferred tax liability	<b>10,91,53,496</b>	11,34,46,987
<u>Deferred tax asset</u>		
Impact of expenditure charged to the statement of profit and loss in the current year but allowed for tax purposes on payment basis	<b>54,62,803</b>	59,16,526
Provision for diminution in the value of investments	-	-
"Provision for doubtful debts and advances	<b>1,85,371</b>	1,85,371
Others - Un-absorbed depreciation loss	<b>3,55,78,326</b>	3,72,78,145
Gross deferred tax asset	<b>4,12,26,501</b>	4,33,80,042
Net Deferred Tax Liability	<b>6,79,26,995</b>	7,00,66,944

Note 7 - Provisions	Long Term		Short Term	
	As At 31st March 2021 Rs.	As At 31st March 2020 Rs.	As At 31st March 2021 Rs.	As At 31st March 2020 Rs.
<u>Provision for employee benefits:</u>				
Provision for gratuity	-	-	-	-
Provision for leave benefits	17,17,514	14,58,776	13,89,142	22,17,966
	17,17,514	14,58,776	13,89,142	22,17,966
<u>Other Provisions:</u>				
Provision for Income tax	-	-	-	-
	17,17,514	14,58,776	13,89,142	22,17,966

Note 8 - Short Term Borrowings	As At 31st March 2021 Rs.	As At 31st March 2020 Rs.
Cash credit from Banks (Secured)	21,85,01,889	23,65,78,776
Loan repayable on demand (Unsecured)		
- from Directors	1,89,069	1,49,125
Deposits (unsecured)		
- from Directors	17,64,000	-
- from Shareholders	4,21,28,000	4,42,34,000
	26,25,82,958	28,09,61,901
<u>The above amount includes</u>		
Secured borrowings	21,85,01,889	23,65,78,776
Unsecured borrowings	4,40,81,069	4,43,83,125

Note: The above Cash Credit loan from Banks are secured by way of first charge on Cotton, Yarn, Stock-in-process, Stores and spares and book debts and second charge on the fixed assets. The same is repayable on demand.

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<b>Note 9 - Other Current Liabilities</b>	<b>As At 31st March 2021 Rs.</b>	<b>As At 31st March 2020 Rs.</b>
<b>9.1 - Trade payables</b>		
Due to Micro, Small and Medium Enterprises (See Note No.11)	<b>2,92,355</b>	2,66,417
Due to Others	<b>8,29,27,000</b>	18,45,60,474
	<b>8,32,19,355</b>	18,48,26,891
<b>9.2 - Other Liabilities:</b>		
Current maturities of long term borrowings	<b>5,50,66,667</b>	4,50,00,000
Interest accrued but not due on borrowings	<b>78,55,714</b>	82,56,693
Advance from customers	<b>10,59,874</b>	3,83,322
Unclaimed dividend	<b>7,78,169</b>	8,91,895
Unclaimed Fixed Deposits	-	-
Interest accrued on unclaimed FDs	-	-
Accrued Salaries and Benefits	<b>1,96,30,329</b>	1,85,70,029
Directors Remuneration	-	-
Trade Deposits	-	-
Statutory Dues	<b>21,08,085</b>	2,25,012
Outstanding Liabilities for expenses	<b>1,77,04,029</b>	85,52,380
Other payables	<b>1,38,91,171</b>	1,20,12,472
	<b>11,80,94,038</b>	9,38,91,803
	<b>20,13,13,393</b>	27,87,18,694

**Note 10 - Tangible Assets**

Sl. No.	Description	Cost upto 31.03.20	Gross Block			Depreciation				Net Block		
			Additions during the year	Deductions during the year	Cost upto 31.03.21	upto 31.03.20	for the year	on Deductions	upto 31.03.21	W.D.V. As At 31.03.21	W.D.V. As At 31.03.20	
1.	Land	22,61,750	-	-	22,61,750	-	-	-	-	-	22,61,750	22,61,750
2.	Buildings	7,71,37,811	-	-	7,71,37,811	4,04,31,802	21,31,132	-	4,25,62,934	3,45,74,877	3,67,06,009	3,67,06,009
3.	Roads	2,36,149	-	-	2,36,149	2,24,342	-	-	2,24,342	11,807	11,807	11,807
4.	Plant & Machinery	126,37,10,255	8,15,780	1,92,32,812	124,52,93,223	68,35,99,040	3,76,77,396	1,37,54,066	70,75,22,370	53,77,70,853	58,01,11,215	58,01,11,215
5.	Electrical Installations	3,20,10,317	-	-	3,20,10,317	2,68,51,015	9,07,481	-	2,77,58,496	42,51,821	51,59,302	51,59,302
6.	Laboratory Equipment	2,64,45,318	-	-	2,64,45,318	2,15,45,916	10,39,445	-	2,25,85,361	38,59,957	48,99,402	48,99,402
7.	Computers	29,36,638	-	-	29,36,638	27,86,994	2,898	-	27,89,892	1,46,746	1,49,644	1,49,644
8.	Furniture & Fittings	20,29,833	-	-	20,29,833	18,68,029	30,989	-	18,99,018	1,30,815	1,61,805	1,61,805
9.	Motor Vehicles	48,64,960	-	-	48,64,960	14,53,306	5,64,377	-	20,17,683	28,47,277	34,11,654	34,11,654
	<b>Total</b>	<b>141,16,33,031</b>	<b>8,15,780</b>	<b>1,92,32,812</b>	<b>139,32,15,999</b>	<b>77,87,60,444</b>	<b>4,23,53,718</b>	<b>1,37,54,066</b>	<b>80,73,60,096</b>	<b>58,58,55,903</b>	<b>63,28,72,588</b>	<b>63,28,72,588</b>
	Previous year	142,27,95,493	22,13,476	1,33,75,938	141,16,33,031	74,84,35,848	4,26,80,496	1,23,55,901	77,87,60,443	63,28,72,588	67,43,59,645	67,43,59,645

Note: (1) No impairment of assets, hence, the relevant disclosure was not made herein above.

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<b>Note 11 - Non-current Investments</b>	<b>As At 31st March 2021 Rs.</b>	<b>As At 31st March 2020 Rs.</b>
Trade Investments (valued at cost unless stated otherwise)		
<u>Unquoted equity instruments</u>		
1268000 (31 March 2020:1268000) Equity shares of Rs. 10/- each, fully paid up in Andhra Pradesh Gas Power Corporation Ltd.,	<b>3,50,87,500</b>	3,50,87,500
Non-trade investments (valued at cost unless stated otherwise)	<b>3,50,87,500</b>	3,50,87,500
Investment in equity instruments(quoted)		
301940(31 March2020:301940) Equity shares of Rs.10/-each,  fully paid up in The Andhra Sugars Ltd., Tanuku	<b>36,82,298</b>	36,82,298
<u>Equity Shares (Unquoted)</u>		
5100 (31 March 2020:5100) Equity Shares of Rs. 10/-each,  fully paid up in The Andhra Farm Chemicals Corporation Ltd.,Kovvur	<b>51,000</b>	51,000
	<b>37,33,298</b>	37,33,298
	<b>3,88,20,798</b>	3,88,20,798
Aggregate amount of quoted Investments		
- Market Value Rs.	<b>8,79,24,928</b>	5,34,58,477
- Cost Rs.	<b>36,82,298</b>	36,82,298
Aggregate amount of unquoted investments	<b>3,51,38,500</b>	3,51,38,500
Aggregate provision for diminution in value of investments	-	-

Note 12 - Loans and advances	Non-current		Current	
	As At 31st March 2021 Rs.	As At 31st March 2020 Rs.	As At 31st March 2021 Rs.	As At 31st March 2020 Rs.
<u>Capital Advances</u>				
Secured, considered good	-	-	-	-
Unsecured, considered good	-	-	-	35,26,470.00
<b>(A)</b>	-	-	-	35,26,470.00
<u>Security Deposit</u>				
Secured, considered good	-	-	-	-
Unsecured, considered good	<b>1,80,97,302</b>	1,80,97,302	-	-
Doubtful	<b>1,80,97,302</b>	1,80,97,302	-	-
Provision for doubtful security deposit	-	-	-	-
<b>(B)</b>	<b>1,80,97,302</b>	1,80,97,302	-	-
<u>Loans and advances to related parties</u>				
Unsecured, considered good				
<b>(C)</b>	0	0	-	-
<u>Advances recoverable in cash or kind</u>				
Secured, considered good				
Unsecured, considered good			<b>78,65,290</b>	24,08,866
Doubtful			<b>78,65,290</b>	24,08,866
Provision for doubtful advances	-	-	-	-
<b>(D)</b>	0	0	<b>78,65,290</b>	24,08,866
<u>Other Loans and Advances</u>				
Foreign Currency				
MAT Credit	<b>3,87,22,461</b>	3,87,22,461	-	-
Advances to Trade Payables	-	-	<b>9,87,875</b>	-
Advance Income-tax / TDS	-	-	<b>5,27,356</b>	12,00,263
Interest subsidy receivable (TUFS)	-	-	<b>1,48,494</b>	1,48,494
Prepaid expenses	-	-	<b>3,06,000</b>	3,75,000
Loans and Advance to employees	-	-	-	-
Balances with Statutory / government authorities	-	-	-	4,26,626
<b>(E)</b>	<b>3,87,22,461</b>	3,87,22,461	<b>19,69,725</b>	21,50,383
<b>Total [A+B+C+D+E]</b>	<b>5,68,19,763</b>	5,68,19,763	<b>98,35,015</b>	80,85,719



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<b>Note 13.1 - Trade receivables</b>	Non-current		Current	
	<b>As At 31st March 2021 Rs.</b>	<b>As At 31st March 2020 Rs.</b>	<b>As At 31st March 2021 Rs.</b>	<b>As At 31st March 2020 Rs.</b>
Unsecured, considered good, unless stated otherwise: Outstanding for a period exceeding six months from the due date of payment				
Secured, considered good	-	-	-	-
Unsecured, considered good	-	-	-	49,958
Doubtful			<b>7,12,967</b>	7,12,967
	-	-	<b>7,12,967</b>	7,62,925
Provision for doubtful receivables			<b>7,12,967</b>	7,12,967
<b>(A)</b>	-	-	-	49,958
Other receivables				
Secured, considered good			-	-
Unsecured, considered good			<b>13,01,48,706</b>	10,68,20,670
Doubtful			-	-
	-	-	<b>13,01,48,706</b>	10,68,20,670
Provision for doubtful receivables			-	-
<b>(B)</b>	-	-	<b>13,01,48,706</b>	10,68,20,670
<b>Total [A+B]</b>	-	-	<b>13,01,48,706</b>	10,68,70,628
<b>Note 13.2 - Other assets</b>	Non-current		Current	
	<b>As At 31st March 2021 Rs.</b>	<b>As At 31st March 2020 Rs.</b>	<b>As At 31st March 2021 Rs.</b>	<b>As At 31st March 2020 Rs.</b>
<u>Unsecured, considered good unless stated otherwise</u>				
Non-current bank balances		-	-	-
<b>[A]</b>	-	-	-	-
<u>Others</u>				
Gratuity Fund (Net planned assets)			<b>16,41,479</b>	28,21,315
Interest accrued			<b>7,19,278</b>	11,00,978
<b>[B]</b>	-	-	<b>23,60,757</b>	39,22,293
<b>Total [A+B]</b>	-	-	<b>23,60,757</b>	39,22,293

<b>Note 14 - Inventories (valued at lower of cost and net realizable value)</b>	<b>As At 31st March 2021 Rs.</b>	<b>As At 31st March 2020 Rs.</b>
Raw materials and components at Cost	<b>11,99,95,793</b>	12,79,57,419
Work-in-progress at Cost	<b>3,37,59,154</b>	3,22,91,247
Finished goods at Cost	<b>2,05,96,061</b>	3,46,66,766
Stores and spares at Cost (including in transit Rs.2,73,541/- (Prev.year Rs.7,83,652)	<b>2,27,19,114</b>	2,39,59,058
Loose tools & Implements	<b>2,61,055</b>	2,90,064
<b>Total</b>	<b>19,73,31,177</b>	21,91,64,554

<b>Note 15 - Cash and Bank balances</b>	Non-current		Current	
	<b>As At 31st March 2021 Rs.</b>	<b>As At 31st March 2020 Rs.</b>	<b>As At 31st March 2021 Rs.</b>	<b>As At 31st March 2020 Rs.</b>
<u>Cash and Cash Equivalents :</u>				
Balances with Banks:				
In current accounts	-	-	<b>56,200</b>	1,07,250
Deposits with original maturity of "less than 3 months"	-	-	<b>15,64,000</b>	34,00,000
In unclaimed dividend accounts	-	-	<b>7,78,169</b>	8,91,895
Cash on hand	-	-	<b>51,714</b>	2,63,456
			<b>24,50,083</b>	46,62,601
<u>Other Bank Balances :</u>				
Deposits with original maturity for more than 12 months	-	-	-	-
Deposits with original maturity for more than 3 months but less than 12 months	-	-	-	-
Margin money deposit	-	-	<b>32,40,000</b>	42,23,000
	-	-	<b>32,40,000</b>	42,23,000
Amount disclosed under non-current assets(Note: 13.2)	-	-	-	-
<b>Total</b>	-	-	<b>56,90,083</b>	88,85,601

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<b>Note 16 - Revenue from operations</b>	<b>2020-2021 Rs.</b>	<b>2019-2020 Rs.</b>
<u>Sale of products:</u>		
Finished goods	<b>93,71,48,205</b>	99,98,82,428
Sale of Cotton Waste	<b>5,96,77,381</b>	6,31,47,900
	<b>99,68,25,586</b>	106,30,30,328
<u>Other Operating Revenue</u>		
Packing & Forwarding charges collected	<b>14,421</b>	16,172
Revenue from operations	<b>99,68,40,007</b>	106,30,46,500

<b>Details of products sold</b>	<b>2020-2021 Rs.</b>	<b>2019-2020 Rs.</b>
<u>Finished goods sold:</u>		
Cotton Yarn	<b>93,71,48,205</b>	99,98,82,428
Cotton Waste	<b>5,96,77,381</b>	6,31,47,900
	<b>99,68,25,586</b>	106,30,30,328

<b>Note 17 - Other Income</b>	<b>2020-2021 Rs.</b>	<b>2019-2020 Rs.</b>
<u>Interest income on:</u>		
Bank deposits	<b>1,77,821</b>	6,29,000
Others	<b>9,04,507</b>	10,00,908
Dividend received	-	90,58,200
Other non-operating income #	<b>17,78,066</b>	11,28,194
	<b>28,60,394</b>	1,18,16,302

**Note :**

<b># Other non-operating income includes</b>	<b>2020-2021 Rs.</b>	<b>2019-2020 Rs.</b>
Miscellaneous Receipts	<b>1,50,534</b>	2,14,964
Rent received	<b>1,05,836</b>	1,13,268
Net gain on sale of assets	-	7,99,962
Excess Provision written back	<b>15,21,696</b>	-
<b>Total</b>	<b>17,78,066</b>	11,28,194

<b>Note 18 - Cost of raw material consumed</b>	<b>2020-2021 Rs.</b>	<b>2019-2020 Rs.</b>	
Inventory at the beginning of the year	<b>12,79,57,419</b>	19,38,80,620	
Add:Purchases	<b>50,25,76,437</b>	51,75,95,041	
	<b>63,05,33,856</b>	71,14,75,661	
Less: Inventory at the end of the year	<b>11,99,95,793</b>	12,79,57,419	
Cost of raw material consumed	<b>51,05,38,063</b>	58,35,18,242	
<b>Details of raw material consumed</b>	<b>2020-2021 Rs.</b>	<b>2019-2020 Rs.</b>	
i) Cotton	<b>51,05,38,062</b>	58,35,18,242	
Total	<b>51,05,38,062</b>	58,35,18,242	
<b>Details of Inventory</b>	<b>2020-2021 Rs.</b>	<b>2019-2020 Rs.</b>	
<u>Raw materials:</u>			
i) Cotton	<b>11,99,95,793</b>	12,79,57,419	
Total	<b>11,99,95,793</b>	12,79,57,419	
<b>Note 19 - (Increase) / Decrease in inventories</b>	<b>2020-2021 Rs.</b>	<b>2019-2020 Rs.</b>	<b>(Increase) / Decrease Rs.</b>
Inventories at the end of the year			2020-21
Work in progress	<b>3,37,59,154</b>	3,22,91,247	(14,67,907)
Finished goods	<b>1,90,37,791</b>	3,33,21,076	1,42,83,285
Cotton waste	<b>15,58,270</b>	13,45,690	(2,12,580)
	<b>5,43,55,215</b>	6,69,58,013	1,26,02,798
Inventories at the beginning of the year			2019-20
Work in progress	<b>3,22,91,247</b>	3,05,89,405	(17,01,842)
Finished goods	<b>3,33,21,076</b>	2,00,66,213	(1,32,54,863)
Cotton waste	<b>13,45,690</b>	6,89,325	(6,56,365)
	<b>6,69,58,013</b>	5,13,44,943	(1,56,13,070)
<b>Details of Inventory</b>	<b>2020-2021 Rs.</b>	<b>2019-2020 Rs.</b>	
<u>Work-in-progress</u>			
Cotton -in-process	<b>3,37,59,154</b>	3,22,91,247	
	<b>3,37,59,154</b>	3,22,91,247	
<u>Finished goods</u>			
Cotton waste	<b>15,58,270</b>	13,45,690	
Yarn at factory	<b>1,90,37,791</b>	3,33,21,076	
	<b>2,05,96,061</b>	3,46,66,766	

**Sree Akkamamba Textiles Ltd.,**

<b>Note 20 - Employee benefit expense</b>	<b>2020-2021 Rs.</b>	<b>2019-2020 Rs.</b>
Salaries, wages and bonus	<b>12,52,79,352</b>	14,25,70,311
Contribution to provident and other fund	<b>1,34,52,512</b>	1,48,88,070
Gratuity expense	<b>60,94,352</b>	48,14,030
Staff welfare expenses	<b>72,57,610</b>	67,33,323
	<b>15,20,83,826</b>	16,90,05,734

<b>Note 21 - Other expenses</b>	<b>2020-2021 Rs.</b>	<b>2019-2020 Rs.</b>
Consumption of stores and spares	<b>1,56,30,063</b>	1,69,80,721
Processing Charges	-	12,07,480
Power and fuel	<b>16,78,30,093</b>	19,89,60,091
Freight and forwarding charges	<b>72,10,851</b>	83,47,008
Rent	<b>11,18,250</b>	10,08,000
Rates and taxes	<b>4,90,942</b>	4,82,904
Insurance	<b>23,11,688</b>	20,20,139
Repairs and maintenance		
Plant and machinery	<b>2,39,18,741</b>	3,17,43,360
Buildings	<b>11,87,711</b>	28,92,975
Others	<b>16,62,767</b>	20,62,208
Expenditure on CSR	-	-
Sales commission	<b>67,30,946</b>	76,98,836
Travelling and conveyance	<b>1,53,915</b>	30,06,440
Communication costs	<b>1,04,209</b>	1,16,577
Hank Yarn Obligation charges	<b>1,67,177</b>	3,32,392
Directors' sitting fee	<b>80,000</b>	1,42,000
Payment to auditors (Refer details below)	<b>4,47,780</b>	4,12,279
Loss on sale of fixed assets	<b>21,78,747</b>	-
Tools written off	<b>29,009</b>	32,234
Bank Charges	<b>1,54,075</b>	1,70,174
Miscellaneous expenses	<b>81,09,275</b>	1,03,54,584
	<b>23,95,16,239</b>	28,79,70,402

<b>Payment to Auditors</b>	<b>2020-2021 Rs.</b>	<b>2019-2020 Rs.</b>
<u>As Auditor:</u>		
Audit fee	<b>1,50,000</b>	1,50,000
Tax audit fee	<b>40,000</b>	40,000
Other services (certification fees)	<b>52,500</b>	61,000
Reimbursement of expenses	<b>15,280</b>	22,946
<u>Cost Auditors:</u>		
Cost Audit Fee	<b>70,000</b>	70,000
GST Audit Fee	<b>1,20,000</b>	60,000
Reimbursement of expenses	-	8,333
<b>Total</b>	<b>4,47,780</b>	4,12,279

<b>Note 22 - Depreciation and amortization expense</b>	<b>2020-2021 Rs.</b>	<b>2019-2020 Rs.</b>
Depreciation of tangible assets	<b>4,23,53,718</b>	4,26,80,496
	<b>4,23,53,718</b>	4,26,80,496

<b>Note 23 - Finance Costs</b>	<b>2020-2021 Rs.</b>	<b>2019-2020 Rs.</b>
Interest	<b>4,95,91,727</b>	5,73,86,278
Other Borrowing cost	<b>12,54,210</b>	8,80,000
	<b>5,08,45,937</b>	5,82,66,278

<b>Note 24</b>	<b>2020-2021 Rs.</b>	<b>2019-2020 Rs.</b>
1. Contingent liabilities not provided for:		
a) Counter guarantees given to bankers for issue of Bank guarantees in favour of Government authorities.	-	-
b) Estimated amount of contracts to be executed on Capital accounts.	-	-
c) Claims against the company not acknowledged as debts;	-	-
- Income tax matters	-	5,92,781
d) Bills discounted with Banks	NIL	NIL
2. Earnings in Foreign Currency	NIL	NIL
3. Expenditure incurred in Foreign Currency :		
- on account of foreign travel (excluding tickets purchased in Indian currency)	-	17,10,236
- CIF value of Imports made during the year :-		
- Raw materials	<b>2,08,45,778</b>	80,71,311
- Components and spare parts	-	34,81,546
- Capital Goods	-	-

4. Sales :	2020-21		2019-20	
	Quantity (Kgs.)	Value Rs.	Quantity (Kgs.)	Value Rs.
Cotton yarn	<b>24,15,137</b>	<b>93,71,62,626</b>	25,94,491	99,98,98,600
Waste	<b>11,86,858</b>	<b>5,96,77,381</b>	13,21,187	6,31,47,900
		<b>99,68,40,007</b>		106,30,46,500

**Sree Akkamamba Textiles Ltd.,**

	2020-21		2019-20	
	Quantity (Kgs.)	Value Rs.	Quantity (Kgs.)	Value Rs.
5. Raw Material Consumed Cotton	<b>37,31,941</b>	<b>51,05,38,062</b>	40,89,923	58,35,18,242
6. Opening Stock of Finished goods:				
Yarn	<b>92,024</b>	<b>3,33,21,076</b>	53,131	2,00,66,213
Waste	<b>32,350</b>	<b>13,45,690</b>	30,816	6,89,325
7. Closing stock of finished goods:				
Yarn	<b>52,558</b>	<b>1,90,37,791</b>	92,024	3,33,21,076
Waste	<b>48,594</b>	<b>15,58,270</b>	32,350	13,45,690

8. Details of Licenced, installed and actual production :

	2020-2021	2019-2020
a) Capacity registered with the Government: Spindles (Nos.)	<b>80,208</b>	80,208
b) Installed Capacity: Spindles (Nos.)	<b>80,208</b>	80,208
c) Actual Production:		
Yarn (Kgs.)	<b>23,75,671</b>	25,68,185
Waste (Kgs.)	<b>12,03,102</b>	13,15,102

Note : The licenced and installed capacities are as certified by the Management.

9. Comparison between indigeneous and imported raw materials, components and spare parts during the year

a) Raw materials :	2020-21		2019-20	
	Value	%	Value	%
Imported	<b>2,46,97,836</b>	4.84	1,07,62,745	1.84
Indigenous	<b>48,58,40,226</b>	95.16	57,27,55,496	98.16
	<b>51,05,38,062</b>	100%	58,35,18,241	100%
b) Components and spare parts: (charged to appropriate heads)				
Imported	<b>62,596</b>	0.29	37,20,474	12.66
Indigenous	<b>2,17,58,717</b>	99.71	2,56,64,597	87.34
	<b>2,18,21,313</b>	100%	2,93,85,071	100%

10. The balances in the accounts of various parties are subject to confirmation by and reconciliation with the concerned parties.

11. Disclosures on payments and dues to suppliers as defined in Micro, Small and Medium Enterprises Development Act, 2006:

Particulars	Current year	Previous year
1. Amount remaining unpaid to any "Supplier" at the end of the year a) Principal amount of bills to be paid b) Interest due thereon	<b>2,92,355</b> <b>Nil</b>	266417 Nil
2. Payments made to suppliers during the year but beyond appointed / agreed by a) Payments made to Suppliers b) Interest paid along with such payments during the year u/s 16 of the Act	<b>Nil</b> <b>Nil</b>	Nil Nil
3. The amount of interest due and payable for the period of delay in making payment but without adding the interest specified under MSMED Act,2006	<b>Nil</b>	Nil
4. Amount of interest accrued and remaining unpaid at the end of each accounting year	<b>Nil</b>	Nil
5. Amount of further interest remaining due and payable even in succeeding years until such date when the interest dues above are actually paid to the small enterprises for the purpose of disallowance of deductible expenditure under section 23 of MSMED Act,2006	Nil	Nil

Note: For the purpose of the above details of the status of the suppliers under the Act has been determined to the extent of and based on information furnished by the respective parties and has accordingly been relied upon by the Company and its Auditors.



## 12. DISCLOSURE REQUIRED BY ACCOUNTING STANDARD-15 (REVISED) - EMPLOYEE BENEFITS

	2020-21		2019-20	
	GRATUITY	Leave Encashment	GRATUITY	Leave Encashment
<b>a) Reconciliation for present value of obligations</b>				
Present value of obligations as at beginning of year	6,52,34,256	36,76,742	6,41,71,480	38,63,833
Interest Cost	47,29,484	1,79,758	48,12,861	2,32,053
Current Service Cost	33,72,349	(5,70,086)	32,73,927	2,09,684
Benefits paid	91,46,145	19,22,731	90,47,808	16,21,007
Actuarial (gain)/loss on obligation	29,52,209	17,42,973	20,23,796	9,92,179
Present value of obligations as at end of year	6,71,42,153	31,06,656	6,52,34,256	36,76,742
<b>b) Reconciliation for Fair Value of Plan Assets</b>				
Fair value of plan assets at beginning of year	6,80,55,571		6,76,26,613	
Expected return on plan assets	49,59,689		52,96,554	
Contributions	49,14,517		41,80,212	
Benefits paid	(91,46,145)		(90,47,808)	
Actuarial gain on plan assets	--		--	
Fair value of plan assets at the end of year	6,87,83,632		6,80,55,571	
<b>c) Expenses Recognised in statement of Profit &amp; loss a/c</b>				
Current Service cost	33,72,349	(5,70,086)	32,73,927	2,09,684
Interest Cost	47,29,484	1,79,758	48,12,861	2,32,053
Expected return on plan assets	49,59,689	-	52,96,554	-
Net Actuarial gain recognized in the year	29,52,209	17,42,973	20,23,796	9,92,179
Expenses to be recognised in the profit & loss	60,94,353	13,52,645	48,14,030	14,33,916
<b>d) Net Liability Recognised in the Balance Sheet</b>				
Present value of obligations as at the end of year	6,71,42,153	31,06,656	6,52,34,256	36,76,742
Fair value of plan assets as at the end of the year	6,87,83,632	-	6,80,55,571	-
Funded status	16,41,479	(31,06,656)	28,21,315	(36,76,742)
Net Liability Recognized in the Balance Sheet	(16,41,479)	31,06,656	(28,21,315)	36,76,742
<b>e) Actuarial Assumptions</b>				
Assumptions				
Discount Rate	7.00%	6.70%	7.25%	6.62%
Salary Escalation	7.00%	6.00%	7.00%	6.00%
Mortality rate	LIC 1994-96 Ultimate Mortality Table			

13. As the company is engaged in manufacture of a single line of products, identification of the company's business into segments does not arise, as contemplated in Accounting Standard (AS-17) "Segment reporting" issued by the Institute of Chartered Accountants of India.

**14. Related Party Disclosures.**

A. List of related parties

1	Key Managerial Personnel	Sri M.S.R.V.K. Rangarao
2	Relatives of Key Managerial Personnel	<p>Smt. M.Satyanarayanamma - Mother of Sri M.S.R.V.K.Rangarao</p> <p>Smt. M.Srivani - Wife of Sri M.S.R.V.K. Rangarao</p> <p>Sri M.Harischandra Prasad - Brother of Sri M.S.R.V.K.Rangarao</p> <p>Master M.Venkatarayudu - Son of Sri MSRVK Rangarao</p> <p>Ms.M.Rukmini - Daughter of Sri MSRVK Rangarao</p> <p>Mr. M Rushyant -Son in law of Sri MSRVK Rangarao</p> <p>Ms.M.Ramya Tara - Daughter of Sri MSRVK Rangarao</p>
3	Enterprises controlled by Key Managerial Personnel and Relatives of Key Managerial Personnel	<p>The Andhra Sugars Ltd., VSM Spinning Mills Pvt. Ltd., Sree Venkataraya Printers and Packers Pvt. Ltd. Sree Venkataraya Threads Private Ltd., Royal Printing Works Hindustan Allied Chemicals Ltd.,</p>

**Sree Akkamamba Textiles Ltd.,**

**B. Transactions with the related parties :**

Sl. No.	Nature of transaction	Enterprises Controlled by Key Managerial Personnel and relatives of Key Managerial personnel	Key Managerial Personnel	Relatives of Key Managerial Personnel
1.	Purchase of Goods from Sree Venkataraya Printers & Packers Pvt. Ltd.	1,17,79,081		
		(1,29,52,540)		
	The Andhra Sugars Ltd.	75,378		
		-		
2.	Purchase of Fixed Assets from Sree Venkataraya Threads Pvt. Ltd.	-		
		(5,41,620.00)		
3.	Sale of Goods to The Andhra Sugars Ltd.	4,51,024		
		(1,23,895)		
4.	Dividends received from The Andhra Sugars Ltd.	-		
		(90,58,200)		
5.	Services Rendered by Royal Printing Works	1,60,955		
		(1,64,932)		
	Sree Venkataraya Threads Pvt. Ltd.	-		
		(12,07,480)		
6.	Remuneration paid to Sri M.S.R.V.K. Rangarao		33,72,150	
			(33,97,986)	
7.	Interest paid to The Andhra Sugars Ltd.	9,02,602		
		(35,84,794)		
	Hindustan Allied Chemicals Ltd.,	49,36,986		
		-		
	Sri M.S.R.V.K. Rangarao		3,399	
			(7,521)	
	Smt. M.Satyanarayanamma			-
				(1,63,263)
	Ms. M Rukmini			1,02,817
				(1,66,572)
	Ms. M Ramya Tara			1,02,033
				(1,03,794)
	Sri Mullapudi Venkata Rayudu			1,54,691
				(1,47,731)
8.	Loan Repaid to Hindustan Allied Chemicals Ltd.,	1,50,00,000		
		-		
	The Andhra Sugars Ltd.,	2,50,00,000		
		(1,50,00,000)		

**Sree Akkamamba Textiles Ltd.,**

Sl. No.	Nature of transaction	Enterprises Controlled by Key Managerial Personnel and relatives of Key Managerial	Key Managerial Personnel	Relatives of Key Managerial Personnel
9.	Rent paid to VSM Spinning Mills Pvt. Ltd.	11,18,250 (10,08,000)		
	<u>Balances as at 31.3.2021</u>			
10.	Share capital of the Company held by The Andhra Sugars Ltd.	14,00,000 (14,00,000)		
	Sri M.S.R.V.K. Rangarao		4,96,000 (4,96,000)	
	Dr. M. Harischandra Prasad			4,96,000 (4,96,000)
	Smt. Mullapudi Satyanarayanamma			5,56,770 (5,56,770)
	Smt. Mullapudi Srivani			25,000 (25,000)
	Sri Mullapudi Venkata Rayudu			70,000 (70,000)
	Ms. Mullapudi Rukmini			70,000 (70,000)
	Ms. Mullapudi Ramya Tara			70,000 (70,000)
11.	Investments held in The Andhra Sugars Ltd.	36,82,298 (36,82,298)		
	The Andhra Farm Chemicals Corp. Ltd.	51,000 (51,000)		
12.	Amount due to The Andhra Sugars Ltd.	-		
	Hindustan Allied Chemicals Ltd.,	(2,50,00,000) 8,50,00,000		
	Sri M.S.R.V.K. Rangarao		1,89,069 (1,49,125)	
	Ms. M Rukmini			7,31,822 (17,58,461)
	Ms.M Ramya Tara			12,06,995 (11,14,991)
	Sri Mullapudi Venkata Rayudu			17,25,796 (15,84,882)

**Sree Akkamamba Textiles Ltd.,**

Sl. No.	Nature of transaction	Enterprises Controlled by Key Managerial Personnel and relatives of Key Managerial personnel	Key Managerial Personnel	Relatives of Key Managerial Personnel
13.	Dividends paid to The Andhra Sugars Ltd.	- (1,40,000)	- (49,600)	-
	Sri M.S.R.V.K. Rangarao			(49,600)
	Dr. M. Harischandra Prasad			-
	Smt. Mullapudi Satyanarayamma			(55,677)
	Smt. Mullapudi Srivani			-
	Sri Mullapudi Venkata Rayudu			(2,500)
	Ms. Mullapudi Rukmini			-
	Ms. Mullapudi Ramya Tara			(7,000)
				-
				(7,000)

**15. Earning Per Share - the numerators and denominators used to calculate Basic and Diluted Earning per Share for the Years:**

Particulars		2020-2021 Rs.	2019-2020 Rs.
Profit attributable to the Shareholders	A	<b>(61,00,231)</b>	(3,54,23,092)
Basic/Weighted Average No of Equity Shares Outstanding during the year	B	<b>17,00,807</b>	17,00,807
Nominal value of Equity Share Rs.		<b>10</b>	10
Basic and Diluted Earning Per Share	A/B	<b>(3.59)</b>	(20.83)

**16. Corporate Social Responsibility(CSR)**

As per section 135 of Companies Act, 2013 the CSR committee has been formed by the company. The areas of CSR activities are eradication of hunger and malnutrition, promoting education, art and culture, health and care, destitute care and rehabilitation and rural development projects

	<b>Rs.</b>
Amount required to be spent during the year	<b>NIL</b>
Amount spent during the year	<b>NIL</b>
Balance unspent amount	<b>NIL</b>

17. Previous year figures have been regrouped wherever necessary and figures have been rounded off to the nearest rupee.

18. Previous year figures have been shown in brackets.

Per our report of even date  
for Brahmaya & Co.,  
Firm Regn. No.000513S  
Chartered Accountants  
T.V.Ramana  
Partner  
Membership No.200523

Place : Venkatarayapuram, Tanuku  
Date : 26th June, 2021

for and on behalf of the Board  
P.Narendranath Chowdary, Chairman  
M.S.R.V.K. Rangarao, Managing Director  
N.Satyanarayana, General Manager (Fin.& Admn.)

**PROXY FORM**

**SREE AKKAMAM A TEXTILES LIMITED**

Registered Office :  
Venkatarayapuram, TANUKU - 534 215. W.G.Dt., (A.P.)  
CIN : U51909 AP1954 PLC 000525  
Email: akkamamba@gmail.com, Website: www.akkamamba.com  
Phone: 08819-224945 / 224946

I/We being the member(s) of ..... shares of the above named Company hereby appoint:

- (1) Name: .....Address: .....  
E-mail ID ..... Signature ..... or failing him
- (2) Name: .....Address: .....  
E-mail ID ..... Signature ..... or failing him
- (3) Name: .....Address: .....  
E-mail ID ..... Signature .....

As my/our proxy to attend and vote (on a poll) for me/us and on my/our behalf at the 67th Annual General Meeting of the Company to be held on Saturday, 25th September, 2021 at 10.00 A.M at the Regd. Office, Venkatarayapuram, Tanuku and any adjournment thereof in respect of such Resolutions as are indicated below:

Resolution No.	Resolutions	Optional	
		for	against
	<b>Ordinary Business</b>		
1.	Adoption of Financial Statements for the year ended 31st March,2021		
2.	Re-appointment of Sri M.Narendranath as Director who retires by rotation.		
3.	Ratification of Appointment of M/s. Brahmayya & Co., Chartered Accountants as Auditors and fixing their remuneration.		
	<b>Special Business</b>		
4.	Acceptance of Fixed Deposits		
5.	Ratification of remuneration of Cost Auditors		
6.	RE-appointment of Managing Director for a further period of five years.		

Signed this ..... day of .....2021.

Signature of shareholder:.....  
Signature of Proxy holder (s) .....

**Note:**

1. This form of proxy in order to be effective should be duly completed and deposited at the Registered Office of the Company not less than 48 hours before the commencement of the Meeting.
2. For the Resolutions, Explanatory Statement and Notes, please refer to the Notice of the 67<sup>th</sup> Annual General Meeting.
3. It is optional to put a 'X' in the appropriate column against the Resolutions indicated in the Box. If you leave the For or Against column blank against any or all Resolutions, your proxy will be entitled to vote in the manner as he/she thinks appropriate.
4. Please complete all details including details of member(s) in above box before submission.