



# THAMBBI MODERN SPINNING MILLS LIMITED

## 44<sup>th</sup> ANNUAL REPORT 2021 - 2022



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## **CORPORATE INFORMATION**

<b>BOARD OF DIRECTORS:</b>	Mr. R. JAGADEESAN - MANAGING DIRECTOR Mrs. MALATHI JAGADEESAN - DIRECTOR Mr. MUTHU PUGAZHENDHI - INDEPENDENT DIRECTOR Mr. ASHOK P. SHAH - INDEPENDENT DIRECTOR
<b>CHIEF FINANCIAL OFFICER</b>	Mr. P. RAJASEKARAN
<b>COMPANY SECRETARY</b>	Ms. M. UMA MAHESHWARI
<b>AUDITORS:</b>	M/s. R. SUNDARARAMAN & CO, CHARTERED ACCOUNTANTS CHENNAI 600 083
<b>BANKERS:</b>	1. IDBI BANK LIMITED. AMMAPET, SALEM 636 003  2. HDFC BANK LIMITED, BRIDHAVAN ROAD BRANCH, SALEM 636 016
<b>REGISTERED OFFICE</b>	OMALUR ROAD, JAGIR AMMAPALAYAM POST, SALEM 636 302
<b>CORPORATE IDENTIFICATION NUMBER</b>	L17111TZ1977PLC000776
<b>REGISTRAR &amp; TRANSFER AGENTS:</b>	CAMEO CORPORATE SERVICES LIMITED SUBRAMANIAN BUILDING, V FLOOR, NO.1, CLUB HOUSE ROAD, CHENNAI 600 002



## **COMMITTEE INFORMATION**

### **AUDIT COMMITTEE:**

Mr. MUTHU PUGAZENDHI, CHAIRMAN  
Mr. ASHOK P SHAH  
Mrs. MALATHI JAGADEESAN

### **NOMINATION AND REMUNERATION COMMITTEE:**

Mr. MUTHU PUGAZENDHI, CHAIRMAN  
Mr. ASHOK P SHAH  
Mrs. MALATHI JAGADEESAN

### **STAKEHOLDER RELATIONSHIP COMMITTEE:**

Mrs. MALATHI JAGADEESAN, CHAIRMAN  
Mr. ASHOK P SHAH  
Mr. MUTHU PUGAZENDHI



**THAMBBI MODERN SPINNING MILLS LIMITED.,**

Registered Office: Omalur Road, Jagir Ammapalayam, Salem-636 302

Corporate Identity Number (CIN):L17111TZ1977PLC000776

Website: [www.thambbimodern.com](http://www.thambbimodern.com) Email: [tmsml@gmail.com](mailto:tmsml@gmail.com)

Tel: 0427-2345425

**NOTICE TO THE SHAREHOLDERS**

Notice is hereby given that the Forty fourth Annual General Meeting of the company will be held on Thursday, 23<sup>rd</sup> day of June, 2022, at 11:00 A.M. through Video Conferencing (VC) / Other Audio Visual Means (OAVM), to transact the following business. The venue of the Annual General Meeting shall be deemed to be the Registered Office of the Company at Omalur Road, Jagir Ammapalayam, Salem-636302.

**Ordinary Business:**

1. To receive, consider and adopt the Audited Balance Sheet of the Company as on **31<sup>st</sup> March 2022**, together with the notes annexed thereto and the Reports of the Board of Directors and the Auditors thereon.

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

**“RESOLVED THAT** the Audited Financial Statements of the Company for the year ended March 31, 2022, which comprise the Audited Balance Sheet as at March 31, 2022, the Statement of Profit and Loss (including the statement of other comprehensive income), Statement of Changes in Equity and Statement of Cash Flows for the year then ended, notes to the financial statements, including a summary of significant accounting policies and other explanatory information for the year ended March 31, 2022 and the reports of the Board of Directors and Auditors thereon be and are hereby received, considered, approved and adopted.”

2. To appoint a Director in place of Mrs. Malathi Jagadeesan, Non-Executive Director (DIN: 00153952) who retires by rotation and being eligible offers herself for re-appointment.

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

**“RESOLVED THAT** pursuant to the provisions of Section 152 of the Companies Act, 2013 and Articles of Association of the Company, Mrs. Malathi Jagadeesan (DIN: 00153952), who retires by rotation and being eligible has offered herself for re-appointment, be and is hereby re-appointed as a Director of the Company, liable to retire by rotation .”



3. To ratify the appointment of Auditors of the Company.

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

**“RESOLVED THAT**, pursuant to Section 139, 142 and other applicable provisions of the Companies Act, 2013 and the Rules made thereunder, M/s. NAGARAJU GIRISHA & ASSOCIATES, Chartered Accountants (FRN. 023506S) be and are hereby appointed as the Statutory Auditors of the Company for term of five consecutive years, who shall hold the office from the conclusion of this Annual General Meeting till the conclusion of the 49<sup>th</sup> Annual General Meeting (from FY 2022-23 to FY 2026-27) for a remuneration of Rs.75,000/- plus service tax, out-of-pocket expenses, that may be incurred by them in connection with the audit and excluding the applicable GST.”

**Special Business:**

4. To re-appoint Mr. R. Jagadeesan (DIN: 01153985) as Managing Director:

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

**“RESOLVED THAT** pursuant to the provisions of Section 196, 197 and any other applicable provisions of the Companies Act, 2013 (“Act”) and the rules made there under, as amended from time to time, read with Schedule V to the Act, the consent of the Members of the Company be and is hereby accorded to re-appoint Mr. R. Jagadeesan (DIN: 01153985) as Managing Director of the Company, for a period of 3 Years with effect from 1<sup>st</sup> April 2022, who has already attained the age of seventy years and will be attaining the age of seventy five the next year, for basic salary of Rs. 250,000/- per month (including in the event of loss or inadequacy of profits in any financial year), on the terms and conditions as set out in the Explanatory Statement annexed to the Notice convening this meeting with liberty to the Board of Directors of the Company to alter and vary terms and conditions of the said appointment in such manner as may be agreed to between the Board and Mr. R. Jagadeesan.”

For and on behalf of

Place: Salem

Date: 4<sup>th</sup> May, 2022

THAMBBI MODERN SPINNING MILLS LIMITED

R.JAGADEESAN

Managing Director

DIN: 01153985



## **NOTES:**

1. The Explanatory Statement, pursuant to Section 102 of the Companies Act, 2013 with respect to Special Business in Item No. 4 forms part of this Notice.
2. Pursuant to Circular No. 21/2021 dated 14<sup>th</sup> December 2021 issued by the Ministry of Corporate Affairs (MCA) the Companies are allowed to organize their Annual General Meeting through Video Conference (VC) or Other Audio Visual Means (OAVM). Hence, Members can attend and participate at the ensuing AGM through VC/OAVM.
3. The Members can join the AGM through the VC/OAVM mode 15 minutes before and after the scheduled time of the commencement of the AGM by following the procedure mentioned in the Notice. The facility of participation at the AGM through VC/OAVM will be made available to the members on "first come first served" basis. This will not include large Shareholders (Shareholders holding 2% or more of the total number of shares of the Company as on the cut-off date as defined), Promoters, Institutional Investors, Directors, Key Managerial Personnel, the Chairpersons of the Audit Committee, Nomination and Remuneration Committee and Stakeholders' Relationship Committee, Auditors etc. who are allowed to attend the AGM without restriction on account of "first come first served" basis.
4. Members attending the AGM through VC/OAVM will be counted for the purpose of reckoning the quorum under Section 103 of the Act, 2013.
5. Pursuant to the provisions of Section 108 of the Act, 2013 read with Rule 20 of the Companies (Management and Administration) Rules, 2014 (as amended) and Regulation 44 of Listing Regulations (as amended), and the Circulars issued by MCA dated 8th April, 2020, 13th April, 2020 and 5th May, 2020 the Company is providing facility of remote e-Voting to its Members in respect of the businesses to be transacted at the AGM. For this purpose, the Company has entered into an agreement with Central Depository Services Ltd (CDSL) for facilitating voting through electronic means, as the authorized agency. The facility of casting votes by a member using remote e-Voting system as well as voting at the meeting will be provided by CDSL.
6. In line with MCA Circular No. 17/2020 dated 13th April, 2020, the Notice calling the AGM has been uploaded on the website of the Company at [www.thambbimodern.com](http://www.thambbimodern.com). The Notice can also be accessed from the websites of the Stock Exchange BSE Limited at [www.bseindia.com](http://www.bseindia.com) and also available on the website of Central Depository Services Ltd (agency for providing the Remote e-Voting facility) i.e. [www.evotingindia.com](http://www.evotingindia.com).
7. Pursuant to MCA Circular No. 14/2020 dated April 08, 2020, the facility to appoint proxy to attend and cast vote for the members is not available for this AGM. However, in pursuance of Section 112 and Section 113 of the Companies Act, 2013, representatives of the members such as the President of India or the Governor of a State or body corporate can attend the AGM through VC/OAVM and cast their votes through e-voting.



8. AGM has been convened through VC/OAVM in compliance with applicable provisions of the Act, 2013 read with Circulars issued by MCA and SEBI in this regard.

**GENERAL:**

1. Notice of the AGM together with Annual Report for the F.Y.2021-2022 has been sent to all members by permitted mode electronically to those members who have registered their email address with the Company or their respective Depository. The electronic transmission of notices together with Annual Report has been completed. The Notice of AGM and Annual Report for the F.Y. 2021-2022 are available on the Company's website <http://www.thambbimodern.com/>.
2. The Register of Members and Share Transfer Books of the Company shall remain closed from 17<sup>th</sup> June, 2022, Friday to 23<sup>rd</sup> June, 2022, Thursday (both days inclusive) for the purpose of Annual General Meeting of the Company
3. Corporate Members intending to send their authorized representatives to attend the meeting pursuant to Section 113 of the Companies Act, 2013 are requested to send to the Company a certified copy of the relevant Board resolution together with the specimen signatures of their authorized representatives to attend and vote on their behalf at the meeting.
4. The business set out in the Notice will be transacted through electronic voting system and the Company is providing facility for voting by electronic means. Instructions and other information relating to remote e-voting are given in this Notice in Page No. 11.
5. In terms of Section 152 of the Companies Act, 2013, Mrs. Malathi Jagadeesan, (DIN: 00153952), Non-Executive Director retire by rotation at this Meeting and being eligible, offer herself for re-appointment. The Board of the Company commends her respective re-appointment. Mrs. Malathi Jagadeesan is aged about 68 years. She is a Science graduate having experience in the field of Textiles. She is associated with the company from 10<sup>th</sup> October 1994 as Director on the Board.

Details of the Directorship/Member of Committee including M/s Thambbi Modern Spinning Mills Limited held by Mrs. Malathi Jagadeesan

<b>Directorship</b>	<b>Membership/Chairmanship at Committees</b>
<ol style="list-style-type: none"><li>1. Director of M/s Thambbi Modern Spinning Mills Limited (TMSML)</li><li>2. Director of M/s Sunrise Jewelleries Private Limited</li><li>3. Director of M/s Jagadeesh Apartments Private Limited</li><li>4. Managing Director of M/s Vanpugazh Private Limited</li><li>5. Director of M/s Rajalakshmi Resources Private Limited</li></ol>	<ul style="list-style-type: none"><li>• Chairman of Stakeholders Relationship Committee (in TMSML)</li><li>• Member of Audit Committee(in TMSML)</li><li>• Member of Nomination and Remuneration Committee(in TMSML)</li></ul>



6. In case of joint holders attending the Meeting, only such joint holder who is higher in the order of names will be entitled to vote.
7. Relevant documents referred to in the accompanying Notice and the Statement is open for inspection by the members at the Registered Office of the Company on all working days, except Sundays, during business hours up to the date of the Meeting.
8. Members holding shares in electronic form are requested to intimate immediately any change in their address, bank mandates and other details to their Depository Participants with whom they are maintaining their demat accounts. Members holding shares in physical form are requested to advise any change in their address or bank mandates immediately to the Company / Cameo Corporate Services Limited.
9. The Securities and Exchange Board of India (SEBI) has mandated the submission of Permanent Account Number (PAN) by every participant in securities market. Members holding shares in electronic form are, therefore, requested to submit their PAN to their Depository Participants with whom they are maintaining their demat accounts. Members holding shares in physical form can submit their PAN to the Company / Cameo Corporate Services Limited, Chennai.
10. Members holding shares in single name and physical form are advised to make nomination in respect of their shareholding in the Company. The nomination form can be requested from the Company.
11. Non – Resident Indian Members are requested to inform Cameo, immediately of:
  - a) Change in their residential status on return to India for permanent settlement.
  - b) Particulars of their bank account maintained in India with complete name, branch, account type, account number and address of the bank with pin code number, if not furnished earlier.
12. Members, who have not registered their e-mail addresses so far, are requested to register their e-mail address for receiving all communication including Annual Report, Notices, Circulars, etc. from the Company electronically.
13. Pursuant to the provisions of Section 108 and other applicable provisions, if any, of the Companies Act, 2013 and the Companies (Management and Administration) Rules, 2014, as amended and Regulation 44 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, the Company is pleased to provide to its members facility to exercise their right to vote on resolutions proposed to be passed in the Meeting by electronic means. The members may cast their votes using an electronic voting system from a place other than the venue of the Meeting ('remote e-voting').
14. The facility for voting through poll shall be made available at the Meeting and the members attending the Meeting who have not cast their vote by remote e-voting shall be able to exercise their right at the AGM through ballot paper.



15. The members who have cast their vote by remote e-voting may also attend the meeting but shall not be entitled to cast their vote again.
16. The Board of Directors of the Company has appointed Mr. A. Mohan Kumar, Practicing Company Secretary, Chennai as Scrutinizer to scrutinize the Poll and remote e-voting process in a fair and transparent manner and he has communicated his willingness to be appointed and will be available for same purpose.
17. The Scrutinizer, after scrutinizing the votes cast at the meeting poll and through remote e-voting, will, not later than 48 hours of conclusion of the Meeting, make a consolidated scrutinizer's report and submit the same to the Chairman. The results declared along with the consolidated scrutinizer's report shall be placed on the website of the Company [www.thambbimodern.com](http://www.thambbimodern.com). The results shall simultaneously be communicated to the Stock Exchanges.
18. Members are requested to address all correspondence, including dividend-related correspondence, to the Registrar and Share Transfer Agents and/or to the Company.

CAMEO CORPORATE SERVICES LIMITED  
SUBRAMANIAN BUILDING, V FLOOR,  
NO.1, CLUB HOUSE ROAD,  
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PH: 044 2846 1073  
[investor@cameoindia.com](mailto:investor@cameoindia.com)

THAMBBI MODERN SPINNING MILLS LIMITED  
OMALUR ROAD,  
JAGIR AMMAPALAYAM,  
SALEM – 636302  
PH: 0427 2345425  
[tmsml@thambbimodern.com](mailto:tmsml@thambbimodern.com)

**Voting through electronic means:**

1. In compliance with provisions of Section 108 of the Companies Act, 2013 and Rule 20 of the Companies (Management and Administration) Rules, 2014, and amendments thereto, the Company is pleased to provide members facility to exercise their right to vote at the 44th Annual General Meeting (AGM) by electronic means and the business may be transacted through e-Voting Services provided by Central Depository Services (India) Limited (CDSL):



**The instructions for shareholders voting electronically are as under:**

- i. The voting period begins on Monday, June 20, 2022 (10:00 am) and ends on Wednesday, June 22, 2022 (05:00pm). During this period shareholders’ of the Company, holding shares either in physical form or in dematerialized form, as on June 17, 2022 may cast their vote electronically. The e-voting module shall be disabled by CDSL for voting thereafter.

Shareholders who have already voted prior to the meeting date would not be entitled to vote at the meeting venue.

- ii. Pursuant to **SEBI Circular No. SEBI/HO/CFD/CMD/CIR/P/2020/242** dated 09.12.2020, under Regulation 44 of Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015, listed entities are required to provide remote e-voting facility to its shareholders, in respect of all shareholders’ resolutions. However, it has been observed that the participation by the public non-institutional shareholders/retail shareholders is at a negligible level.

Currently, there are multiple e-voting service providers (ESPs) providing e-voting facility to listed entities in India. This necessitates registration on various ESPs and maintenance of multiple user IDs and passwords by the shareholders.

In order to increase the efficiency of the voting process, pursuant to a public consultation, it has been decided to enable e-voting **to all the demat account holders, by way of a single login credential, through their demat accounts/ websites of Depositories/ Depository Participants**. Demat account holders would be able to cast their vote without having to register again with the ESPs, thereby, not only facilitating seamless authentication but also enhancing ease and convenience of participating in e-voting process.

- iii. In terms of **SEBI circular no. SEBI/HO/CFD/CMD/CIR/P/2020/242** dated December 9, 2020 on e-Voting facility provided by Listed Companies, Individual shareholders holding securities in demat mode are allowed to vote through their demat account maintained with Depositories and Depository Participants. Shareholders are advised to update their mobile number and email Id in their demat accounts in order to access e-Voting facility.

Pursuant to above said SEBI Circular, Login method for e-Voting and joining virtual meetings for Individual shareholders holding securities in Demat mode is given below:

Type of shareholders	Login Method
Individual Shareholders Holding securities in Demat mode with CDSL	1) Users who have opted for CDSL Easi / Easiest facility, can login through their existing user id and password. Option will be made available to reach e-Voting page without any further authentication. The URL for users to login to Easi / Easiest are



	<p><a href="https://web.cdslindia.com/myeasi/home/login">https://web.cdslindia.com/myeasi/home/login</a> or visit <a href="http://www.cdslindia.com">www.cdslindia.com</a> and click on Login icon and select New System Myeasi.</p> <p>2) After successful login the Easiest user will be able to see the e-Voting option for eligible companies where the e-voting is in progress as per the information provided by company. On clicking the e-voting option, the user will be able to see e-Voting page of the e-Voting service provider for casting your vote during the remote e-Voting period or joining virtual meeting &amp; voting during the meeting. Additionally, there is also links provided to access the system of all e-Voting Service Providers i.e. CDSL/NSDL/KARVY/LINKINTIME, so that the user can visit the e-Voting service providers' website directly.</p> <p>3) If the user is not registered for Easiest, option to register is available at <a href="https://web.cdslindia.com/myeasi/Registration/EasiRegistration">https://web.cdslindia.com/myeasi/Registration/EasiRegistration</a>.</p> <p>4) Alternatively, the user can directly access e-Voting page by providing Demat Account Number and PAN No. from a e-Voting link available on <a href="http://www.cdslindia.com">www.cdslindia.com</a> home page. The system will authenticate the user by sending OTP on registered Mobile &amp; Email as recorded in the Demat Account. After successful authentication, user will be able to see the e-Voting option where the e-voting is in progress and also able to directly access the system of all e-Voting Service Providers.</p>
<p>Individual Shareholders holding securities in demat mode with <b>NSDL</b></p>	<p>1) If you are already registered for NSDL IDeAS facility, please visit the e-Services website of NSDL. Open web browser by typing the following URL: <a href="https://eservices.nsd.com">https://eservices.nsd.com</a> either on a Personal Computer or on a mobile. Once the home page of e-Services is launched, click on the "Beneficial Owner" icon under "Login" which is available under 'IDeAS' section. A new screen will open. You will have to enter your User ID and Password. After successful authentication, you will be able to see e-Voting services. Click on "Access to e-Voting" under e-Voting services and you will be able to see e-Voting page. Click on company name or e-Voting service provider name and you will be re-directed to e-Voting service provider website for casting your vote during the remote e-Voting period or joining virtual meeting &amp; voting during the meeting.</p> <p>2) If the user is not registered for IDeAS e-Services, option to register is available at <a href="https://eservices.nsd.com">https://eservices.nsd.com</a>. Select "Register Online for IDeAS "Portal or click at <a href="https://eservices.nsd.com/SecureWeb/IdeasDirectReg.jsp">https://eservices.nsd.com/SecureWeb/IdeasDirectReg.jsp</a></p> <p>3) Visit the e-Voting website of NSDL. Open web browser by typing the following URL: <a href="https://www.evoting.nsd.com/">https://www.evoting.nsd.com/</a> either on a Personal Computer or on a mobile. Once the home page of e-Voting system is launched, click on the icon "Login"</p>



	<p>which is available under ‘Shareholder/Member’ section. A new screen will open. You will have to enter your User ID (i.e. your sixteen digit demat account number hold with NSDL), Password/OTP and a Verification Code as shown on the screen. After successful authentication, you will be redirected to NSDL Depository site wherein you can see e-Voting page. Click on company name or e-Voting service provider name and you will be redirected to e-Voting service provider website for casting your vote during the remote e-Voting period or joining virtual meeting &amp; voting during the meeting</p>
<p>Individual Shareholders (holding securities in demat mode) login through their <b>Depository Participants</b></p>	<p>You can also login using the login credentials of your demat account through your Depository Participant registered with NSDL/CDSL for e-Voting facility. After Successful login, you will be able to see e-Voting option. Once you click on e-Voting option, you will be redirected to NSDL/CDSL Depository site after successful authentication, wherein you can see e-Voting feature. Click on company name or e-Voting service provider name and you will be redirected to e-Voting service provider website for casting your vote during the remote e-Voting period or joining virtual meeting &amp; voting during the meeting.</p>

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

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

<u>Login type</u>	<u>Helpdesk details</u>
Individual Shareholders holding securities in Demat mode with <b>CDSL</b>	Members facing any technical issue in login can contact CDSL helpdesk by sending a request at <a href="mailto:helpdesk.evoting@cDSLindia.com">helpdesk.evoting@cDSLindia.com</a> or contact at 022-23058738 and 22-23058542-43.
Individual Shareholders holding securities in Demat mode with <b>NSDL</b>	Members facing any technical issue in login can contact NSDL helpdesk by sending a request at <a href="mailto:evoting@nsdl.co.in">evoting@nsdl.co.in</a> or call at toll free no.: 1800 1020 990 and 1800 22 44 30

- i. Login method for e-Voting and joining virtual meeting for **shareholders other than individual shareholders holding in Demat form & physical shareholders.**
- ii. If you are holding shares in Demat form and had logged on to [www.evotingindia.com](http://www.evotingindia.com) and casted your vote earlier for EVSN of any Company, then your existing login id and password are to be used.



- iii. Log on to the e-voting website [www.evotingindia.com](http://www.evotingindia.com).
- iv. Click on “Shareholders” tab to cast your votes.
- v. Now, fill up the following details in the appropriate boxes:

	For members holding shares in demat form	For members holding shares in physical form
User ID	For NSDL: 8 Character DP ID followed by 8 Digits Client ID For CDSL: 16 digits beneficiary ID	Folio Number registered with the Company
PAN*	Enter your 10 digit alpha-numeric *PAN issued by Income Tax Department when prompted by the system while e-voting (applicable for both demat shareholders as well as physical shareholders)	
DOB#	Enter the Date of Birth as recorded in your demat account or in the company records for the said demat account or folio. #Any one	
Dividend Bank Details	Enter the Dividend Bank Details as recorded in your demat account or in the company records for the said demat account or folio.	

Alternatively, if you are registered for CDSL’s EASI/EASIEST e-services, you can log-in at <https://www.cdslindia.com> from Login – Myeasi using your login credentials. Once you successfully log-in to CDSL’s EASI/EASIEST e-services, click on e-Voting option and proceed directly to cast your vote electronically.

- vi. Next enter the Image Verification as displayed and Click on Login
- vii. If you are holding shares in demat form and had logged on to [www.evotingindia.com](http://www.evotingindia.com) and voted on an earlier e-voting of any company, then your existing password is to be used.
- viii. If you are a first time user follow the steps given below:

<b>For Shareholders holding shares in Demat Form and Physical Form</b>	
PAN	Enter your 10 digit alpha-numeric *PAN issued by Income Tax Department (Applicable for both demat shareholders as well as physical shareholders) <ul style="list-style-type: none"> <li>• Shareholders who have not updated their PAN with the Company/Depository Participant are requested to use the sequence number sent by Company/RTA or contact Company/RTA.</li> </ul>
Dividend Bank Details <b>OR</b> Date of Birth (DOB)	Enter the Dividend Bank Details or Date of Birth (in dd/mm/yyyy format) as recorded in your demat account or in the company records in order to login. <ul style="list-style-type: none"> <li>• If both the details are not recorded with the depository or company please enter the member id / folio number in the Dividend Bank details field as mentioned in instruction (v).</li> </ul>



\*Members who have not updated their PAN with the Company/Depository Participant are requested to use the default number: <TMSagm> in the PAN field

- ix. After entering these details appropriately, click on “SUBMIT” tab.
- x. Members holding shares in physical form will then reach directly to the voting screen. However, members holding shares in demat form will now reach ‘Password Change’ menu wherein they are required to mandatorily change their login password in the new password field. The new password has to be minimum eight characters consisting of at least one upper case (A-Z), one lower case (a-z), one numeric value (0-9) and a special character(@ # \$ %& \*). Kindly note that this password is to be also used by the demat holders for voting for resolutions of any other company on which they are eligible to vote, provided that company opts for e-voting through CDSL platform. It is strongly recommended not to share your password with any other person and take utmost care to keep your password confidential. Kindly note that this changed password is to be also used by the demat holders for voting for resolutions for the Company or any other Company on which they are eligible to vote, provided that Company opts for e-voting through CDSL platform.
- xi. You can also update your mobile number and e-mail ID in your demat account, which may be used for sending communication(s) regarding CDSL e-voting system in future. The same may be used in case the member forgets the password and the same needs to be reset.
- xii. For shareholders holding shares in physical form, the details can be used only for e-voting on the resolutions contained in this Notice.
- xiii. Select the Electronic Voting Sequence Number (“EVSN”) associated with the Company name “THAMBBI MODERN SPINNING MILLS LIMITED” from the drop down menu and click on Submit.
- xiv. On the voting page, you will see Resolution Description and against the same the option “YES/NO” for voting. Select the option YES or NO as desired. The option YES implies that you assent to the Resolution and option NO implies that you dissent to the Resolution.
- xv. Click on the “Resolutions File Link” if you wish to view the entire Resolutions.
- xvi. After selecting the resolution you have decided to vote on, click on “SUBMIT”. A confirmation box will be displayed. If you wish to confirm your vote, click on “OK”, else to change your vote, click on “CANCEL” and accordingly modify your vote.



- xvii. Once you “CONFIRM” your vote on the resolution, you will not be allowed to modify your vote.
- xviii. You can also take a print of the votes cast by clicking on “Click here to print” option on the Voting page.
- xix. If a demat account holder has forgotten the login password then Enter the User ID and the image verification code and click on Forgot Password & enter the details as prompted by the system.

#### **Facility for Non – Individual Shareholders and Custodians –Remote Voting:**

1. Institutional shareholders (i.e. other than individuals, HUF, NRI etc.) are required to log on to [https:// www.evotingindia.co.in](https://www.evotingindia.co.in) and register themselves, link their account which they wish to vote on and then cast their vote. They should upload a scanned copy of the Board Resolution in PDF format in the system for the scrutinizer to verify the vote.
2. **The voting period begins on Monday, June 20, 2022 (10:00 am) and ends on Wednesday, June 22, 2022 (05:00pm).** During this period, shareholder of the Company holding shares either in physical form or in dematerialized form, as on **the cut-off date (record date) as on the June 17, 2022**, may cast their vote electronically. The e-voting module shall be disabled by CDSL for voting thereafter. Once the vote on a resolution is cast by the shareholder, the shareholder shall not be allowed to change it subsequently.
3. In case you have any queries or issues regarding e-voting, you may refer the Frequently Asked Questions (“FAQs”) and e-voting manual available at [www.evotingindia.com](http://www.evotingindia.com) under help section or write an email to [helpdesk.evoting@cdslindia.com](mailto:helpdesk.evoting@cdslindia.com)
4. The voting rights of shareholders shall be in proportion to their shares of the paid up equity share capital of the Company as on the cut-off date (record date) of June 17, 2022.
5. A member may participate in the AGM even after exercising his right to vote through remote e-voting but shall not be allowed to vote again at the AGM.
6. A person, whose name is recorded in the register of members or in the register of beneficial owners maintained by the depositories as on the cut-off date only shall be entitled to avail the facility of remote e-voting as well as voting at the AGM through polling paper.



7. Mr. A. Mohan Kumar, Practicing Company Secretary (Membership No. F4347, CP No.19145) has been appointed as the Scrutinizer to scrutinize the voting and remote e-voting process in a fair and transparent manner.
8. The Scrutinizer shall after the conclusion of voting at the AGM, will first count the votes cast at the meeting by polling papers and thereafter unblock the votes cast through remote e-voting in the presence of at least two witnesses not in the employment of the Company and shall make, not later than 48 hours of the conclusion of the AGM, a consolidated scrutinizer's report of total votes cast in favor or against, if any, to the Chairman or a person authorized by him in writing.
9. The results on the resolution shall be declared within 48 hours of the conclusion of the AGM and the resolutions will be deemed to be passed on the AGM date subject to receipt of the requisite number of votes in favour of the resolutions.
10. All documents referred to in the accompanying Notice and the Explanatory Statement shall be open for inspection at the Registered Office of the Company during normal business hours (10.00 am to 5.00 pm) on all working days except Saturdays and Sundays, up to and including the date of the Annual General Meeting of the Company.

**PROCESS FOR THOSE SHAREHOLDERS WHO'S EMAIL ADDRESSES ARE NOT REGISTERED WITH THE DEPOSITORIES FOR OBTAINING LOGIN CREDENTIALS FOR E-VOTING FOR THE RESOLUTIONS PROPOSED IN THIS NOTICE:**

1. For Physical shareholders- please provide necessary details like Folio No., Name of shareholder, scanned copy of the share certificate (front and back), PAN (self-attested scanned copy of PAN card), AADHAR (self-attested scanned copy of Aadhar Card) by email to **Company/RTA email id.**
2. For Demat shareholders -, please provide Demat account details (CDSL-16 digit beneficiary ID or NSDL-16 digit DPID + CLID), Name, client master or copy of Consolidated Account statement, PAN (self-attested scanned copy of PAN card), AADHAR (self-attested scanned copy of Aadhar Card) to **Company/RTA email id.**

**By order of the Board of Directors**

**R.Jagadeesan**  
**Managing Director**  
**DIN: 01153985**

**Malathi Jagadeesan**  
**Director**  
**DIN: 00153952**

**Place: Salem**  
**Date: 04/05/2022**



**INSTRUCTIONS TO THE MEMBERS FOR ATTENDING THE AGM THROUGH VC/OAVM ARE AS UNDER:**

1. Shareholder will be provided with a facility to attend the EGM/AGM through VC/OAVM through the CDSL e-Voting system. Shareholders may access the same at <https://www.evotingindia.com> under shareholders/members login by using the remote e-voting credentials. The link for VC/OAVM will be available in shareholder/members login where the EVSN of Company will be displayed.
2. Shareholders are encouraged to join the Meeting through Laptops / IPads for better experience.
3. Further shareholders will be required to allow Camera and use Internet with a good speed to avoid any disturbance during the meeting.
4. Please note that Participants Connecting from Mobile Devices or Tablets or through Laptop connecting via Mobile Hotspot may experience Audio/Video loss due to Fluctuation in their respective network. It is therefore recommended to use Stable Wi-Fi or LAN Connection to mitigate any kind of aforesaid glitches.
5. Shareholders who would like to express their views/ask questions during the meeting may register themselves as a speaker by sending their request in advance at least 3 days prior to meeting mentioning their name, demat account number/folio number, email id, mobile number at (company email id). The shareholders who do not wish to speak during the AGM but have queries may send their queries in advance 3 days prior to meeting mentioning their name, demat account number/folio number, email id, mobile number at (company email id). These queries will be replied to by the company suitably by email.
6. Those shareholders who have registered themselves as a speaker will only be allowed to express their views/ask questions during the meeting.

**PROCESS FOR THOSE SHAREHOLDERS WHOSE EMAIL/MOBILE NO. ARE NOT REGISTERED WITH THE COMPANY/DEPOSITORIES.**

1. For Physical shareholders- please provide necessary details like Folio No., Name of shareholder, scanned copy of the share certificate (front and back), PAN (self-attested scanned copy of PAN card), AADHAR (self-attested scanned copy of Aadhar Card) by email to Company/RTA email id.
2. For **Demat shareholders** - Please update your email id & mobile no. with your respective Depository Participant (DP)



3. For **Individual Demat shareholders** – Please update your email id & mobile no. with your respective Depository Participant (DP) which is mandatory while e-Voting & joining virtual meetings through Depository.

If you have any queries or issues regarding attending AGM & e-Voting from the CDSL e-Voting System, you can write an email to [helpdesk.evoting@cdslindia.com](mailto:helpdesk.evoting@cdslindia.com) or contact at 022- 23058738 and 022-23058542/43.

**INSTRUCTIONS FOR SHAREHOLDERS FOR E-VOTING DURING THE AGM ARE AS UNDER:-**

1. The procedure for e-Voting on the day of the AGM is same as the instructions mentioned above for Remote e-voting.
2. Only those shareholders, who are present in the AGM through VC/OAVM facility and have not casted their vote on the Resolutions through remote e-Voting and are otherwise not barred from doing so, shall be eligible to vote through e-Voting system available during the AGM.
3. If any Votes are cast by the shareholders through the e-voting available during the AGM and if the same shareholders have not participated in the meeting through VC/OAVM facility , then the votes cast by such shareholders shall be considered invalid as the facility of e-voting during the meeting is available only to the shareholders attending the meeting.
4. Shareholders who have voted through Remote e-Voting will be eligible to attend the AGM. However, they will not be eligible to vote at the AGM.

**NOTE FOR NON – INDIVIDUAL SHAREHOLDERS AND CUSTODIANS**

1. Non-Individual shareholders (i.e. other than Individuals, HUF, NRI etc.) and Custodians are required to log on to [www.evotingindia.com](http://www.evotingindia.com) and register themselves in the “Corporates” module.
2. A scanned copy of the Registration Form bearing the stamp and sign of the entity should be emailed to [helpdesk.evoting@cdslindia.com](mailto:helpdesk.evoting@cdslindia.com).
3. After receiving the login details a Compliance User should be created using the admin login and password. The Compliance User would be able to link the account(s) for which they wish to vote on.
4. The list of accounts linked in the login should be mailed to [helpdesk.evoting@cdslindia.com](mailto:helpdesk.evoting@cdslindia.com) and on approval of the accounts they would be able to cast their vote.



5. A scanned copy of the Board Resolution and Power of Attorney (POA) which they have issued in favour of the Custodian, if any, should be uploaded in PDF format in the system for the scrutinizer to verify the same.
6. Alternatively Non Individual shareholders are required to send the relevant Board Resolution/ Authority letter etc. together with attested specimen signature of the duly authorized signatory who are authorized to vote, to the Scrutinizer and to the Company at the email address viz; [tmsml@thambbimodern.com](mailto:tmsml@thambbimodern.com), if they have voted from individual tab & not uploaded same in the CDSL e-voting system for the scrutinizer to verify the same.
7. If you have any queries or issues regarding attending AGM & e-Voting from the e-Voting System, you may refer the Frequently Asked Questions (“FAQs”) and e-voting manual available at [www.evotingindia.com](http://www.evotingindia.com), under help section or write an email to [helpdesk.evoting@cdslindia.com](mailto:helpdesk.evoting@cdslindia.com) or contact Mr. Nitin Kunder (022-23058738 ) or Mr. Bhavesh Pimputkar (022-23058543) or Mr. Rakesh Dalvi (022-23058542).
8. All grievances connected with the facility for voting by electronic means may be addressed to Mr. Rakesh Dalvi, Manager, (CDSL, ) Central Depository Services (India) Limited, A Wing, 25th Floor, Marathon Future, Mafatlal Mill Compounds, N M Joshi Marg, Lower Parel (East), Mumbai - 400013 or send an email to [helpdesk.evoting@cdslindia.com](mailto:helpdesk.evoting@cdslindia.com) or call on 022-23058542/43.

**By order of the Board of Directors**

**R JAGADEESAN**  
**Managing Director**  
**DIN: 01153985**

**MALATHI JAGADEESAN**  
**Director**  
**DIN: 00153952**

**Place: Salem**  
**Date: 4<sup>th</sup> May, 2022**



## **EXPLANATORY STATEMENT PURSUANT TO SECTION 102 OF THE COMPANIES ACT, 2013**

As required by Section 102 of the Companies Act, 2013 (Act), the following explanatory statement sets out the material facts relating to the business mentioned under Item No. 4 of the accompanying Notice.

Item 4: To re-appoint Mr. R.Jagadeesan (DIN: 01153985) as Managing Director

The Board of Directors recommends the appointment of Mr. R.Jagadeesan (DIN: 01153985) as the Managing Director of the Company for five years with effect from 1<sup>st</sup> April 2022.

### Profile of Mr. R. Jagadeesan:

Mr. R. Jagadeesan is the founder and promoter of our Company, M/s. THAMBBI MODERN SPINNING MILLS LIMITED. He is a graduate in Commerce. He has attained the age of 74 as on the date of this notice.

He has over four decades of experience in leading the business. Throughout his professional stints, Mr. R. Jagadeesan has focused on managing the business growth and profitability of the Company.

Currently he is a Director/Managing Director in the following Companies:

1. Managing Director in M/s. Thambbi Modern Spinning Mills Limited, M/s. Sunrise Jewelleries Private Limited and M/s. Rajalakshmi Resources Private Limited.
2. Director in M/s. Jagadeesh Apartments Private Limited and M/s. Vanpugazh Private Limited.

The Board has recommended Rs. 250,000/- p.m. as remuneration to Mr. R.Jagadeesan, which is in line with industry standards for a similar role.

### **By order of the Board of Directors**

**R.JAGADEESAN**  
Managing Director  
DIN: 01153985

**MALATHI JAGADEESAN**  
Director  
DIN: 00153952

**Place: Salem**  
**Date: 4<sup>th</sup> May, 2022**



## **BOARD' REPORT**

To the Members of Thambbi Modern Spinning Mills Limited,

Your Directors have pleasure in presenting the Forty fourth Annual Report of your Company together with the Audited Statement of Accounts and the Auditors' Report of your Company for the financial year ended **31<sup>st</sup> March 2022**.

### **1. FINANCIAL RESULTS:**

<b>Particulars</b>	<b>Financial year 31.03.2022 (In Lakhs)</b>	<b>Financial year 31.03.2021 (In Lakhs)</b>
Revenue from operations	221.07	166.78
Profit/(Loss) before depreciation and taxation	(270.02)	(42.39)
Depreciation	60.31	64.78
Profit/ (Loss) before tax	(502.89)	(114.13)
Profit/ (Loss) after tax	(510.33)	(164.62)

### **2. PERFORMANCE AND FUTURE OUTLOOK:**

During the year under review, your company's revenue is Rs. 221.07 lakhs compared to the previous year revenue of Rs. 166.78 lakhs.

It is imperative that the affairs of the Company are managed in a fair and transparent manner. This is vital to gain and retain the trust of our stakeholders. The Company expects to generate more revenues in the coming years and will strive to acquire more clients apart from retaining the existing clients.

### **3. DIVIDEND:**

Your Directors do not recommend any dividend for the current financial year due to conserve the resources of the company and the company's net worth was negative.

### **4. TRANSFER OF UNCLAIMED DIVIDEND TO INVESTOR EDUCATION AND PROTECTION FUND:**

There was no unpaid/unclaimed dividend to be transferred to IEPF Account for the financial year ended 31.03.2022.

### **5. CHANGES IN SHARE CAPITAL:**

During the year under review, there were no changes in the Share Capital of the Company. The Authorised share capital of the company is Rs. 14 Crores and paid up capital is Rs.5,76,27,700/-



**6. MATERIAL CHANGES AND COMMITMENTS, IF ANY, BETWEEN THE DATE OF THE BOARD'S REPORT AND AT THE END OF FINANCIAL YEAR:**

There have been no material Risk changes and commitments affecting the financial position of the Company which have occurred between the end of the financial year of the Company to which the financial statements relate and the date of the report.

**7. SCHEME OF AMALGAMATION:**

The Board of Directors of the Company at its meeting held on 28<sup>th</sup> October 2021 have approved the proposal of Demerger of the Company. But as the Directors wish to analyse and discuss further on the said matter, the proposal of demerger has been dropped.

**8. SIGNIFICANT AND MATERIAL ORDERS PASSED BY THE REGULATORS OR COURTS OR TRIBUNALS IMPACTING THE GOING CONCERN STATUS AND COMPANY'S OPERATION IN FUTURE:**

During the year under review, there were no such significant and material orders passed by the regulators or courts or tribunals impacting the going concern status and company's operations in future.

**9. CHANGE IN NATURE OF BUSINESS, IF ANY:**

There are no changes in the business of the Company.

**10. MANAGEMENT DISCUSSION AND ANALYSIS:**

Pursuant to Schedule V of Listing Regulations "Management Discussion and Analysis" is given separately and forms part of this Report.

**11. SUBSIDIARIES, JOINT VENTURES AND ASSOCIATE COMPANIES:**

There were no Companies which have become or ceased to be its Subsidiaries, joint ventures or associate companies during the financial year ended 31<sup>st</sup> March 2022.

**12. DEPOSITS:**

The Company has not invited/accepted any deposits from the public during the period ended 31<sup>st</sup> March 2022.

**13. RELATED PARTY TRANSACTIONS:**

All the transactions with related parties are in the ordinary course of business and at arm's length basis. The transactions with related parties are disclosed in Note No. 22 to the Standalone Financial Statements in the Annual Report. The disclosure of contracts or arrangements with related parties for material transactions is furnished in Form AOC-2 as Annexure-II as part of this report.

During the Financial year ended 31<sup>st</sup> March 2022, there were no materially significant transactions with Related Parties entered by the Company in the ordinary course of its Business at arm's length basis.



#### **14. RISK MANAGEMENT:**

Given the asset base of the Company, the Board is of the opinion that there are no major risks affecting the existence of the Company.

The Company has a risk management framework for the identification and management of risks and periodic assessments are made to identify the risk areas.

#### **15. INTERNAL AUDIT**

The Board is of the opinion that there is an internal audit function is commensurate with the size and operations of the Company.

#### **16. VIGIL MECHANISM:**

In accordance with section 177(9) and (10) of the Companies Act, 2013 and Regulation 22 of SEBI (LODR) Regulations, 2015 the company has established a Vigil Mechanism and has a Whistle Blower Policy. The policy provides a mechanism for all employees to report to the management, grievances about the unethical behavior or any suspected fraud. The policy is available at the website of the company [www.thambbimodern.com](http://www.thambbimodern.com).

#### **17. DECLARATION FROM INDEPENDENT DIRECTORS:**

The Company has received necessary declaration from each of the Independent Director that they meet the criteria of independence as laid down in Section 149 (6) of the Companies Act, 2013 and Regulation 25 of Listing Regulations.

A separate meeting of the Independent Directors was held on March 30, 2022 to review the performances of

- Non-independent Directors and Executive Directors;
- To assess the quality, quantity and timeliness of flow of Information

#### **18. DISCLOSURE REGARDING THE MAINTENANCE OF COST RECORDS AS SPECIFIED BY THE CENTRAL GOVERNMENT UNDER SUB-SECTION (1) OF SECTION 148 OF THE COMPANIES ACT, 2013:**

The Company is not required to maintain any Cost Records as specified by the Central Government under Section 148(1) of the Companies Act, 2013.

#### **19. DISCLOSURE UNDER THE SEXUAL HARASSMENT OF WOMEN AT WORKPLACE (PREVENTION, PROHIBITION AND REDRESSAL) ACT, 2013:**

The Company has always believed in providing a safe and harassment free workplace for every individual working in the company's premises through various interventions and practices. The Company always endeavors to create and provide an environment that is free from discrimination and harassment including sexual harassment.

During the period ended 31<sup>st</sup> March, 2022, no complaints were received pertaining to sexual harassment.



**20. TRANSFER TO RESERVES:**

No Profit transferred to General Reserve Account during the financial year ended 31<sup>st</sup> March 2022.

**21. CONSERVATION OF ENERGY, TECHNOLOGY ABSORPTION, FOREIGN EXCHANGE EARNINGS AND OUTGO:**

In terms of Section 134 (3) (m) of the Companies Act 2013 read with Rule8, of the Companies (Accounts) Rules, 2014, your Directors furnish here under the additional information as required:

**(a) ENERGY CONSERVATION:**

In view of the nature of operations of the Company, the requirements with regard to conservation of energy are not applicable to the industry.

**(b) TECHNOLOGY ABSORPTION:**

- a. Research and Development: NIL
- b. Technology absorption, adaptation and Innovation: NIL

**(c) FOREIGN EXCHANGE EARNINGS AND OUTGO:**

Earnings in Foreign Exchange- NIL  
Outgoing Foreign Exchange- NIL

**22. DIRECTORS' RESPONSIBILITY STATEMENT:**

Pursuant to Section 134(5) of the Companies Act, 2013 the Board of Directors of the Company confirms that-

- (a) In the preparation of the annual accounts, the applicable accounting standards had 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 Directors had taken proper and sufficient care for the maintenance of adequate accounting records in accordance with the provisions of this Act for safeguarding the assets of the company and for preventing and detecting fraud and other irregularities;
- (d) The Directors had prepared the annual accounts on a going concern basis;
- (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.

**23. CORPORATE SOCIAL RESPONSIBILITY:**

The provisions for corporate social responsibility ("CSR") under Section 135(1) of the Companies Act, 2013, are not applicable to the Company for the current financial year.



#### **24. MEETINGS OF THE BOARD OF DIRECTORS:**

During the financial year ended 31<sup>st</sup> March, 2022, the Company held 10 (Ten) meetings of the Board of Directors as per Section 173 of Companies Act, 2013. The provisions of Companies Act, 2013 were adhered to while considering the time gap between two meetings.

The Board meetings were held on 27-04-2021, 12-05-2021, 24-06-2021, 13-08-2021, 07-10-2021, 28-10-2021, 13-11-2021, 13-12-2021, 15-12-2021 and 10-01-2022.

#### **25. ANNUAL RETURN:**

In accordance with Section 134(3) (a) of the Companies Act, 2013 read with Section 92(3) of the Companies Act, 2013, annual return is available on the website of the Company, <https://www.thambbimodern.com>.

#### **26. PARTICULARS OF LOANS, GUARANTEES AND INVESTMENTS:**

During the financial year ended 31<sup>st</sup> March, 2022, the Company did not grant any loan or provide any guarantee or made any investment as per the provisions of Section 186 of the Companies Act, 2013.

#### **27. DETAILS OF DIRECTORS/KEY MANAGERIAL PERSONNEL:**

As on the date of this report, the Board of Directors/Key Managerial Personnel comprises of:

<b>S. No.</b>	<b>Name</b>	<b>Designation</b>
1.	Mr. R.Jagadeesan	Managing Director
2.	Mrs. Malathi Jagadeesan	Non-Executive Director
3.	Mr. Ashok Pukhraj Shah	Independent Director
4	Mr. Muthu Pugazhendhi	Independent Director
5	Mr. Rajasekaran Ponnappan	Chief Financial Officer
6.	Ms. M.Uma Maheshwari	Company Secretary

There has been change in the constitution of the Key Managerial Personnel during the year under review.

1. Resignation of Ms. Harshini from the post of Company Secretary with effect from 13<sup>th</sup> December 2021.
2. Appointment of Ms. M. Uma Maheshwari as Company Secretary on 15<sup>th</sup> December 2021.

#### **Retire by Rotation:**

Mrs. Malathi Jagadeesan, Non-executive director (DIN: 01153985), retires by rotation in the ensuing Annual General Meeting and being, eligible offers herself for reappointment. Your directors recommend her reappointment.



## **28. AUDITORS:**

### **A. STATUTORY AUDITORS:**

M/s. NAGARAJU GIRISHA & ASSOCIATES (FRN:023506S), Chartered Accountants, are recommended to be appointed as the Statutory Auditor of the Company to hold the office for a period of five years till the conclusion of 49<sup>th</sup> Annual General Meeting (From FY 2022-23 to FY 2026-27) of the Company on a remuneration of Rs.75,000/- plus applicable GST and reimbursement of travelling and out of pocket expenses incurred by them for the purpose of audit.

### **B. SECRETARIAL AUDITORS:**

M/s. Mohan Kumar & Associates, Practicing Company Secretaries, Chennai are the Secretarial Auditors of the Company.

The Secretarial Audit for the Financial Year 2021- 2022, inter-alia, included audit of compliance with the Companies Act, 2013, and the Rules made under the Act, Listing Regulations and applicable Regulations prescribed by SEBI amongst others.

The Secretarial Audit Report is enclosed as Annexure-I to the Board's Report.

## **29. BOARD'S COMMENT ON THE QUALIFICATION OR RESERVATIONS, IF ANY GIVEN BY THE STATUTORY AUDITOR AND SECRETARIAL AUDITOR:**

The Statutory Auditors have not made any Qualification or Reservation in the Audit Report for the current Financial Year. The Report for the financial year ended, 31<sup>st</sup> March 2022 is annexed for your kind perusal and information.

### **ADDENDUM TO DIRECTORS REPORT**

#### **COMMENTS OF SECRETARIAL AUDITOR**

1. As per Section 203 of the Companies Act, 2013, a Company may appoint or employ a person as its managing director, if he is the managing director, and of not more than one, other company. Mr. R. Jagadeesan, Managing Director of the Company is designated as Managing Director in more than two Companies in contravention of the aforesaid provision of the Companies Act, 2013.
2. As per Regulation 47 of the SEBI (Listing Obligations and Disclosure Requirements), 2015 the Company is required to publish its financial results in the newspaper. The Company has not published its financial results for the Quarter ended 30th September 2021.

#### **REPLY BY THE BOARD OF DIRECTORS TO SECRETARIAL AUDITOR COMMENTS**

1. Company will take steps to change the position of Mr.R.Jagadeesan in Rajalakshmi Resources Private Limited at the earliest.
2. Due to Covid-19 which was peak at the time, we could not publish the financial results for the Quarter ended Sep'2021 in the newspaper, but we have filed the financial results for the quarter ended Sep'2021 with the BSE in the stipulated time.

### **3. COMPLIANCE WITH SECRETARIAL STANDARDS:**

The Directors have devised proper systems to ensure compliance with the provisions of all applicable Secretarial Standards and such systems are adequate and operating effectively. The Company has duly complied with the applicable Secretarial Standards as required by the Companies Act, 2013.



**4. COMPANY'S POLICY RELATING TO DIRECTORS APPOINTMENT, PAYMENT OF REMUNERATION AND DISCHARGE OF THEIR DUTIES:**

The provisions of Section 178(1) relating to constitution of Nomination and Remuneration Committee is applicable to the company. The Details of Composition of Nomination and Remuneration Committee are covered under corporate governance report annexed with this report and forms part of this report.

**5. BOARD EVALUATION:**

The Companies Act and Listing Regulations contain provisions on evaluation of the performance of the Board and its Committees as a whole and Directors including Independent Directors, Non-Independent Directors and Chairperson individually. In pursuant thereof, annual evaluation of performance of the Board, working of its Committees, contribution and impact of individual directors has been carried out for peer evaluation on various parameters.

**6. PARTICULARS OF EMPLOYEES:**

The statement containing particulars in terms of Section 197(12) of the Companies Act, 2013 read with Rules of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014 employees are not drawing remuneration in excess of the limits set out in the said Rules. The statement containing particulars in terms of Section 197(12) of the Companies Act, 2013 read with rule 5(2) and 5(3) of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014 forms part of this report in Annexure-III. Considering the first proviso to Section 136(1) of the Companies Act, 2013, the Annual Report, excluding the aforesaid information, is being sent to the members of the Company and others entitled thereto. Any shareholder interested in obtaining a copy thereof, may write to the Company Secretary in this regard.

**7. ACKNOWLEDGEMENT:**

Your Directors wish to express their appreciation to the continued co-operation received from the Banks, Government Authorities, Customers, Vendors and Shareholders during the year. Your Directors also wish to place on record their deep sense of appreciation for the committed service of the Executives, staff and Workers of the Company.

**For and on behalf of the Board of Directors**

**R.JAGADEESAN**  
Managing Director  
DIN: 01153985

**MALATHI JAGADEESAN**  
Director  
DIN: 00153952

Place: Salem  
Date: 4<sup>th</sup> May, 2022



**ANNEXURE-I**

**Form No. MR-3**

**SECRETARIAL AUDIT REPORT**

**FOR THE FINANCIAL YEAR ENDED MARCH 31, 2022**

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

To  
The Members,  
M/s. THAMBBI MODERN SPINNING MILLS LIMITED,

I have conducted the Secretarial Audit of the Compliance of applicable statutory provisions and the adherence to good corporate practices by **M/s. THAMBBI MODERN SPINNING MILLS LIMITED** (hereinafter called "the Company") bearing Corporate Identification Number **L17111TZ1977PLC000776** for the Financial Year ended 31<sup>st</sup> March 2022. Secretarial Audit was conducted in a manner that provided us a reasonable basis for evaluating the corporate conducts/statutory compliances and expressing my opinion thereon.

Based on my verification of the Company's books, papers, minute books, forms and returns filed and other records maintained by the Company and also the information provided by the Company, its officers, agents and authorized representatives during the conduct of secretarial audit, I hereby report that in my opinion, the Company has, during the audit period covering the financial year ended on 31<sup>st</sup> March, 2022, complied with the statutory provisions listed hereunder and also that the Company has proper Board-processes and compliance-mechanism in place to the extent, in the manner and subject to the reporting made hereinafter:

I have examined the books, papers, minute books, forms and returns filed and other records maintained by the Company for the financial year ended on 31<sup>st</sup> March, 2022 according to the provisions of:

- (i) The Companies Act, 2013 (the Act) and the rules made thereunder;
- (ii) The Foreign Exchange Management Act, 1999 and the rules and regulations made thereunder to the extent of Foreign Direct Investment, Overseas Direct Investment and External Commercial Borrowings;
- (iii) The Securities Contracts (Regulation) Act, 1956 ('SCRA') and the rules made thereunder;
- (iv) The Depositories Act, 1996 and the Regulations and Bye-laws framed thereunder;
- (v) The following Regulations and Guidelines prescribed under the Securities and Exchange Board of India Act, 1992 ('SEBI ACT'):-
  - a) The Securities and Exchange Board of India (Substantial Acquisition of Shares and Takeovers) Regulations, 2011;
  - b) The Securities and Exchange Board of India (Prohibition of Insider Trading) Regulations, 2015;
  - c) The Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2018; **Not Applicable as the Company has not issued any shares/ security during the financial year under review;**
  - d) The Securities and Exchange Board of India (Depositories and Participants) Regulations, 2018;
  - e) The Securities and Exchange Board of India (Share Based Employee Benefits) Regulations, 2014;- **Not Applicable as the Company has not granted any options during the financial year under review;**



- f) The Securities and Exchange Board of India (Issue and Listing of Debt Securities) Regulations, 2008; - **Not Applicable as the Company has not issued any debt securities during the financial year under review;**
- g) The Securities and Exchange Board of India (Registrars to an Issue and Share Transfer Agents) Regulations, 1993 regarding the Companies Act and dealing with client; - **Not Applicable as the Company is not registered as Registrar to an issue and Share Transfer Agent during the financial year under review;**
- h) The Securities and Exchange Board of India (Delisting of Equity Shares) Regulations, 2009; - **Not applicable as the Company has not delisted its equity shares from any stock exchange during the financial year under review;**
- i) The Securities and Exchange Board of India (Buyback of Securities) Regulations, 2018; - **Not Applicable as the Company has not bought back any of its securities during the financial year under review;** and
- j) The Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations 2015.
- vi) Other laws applicable specifically to the Company.

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

- (i) Secretarial Standards issued by The Institute of Company Secretaries of India.
- (ii) The Listing Agreements entered into by the Company with BSE Limited (BSE).

I further report that the applicable financial laws, such as Direct and Indirect Tax Laws, have not been reviewed under my audit as the same falls under the review of statutory auditor and by other designated professionals.

During the period under review, the Company has complied with the provisions of the Act, Rules, Regulations, Guidelines, Standards, etc. mentioned subject to the below observations:

1. As per Section 203 of the Companies Act, 2013, a Company may appoint or employ a person as its managing director, if he is the managing director, and of not more than one, other company. Mr. R. Jagadeesan, Managing Director of the Company is designated as Managing Director in more than two Companies in contravention of the aforesaid provision of the Companies Act, 2013.
2. As per Regulation 47 of the SEBI (Listing Obligations and Disclosure Requirements), 2015 the Company is required to publish its financial results in the newspaper. The Company has not published its financial results for the Quarter ended 30<sup>th</sup> September 2021.

I further report that:

- a) The Board of Directors of the Company is duly constituted with proper balance of Executive Directors, Non-Executive Directors and Independent Directors including Women Directors. The changes in the composition of the Board of Directors that took place during the period under review, if any, were carried out in compliance with the provisions of the Act.
- b) Adequate Notice is given to all Directors to Schedule the Board Meetings, agenda and detailed notes on agenda were sent generally at least seven days in advance and where notice was given at a shorter period, the same were ratified by the Independent Directors of the Company. Also, a system exists



for seeking and obtaining further information and clarifications on the agenda items before the meeting and for meaningful participation at the meeting.

- c) Majority decision is carried through where there were no dissenting members.

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

I further report that during the audit period, the following major transactions were identified:-

1. Ms. Harshini, Company Secretary, resigned from the Company on 13.12.2021.
2. Ms. M. Uma Maheshwari was appointed as Company Secretary with effect from 15.12.2021.
3. The members, at the Annual general Meeting held on 26.07.2021, approved the following:
  - a. Reappointment of Mrs. Malathi Jagadeesan as Non-executive Director of the Company upto the period ending 31.03.2022.
4. The Board of Directors of the Company approved the proposal of Demerger vide Board Meeting held on 28.10.2021 and intimation with regard to the same has been made to BSE. But as the Directors wish to analyze and discuss further on the said matter, the proposal of demerger has been dropped by the Board of Directors.

For Mohan Kumar & Associates

Place: Chennai  
Date: 04-05-2022

A. Mohan Kumar  
Practicing Company Secretary  
Membership Number: FCS 4347  
Certificate of Practice Number: 19145  
UDIN: F004347D000269062

This Report is to be read with my testimony of even date which is annexed as **Annexure A** and forms an integral part of this report.



## Annexure A

To  
The Members,  
M/s. Thambbi Modern Spinning Mills Limited

My report of even date is to be read along with this letter.

1. Maintenance of Secretarial record is the responsibility of the management of the Company. My responsibility is to express an opinion on these secretarial records based on my audit.
2. I have followed the audit practices and process as were appropriate to obtain reasonable assurance about the correctness of the contents of the Secretarial records. The verification was done on test basis to ensure that correct facts are reflected in Secretarial records. I believe that the process and practices, I have followed provide a reasonable basis for my opinion.
3. I have not verified the correctness and appropriateness of financial records and Books of Accounts of the Company.
4. Wherever required, I have obtained the Management representation about the Compliance of laws, rules and regulations and happening of events etc.
5. The Compliance of the provisions of corporate and other applicable laws, rules, regulations, standards is the responsibility of management. My examination was limited to the verification of procedure on test basis.
6. The Secretarial Audit report is neither an assurance as to the future viability of the Company nor of the efficacy or effectiveness with which the management has conducted the affairs of the Company.

For Mohan Kumar & Associates

Place: Chennai  
Date: 04-05-2022

A. Mohan Kumar  
Practicing Company Secretary  
Membership Number: FCS 4347  
Certificate of Practice Number: 19145  
UDIN: F004347D000269062



**ANNEXURE-II**

**FORM AOC-2**

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

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

1. Details of contracts or arrangements or transactions not at arm's length basis
  - 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 or arrangements or transactions including the value, if any: NIL
  - e) Justification for entering into such contracts or arrangements or transactions: NIL
  - f) Amount paid as advances, if any: NIL
  - g) 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 or arrangement or transactions 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 or arrangements or transactions including the value, if any: NIL
  - e) Date(s) of approval by the Board, if any: NIL
  - f) Amount paid as advances, if any: NIL

**FOR AND ON BEHALF OF BOARD OF DIRECTORS**

**Place:** Salem  
**Date:** 04<sup>th</sup> May, 2022

**R.Jagadeesan**  
Managing Director  
DIN: 01153985

**Malathi Jagadeesan**  
Director  
DIN: 00153952



**ANNEXURE-III**

**REMUNERATION RATIO OF THE DIRECTORS / KEY MANAGERIAL PERSONNEL (KMP) / EMPLOYEES:**

**Pursuant to Section 197 read with Rule 5 of The Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014 and Companies (Particulars of Employees) Rules, 1975**

1. The ratio of the remuneration of each Director to the median remuneration of the Employees of the Company for the financial year and
2. The percentage increase in remuneration of each Director, Chief Financial Officer, Chief Executive Officer, Company Secretary, or Manager, if any, in the financial year 2021-22 are given below:

<b>S. NO</b>	<b>Name</b>	<b>Designation</b>	<b>Percentage increase in remuneration</b>	<b>Ratio of the remuneration of each director to the median remuneration of the employees of the Company for the financial year</b>
1	Mr. R.Jagadeesan	Managing Director	NIL	NIL
2	Mrs.Malathi Jagadeesan	Non- Executive Director	NIL	NIL
3	Mr. Muthu Pugazhendhi	Independent Director	NIL	NIL
4	Mr. Ashok Pukhraj Shah	Independent Director	NIL	NIL
5	Mr. Rajasekaran Ponnappan	Chief Financial Officer	NIL	NIL
6	Ms. M. Uma Maheshwari	Company Secretary	NIL	NIL

3. The percentage decrease in the median remuneration of employees in the financial year: 3%
4. The number of permanent employees on the rolls of the Company: 14
5. Average percentile increase/decrease already made in the salaries of employees other than the managerial personnel in the last financial year and its comparison with the percentile increase in the managerial remuneration and justification thereof and point out if there are any exceptional circumstances for increase in the managerial remuneration:



The percentage decrease in the salaries of employees other than the managerial personnel in the last financial year is 3% on a cost to Company basis. The increment given to each individual employee is based on the employees' potential, experience as also their performance and contribution to the Company's progress over a period of time and also benchmarked against a comparable basket of relevant companies in India.

6. Affirmation that the remuneration is as per the Remuneration Policy of the Company:

It is affirmed that the remuneration paid is as per the Remuneration Policy for Directors, Key Managerial Personnel and other employees, adopted by the Company.

***The net worth as at March 31, 2022 was Rs. (944.31 Lakhs) and as at March 31, 2021 was Rs. (433.98 lakhs)***

**FOR AND ON BEHALF OF BOARD OF DIRECTORS**

**Place:** Salem

**Date:** 04<sup>th</sup> May, 2022

**R.Jagadeesan**

Managing Director

DIN: 01153985

**Malathi Jagadeesan**

Director

DIN: 00153952



## ANNEXURE-IV

### REPORT ON CORPORATE GOVERNANCE

#### **COMPANY'S PHILOSOPHY ON CODE OF GOVERNANCE**

The Company believes in abiding by the Code of Governance so as to be a responsible corporate citizen and to serve the best interests of all the stakeholders, viz., the employees, customers, vendors and the society at large. The Company seeks to achieve this goal by being transparent in its business dealings, by disclosure of all relevant information in an easily understood manner, and by being fair to all stakeholders, by ensuring that the Company's activities are managed by a professionally competent and independent Board of Directors.

#### **BOARD OF DIRECTORS**

As on 31<sup>st</sup> March, 2022, your Company's Board comprises of four Directors. The board is comprised with One Executive Director, One Non-Executive Director and Two Independent Directors (50% of the board is composed with Independent Directors). As per Regulation 17(1) (a) of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, the board is composed with a women director.

#### **COMPOSITION OF BOARD:**

<b>Names of the Director</b>	<b>Designation</b>
Mr. R.Jagadeesan	Executive Director
Mrs. Malathi Jagadeesan	Non-Executive Director
Mr. Ashok Pukhraj Shah	Independent Director
Mr. Muthu Pugazhendhi	Independent Director

#### **NUMBER OF MEETINGS OF THE BOARD OF DIRECTORS AND DATES ON WHICH HELD AND DIRECTOR'S ATTENDANCE AT BOARD MEETINGS DURING THE FINANCIAL YEAR 2021 – 2022**

Ten (10) Board meetings were held during the financial year ended 31<sup>st</sup> March, 2022.

The Board meetings were held on 27-04-2021, 12-05-2021, 24-06-2021, 13-08-2021, 07-10-2021, 28-10-2021, 13-11-2021, 13-12-2021, 15-12-2021 and 10-01-2022.



<b>Names of the Director</b>	<b>No. of Board Meetings attended during the year 2021-2022</b>
Mr. R.Jagadeesan	10
Mrs. Malathi Jagadeesan	8
Mr. Ashok Pukhraj Shah	8
Mr. Muthu Pugazhendhi	10

Certificates have also been obtained from the Independent Directors confirming their position as Independent Directors on the Board of the Company in accordance with Section 149 of the Companies Act, 2013 read with Regulation 16(1) (b) of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015.

**NUMBER OF BOARD OF DIRECTORS OR BOARD COMMITTEES INCLUDING THAMBBI MODERN SPINNING MILLS LIMITED IN WHICH THE DIRECTOR IS A CHAIRMAN / MEMBER IS AS FOLLOWS:**

<b>Name of the Director</b>	<b>No. of Directorship</b>	<b>No. of committees in which Chairman / Member</b>	
		<b>Chairman</b>	<b>Member</b>
Mr. R.Jagadeesan	5	-	-
Mrs. Malathi Jagadeesan	5	1	3
Mr. Ashok Pukhraj Shah	1	-	3
Mr. Muthu Pugazhendhi	1	2	3

**DISCLOSURE OF RELATIONSHIP BETWEEN DIRECTORS INTER-SE:**

Our board consists of four directors. Out of the four, two director's i.e. Mr. R. Jagadeesan, Managing Director and Mrs. Malathi Jagadeesan, Non-Executive Director have spouse relationship. Mr. Ashok Pukhraj Shah and Mr. Muthu Pugazhendhi are Independent Directors and do not have any relationship with other members of the Board.



**CATEGORY OF DIRECTORSHIP IN OTHER COMPANIES LISTED ON RECOGNIZED STOCK EXCHANGE(S):**

Name of other companies listed at the recognized Stock Exchange(s) in which the Directors of the Company hold position of Directorship (along with category of Directorship), as on 31st March, 2022, are as under:

<b>Name of the Director</b>	<b>Name of other companies listed at the recognized Stock Exchange(s) in which hold Directorship</b>	<b>No. of committees in which Chairman / Member</b>
Mr. R.Jagadeesan	NIL	NA
Mrs. Malathi Jagadeesan	NIL	NA
Mr. Ashok Pukhraj Shah	NIL	NA
Mr. Muthu Pugazhendhi	NIL	NA

**THE DETAILS OF SHARES HELD BY THE DIRECTORS OF THE COMPANY IN THEIR INDIVIDUAL NAMES AS ON 31<sup>ST</sup> MARCH, 2022 ARE FURNISHED BELOW:**

<b>Name of the Director</b>	<b>No. of Equity Shares Held</b>	<b>Designation</b>
Mr. R. Jagadeesan	32,84,995	Managing Director
Mrs. Malathi Jagadeesan	5,68,530	Non-Executive Director
Mr. Ashok Pukhraj Shah	NIL	Independent Director
Mr. Muthu Pugazhendhi	200	Independent Director

**NUMBER OF SHARES AND CONVERTIBLE INSTRUMENTS HELD BY NON-EXECUTIVE DIRECTORS:**

None of the members of the board hold non-convertible instruments.

**CRITERIA OF INDEPENDENCE OF INDEPENDENT DIRECTORS:**

Mr. Ashok Pukhraj Shah and Mr. Muthu Pugazhendhi, Independent Directors, have furnished a declaration that they meet the criteria of independence as laid down under Section 149 (6) of the Companies Act and Regulation 16 (b) of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015

**WEB LINK WHERE DETAILS OF FAMILIARIZATION PROGRAMS IMPARTED TO INDEPENDENT DIRECTORS IS DISCLOSED:**

Your Company is exempted under regulation 15(2) of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015.

**DETAILS OF THE DIRECTORS SEEKING RE-APPOINTMENT IN THE FORTHCOMING ANNUAL GENERAL MEETING (IN PURSUANCE OF REGULATION 36 OF THE SEBI (LODR) REGULATIONS, 2015 AND ANY AMENDMENTS THERETO)**

Name of the Director	Mrs. Malathi Jagadeesan
Mode of Appointment	Reappointment as retires by rotation
Date of Birth	27-04-1954
Number of Shares held as on 31 <sup>st</sup> March, 2022	5,68,350
Qualifications	B.Sc.
Experience in special functional Area	27 Years
Directorship held in other Companies including Listed entities as on (March 31, 2022)	1. M/s. Sunrise Jewelleries Private Limited 2. M/s. Jagdeesh Apartments Private Limited 3. M/s. Vanpugazh Private Limited 4. M/s. Rajalakshmi Resources Private Limited
Chairman/Membership in Committees of other Companies	Nil

None of the Directors are related to each other except Mr. R. Jagadeesan and Mrs. Malathi Jagadeesan.



## **CHART SETTING OUT THE SKILLS / EXPERTISE / COMPETENCE OF THE BOARD OF DIRECTORS:**

While evaluating the Board as a whole, it was ensured that the existing board members have relevant core skills/expertise /competencies as required in the context of its business (es) and sector(s) to function effectively.

<b>SKILL</b>	<b>DESCRIPTION</b>
Leadership/Strategy	Leadership/ Experience of playing leadership roles Strategy in large businesses, with competencies around strategy development & implementation, sales & marketing, business administration/operations and Organization and people management.
Financial	Practical knowledge and experience in Corporate Finance, accounting and reporting and internal financial controls, including strong ability to asses financial impact of decision making and ensure profitable and sustainable growth.
Governance	Strong understanding of and experience in directing the management in the best interests of the Company and its stakeholders and in upholding high standards of governance.
Regulatory	Strong expertise and experience in corporate law and regulatory compliance in India and overseas (including industry specific laws).

## **AUDIT COMMITTEE**

### **COMPOSITION**

The Audit Committee comprises of Mr. Muthu Pugazhendhi, Independent Director as Chairman, Mr. Ashok Pukhraj Shah, Independent Director and Mrs. Malathi Jagadeesan, Non-executive Director as Members.

All the members of the Audit Committee are financially literate and one-half of the members have expertise in accounting/financial management.

### **MEETINGS AND ATTENDANCE DURING THE YEAR**

The Audit Committee met Five times during the year and the time gap between any two meetings did not exceed one hundred and twenty days.



<b>Date of Meetings</b>	<b>Total No. of Members Entitled</b>	<b>Total No. of Members Present</b>
12/05/2021	3	2
13/08/2021	3	2
28/10/2021	3	3
13/11/2021	3	2
10/01/2022	3	2

During the year all the recommendations of the Audit committee have been accepted by the Board.

#### **STAKEHOLDERS' RELATIONSHIP COMMITTEE**

The Committee consists of Mrs. Malathi Jagadeesan, Non-Executive Director as Chairman, Mr. Muthu Pugazhendhi, Independent Director and Mr. Ashok Pukhraj Shah, Independent Director as Member. The Committee considers and resolves the grievances of the security holders.

Ms. M. Uma Maheshwari, Company Secretary of the Company is the Compliance Officer of the Company.

The Committee also reviews the manner and time-lines of dealing with complaint letters received from Stock Exchanges/ SEBI/ Ministry of Corporate Affairs etc., and the responses thereto. Based on the delegated powers of the Compliance in-charge approves the transfers, transmissions and transposition of securities on a regular basis and the same is reported at the next meeting of the Committee, normally held periodically.

During the year, as there was no requirement, Stakeholders Relationship Committee Meeting was not held. The Company is exempted under Regulation 15 of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015.

During the year no letters/complaints were received from investors and none of the complaints is pending as on date.

The Stakeholders Relationship Committee also reviewed the Redressal system of the Company.



There was no request for Share Transfer and Dematerialization pending as on 31st March, 2022.

The Company has designated an e-mail id exclusively for Investor Relations viz., [thambbimodern@gmail.com](mailto:thambbimodern@gmail.com)

#### **NOMINATION AND REMUNERATION COMMITTEE:**

##### **Brief Description Of Terms Of Reference**

- Formulate Remuneration Policy and a policy on Board Diversity.
- Formulate criteria for evaluation of Directors and the Board.
- To ensure that the Remuneration Policy shall also include the criteria for determining qualifications, positive attributes and independence of a Director and recommend to the Board a policy, relating to the remuneration for the Directors, Key Managerial Personnel and other employees.
- Identify persons who are qualified to become Directors and who may be appointed in Senior Management in accordance with the criteria laid down, recommend to the Board their appointment and removal and shall carry out evaluation of every Director's performance.
- To ensure that the level and composition of remuneration is reasonable and sufficient to attract, retain and motivate Directors of the quality required to run the Company successfully; relationship of remuneration to performance is clear and meets appropriate performance benchmarks.
- Remuneration to Directors, Key Managerial Personnel and Senior Management involves a balance between fixed and incentive pay reflecting short and long term performance objectives appropriate to the working of the Company and its goals.

##### **COMPOSITION:**

The Nomination and Remuneration Committee comprises of Mr. Muthu Pugazhendhi, Independent Director as Chairman, Mr. Ashok Pukhraj Shah, Independent Director and Mrs. Malathi Jagadeesan, Non-executive Director as Members of the Committee.

During the year, as there was no requirement, Nomination and Remuneration Committee Meeting was not held. The Company is exempted under Regulation 15 of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015.

##### **Performance evaluation criteria for Independent Directors:**

The performance evaluation criteria for independent directors are determined by the Nomination and Remuneration committee. An indicative list of factors that may be evaluated include participation and contribution by a director, commitment, effective deployment of



knowledge and expertise, effective management of relationship with stakeholders, integrity and maintenance of confidentiality and independence of behaviour and judgement.

#### REMUNERATION TO DIRECTORS:

##### Details Of The Remuneration For The Year Ended 31st March, 2022:

Name of the Director	Category	Salary	Commission	Sitting fees	Perquisites and allowances	ESPS
Mr. R. Jagadeesan	Managing Director	15,00,000	NIL	NIL	NIL	NIL
Mrs. Malathi Jagadeesan	Non-Executive Director	NIL	NIL	4,000	NIL	NIL
Mr. Ashok P Shah	Independent Director	NIL	NIL	4,000	NIL	NIL
Mr. M. Pugazendhi	Independent Director	NIL	NIL	6,000	NIL	NIL

Only sitting fees is payable to Non-executive and Independent Directors for the meetings of the Board attended by them.

#### DISCLOSURE ON MATERIALLY SIGNIFICANT RELATED PARTY TRANSACTIONS:

There have been no materially significant related party transactions with the Company's promoters, directors, the management, their subsidiaries or relatives which may have potential conflict with the interests of the Company at large.

Full disclosure of related party transactions as per Accounting Standard 18 issued by the Institute of Chartered Accountants of India is given Notes to Financial Statements. All the transactions covered under related party transaction were fair, transparent and at arm's length.

#### WHISTLE BLOWER POLICY:

In compliance with Section 177 (9) of the Companies Act, 2013 and pursuant to the Listing Agreement, the Board of Directors of the Company have adopted the Vigil Mechanism/Whistle blower Policy for directors and employees to report concerns about unethical behaviour, actual or suspected fraud or violation of the Company's code of conduct or ethics policy. This policy also provides for adequate safeguards against victimization of



director(s)/employee(s) who avail of the mechanism and also provides for direct access to the Chairperson of the Audit Committee.

This Policy covers disclosures or formal reporting by the whistle blowers of any unethical and improper practices and events which have taken place/ suspected to have taken place. This policy provides for transparency in dealings and timely and regular response of whistle blower investigations. The approved whistle blower policy is available on the Company's website <http://www.thambbimodern.com/>

#### **DETAILS OF COMPLIANCE WITH MANDATORY REQUIREMENTS AND ADOPTION OF THE NON-MANDATORY REQUIREMENTS:**

The Company has implemented all mandatory requirements of Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015. The non-mandatory requirements have been adopted to the extent and in the manner as stated under the appropriate headings detailed below:

##### **(i) The Board:**

An executive Chairman heads the Board. Independent Directors possess the requisite qualification and experience to contribute effectively to the Company in their capacity as independent director.

##### **(ii) Shareholder rights:**

The unaudited quarterly results of the Company are uploaded in the website of the Company.

#### **MEANS OF COMMUNICATION**

The Company's quarterly results are published in 'Makkal Kural' and 'Trinity Mirror', and are displayed on its website [www.thambbimodern.com](http://www.thambbimodern.com). Your Company has not been requested by any institutional investors / analysts for any detailed presentations on the Company's unaudited quarterly as well as audited annual financial results.

#### **GENERAL SHARE HOLDERS INFORMATION**

The Company's website [www.thambbimodern.com](http://www.thambbimodern.com) contains a separate dedicated section 'Investor Relations' where shareholders' information is available. A separate section has been annexed to the Annual Report furnishing various details viz., previous annual General Meeting, its time and venue, share price movement, distribution of shareholding, location of development centre, means of communication, etc., for shareholders reference.



## ANNUAL GENERAL MEETINGS AND EXTRAORDINARY GENERAL MEETING

The details of the Annual General Meetings / Extraordinary General Meeting held in the last three years are as follows:

Financial Year	Date & Time	Location	Special Resolution
2020-2021	26/07/2021 & 11:00 A.M.	Through Video conference	Nil
2019-2020	28/08/2020 & 10:00 A.M.	Through Video conference	Re-appointment of Mr. Ashok Pukhraj Shah and Mr. Muthu Pugazhendhi as Independent Director
2018-2019	20/06/2019 & 10.30 A.M.	Unit II, TNEB Sub Station, Udayapatti By-pass road, Kamaraj Nagar Colony Post, Salem - 636014	Re-appointment of Sri. Ramasamy Jagadeesan Udayar as Managing Director

No resolution was passed through postal ballot during the year under review.

Following resolutions were passed at the Annual General Meeting held for FY 2020-21:

Items	Type of Resolutions
Adoption of financial Statements	Ordinary Resolution
Reappoint Mrs.Malathi Jagadeesan who retires by rotation	Ordinary Resolution

### RISK MANAGEMENT:

Periodic assessments are made to identify the risk areas and management is briefed on the risks in advance to enable the Company to control risk through a properly defined plan. The risks are classified as financial risks, operational risks and market risks. The risks are taken into account while preparing the annual business plan for the year. The Board is also periodically informed of the business risks and the actions taken to manage them. The Company also looks into the following:

- Provide an overview of the principles of risk management
- Explain approach adopted by the Company for risk management
- Define the organizational structure for effective risk management



- Develop a “risk” culture that encourages all employees to identify risks and associated opportunities and to respond to them with effective actions.
- Identify, assess and manage existing and new risks in a planned and coordinated manner with minimum disruption and cost, to protect and preserve Company’s human, physical and financial assets.

**CODE OF CONDUCT FOR THE BOARD OF DIRECTORS AND THE SENIOR MANAGEMENT:**

The standards for business conduct provide that the directors and the senior management will uphold ethical values and legal standards as the Company pursues its objectives, and that honesty and personal integrity will not be compromised under any circumstances. A copy of the said code of conduct is available on the website <http://www.thambbimodern.com/>. The Board members and senior management personnel have affirmed compliance with the code of conduct for the Financial Year 2021-2022.

**CERTIFICATE FROM PRACTICING COMPANY SECRETARY:**

The Company has received a certificate from the Secretarial Auditor of the Company stating that none of the directors on the board of the company have been debarred or disqualified from being appointed or continuing as directors of companies by the Board / Ministry of Corporate Affairs or any such statutory authority. The certificate is enclosed with this report as Annexure.

**FEES PAID TO STATUTORY AUDITOR ON A CONSOLIDATED BASIS:**

During the year, the Company has paid Rs. 94,400/- to the statutory Auditors for all services received by the listed entity on a consolidated basis.

**LIST OF CREDIT RATING:** Not applicable to the Company.



**GENERAL SHAREHOLDER INFORMATION**

<b>44th Annual General Meeting for the financial year ended 31st March, 2022</b>		
a.	Day, Date and Time	Thursday, 23rd Day of June, 2022 at 11.00 am
	Medium	Through Video Conference
b.	Dividend payment date	NIL
c.	Date of Book Closure	From 17 <sup>th</sup> June, 2022 (Friday) to 23 <sup>rd</sup> June, 2022 (Thursday)
d.	Listing on stock exchange	Bombay Stock Exchange
e.	Payment of listing fees	Listing fees as applicable has been paid.
f.	Stock Code/ Scrip code	514484

**Market Price Data – Company Share Price and BSE Sensex:**

<b><u>MONTH</u></b>	<b><u>Company Share Price</u></b>	
	<b><u>High</u></b>	<b><u>Low</u></b>
April, 2021	7.73	7.02
May, 2021	8.09	7.01
June, 2021	8.32	7.01
July, 2021	11.60	7.90
August, 2021	13.13	11.40
September, 2021	14.20	11.86
October, 2021	12.56	8.83
November, 2021	12.80	8.38
December, 2021	14.24	12.80
January, 2022	13.47	9.46
February, 2022	9.00	7.74
March, 2022	9.36	8.90



**SHAREHOLDING PATTERN AS ON 31<sup>ST</sup> MARCH, 2022:**

CATEGORY CODE	CATEGORY OF SHAREHOLDERS	NUMBER OF SHAREHOLDERS	TOTAL NUMBER OF SHARES	AS A % OF A+B+C
<b>A</b>	<b>Shareholding of Promoter and Promoter Group</b>			
1	Indian	4	43,20,295	74.97
2	Foreign	0	0	0
<b>Total Shareholding of Promoter and Promoter Group</b>		<b>4</b>	<b>43,20,295</b>	<b>74.97</b>
<b>B</b>	<b>Public Shareholding</b>			
1	Institutions	3	14,200	0.25
2	Non-Institutions	4,256	14,28,275	24.78
<b>Total Public Shareholding</b>		<b>4,259</b>	<b>14,42,475</b>	<b>25.03</b>
<b>C</b>	<b>Shares held by Custodians and against which Depository Receipts have been issued</b>	0	0	0
<b>Total ( A+B+C)</b>		<b>4,263</b>	<b>57,62,770</b>	<b>100</b>



**Distribution of Shareholding As On 31st March, 2022:**

No.of.Shares	Shareholders		No.of.Shares	
	Number	%	Number	%
1-100	3,645	82.3728	3,24,980	5.6393
101-500	567	12.8135	1,68,275	2.9200
501-1000	113	2.5536	89,330	1.5501
1001-2000	53	1.1977	79,756	1.3839
2001-3000	10	0.2259	25,235	0.4378
3001-4000	7	0.1581	22,012	0.3819
4001-5000	4	0.0903	18,493	0.3209
5001-10000	9	0.2033	64,343	1.1165
10001- And above	17	0.3841	49,70,346	86.2496
<b>Total</b>	<b>4,425</b>	<b>100</b>	<b>57,62,770</b>	<b>100</b>

**List Of Top 10 Shareholders As On 31st March 2022:**

S.No	Name of Shareholder	No of shares held as on 31.03.2022	% of holding
1	R JAGADEESAN	32,84,995	57.0037
2	MALATHI JAGADEESAN	5,68,530	9.8656
3	SALEM RAMAMURTHY MURALIMANO HAR	2,92,000	5.0670
4	J RAJALAKSHMI	2,56,820	4.4565
5	J RAMKUMAR	2,09,950	3.6432
6	RAJU BHANDARI	1,17,011	2.0305
7	KRISHNAMOORTHY S	98,588	1.7108
8	KRISHNAKUMAR RAMACHANDRAN	22,224	0.3856
9	FATEMA HUSSAINI BHARMAL	18,100	0.3141
10	SUBODH RAJARAM MANJREKAR	15,100	0.2620



### **Dematerialization of shares:**

<b>Category</b>	<b>No. of shares</b>	<b>Percentage</b>
Physical	3,89,679	6.7620
NSDL	52,19,123	90.5662
CDSL	1,53,968	2.6718
<b>Total</b>	<b>57,62,770</b>	<b>100.0000</b>

### **REGISTRAR AND SHARE TRANSFER AGENT**

The details of Registrar and share transfer agent of the Company as below:

CAMEO CORPORATE SERVICES LIMITED  
Subramanian Building, V Floor,  
No.1, Club House Road  
Chennai – 600 002  
Contact No. 044 – 28461073.

M/s. Cameo Corporate Services Limited are the Registrars for the demat segment and also the share transfer agents of the company, to whom communications regarding share transfer and dematerialization requests must be addressed. All matters connected with share transfer, transmission, dividend payment is handled by the share transfer agent. Share transfers are processed within 15 days of lodgment. A Practicing Company Secretary certifies timely dematerialization of shares of the company.

### **SHARE TRANSFER SYSTEM:**

The Board has authorized Ms. M. Uma Maheshwari, Company Secretary of the Company in charge to approve all transfer, transmission and transposition of securities.

### **REQUEST TO INVESTORS:**

Shareholders are requested to follow the general safeguards/procedures as detailed hereunder in order to avoid risks while dealing in the securities of the Company.

- Shareholders are requested to convert their physical holding to demat/electronic form through any of the DPs to avoid any possibility of loss, mutilation etc., of physical share certificates and also to ensure safe and speedy transaction in securities.
- Shareholders holding shares in physical form, should communicate the change of address, if any, directly to the Registrars and Share Transfer Agent of the Company.
- It has become mandatory for transferees to furnish a copy of Permanent Account Number for registration of transfer of shares held in physical mode.
- Shareholders holding shares in physical form who have not availed nomination facility and would like to do so are requested to avail the same, by submitting the nomination in Form



No. SH-13. The form will be made available on request. Those holding shares in electronic form are advised to contact their DPs.

- As required by SEBI, it is advised that the shareholders furnish details of their bank account number and name and address of their bank for incorporating the same in the dividend warrants. This would avoid wrong credits being obtained by unauthorized persons.

#### **RECONCILIATION OF SHARE CAPITAL AUDIT:**

A quarterly audit was conducted by a Practicing Company Secretary, reconciling the issued and listed capital of the Company with the aggregate of the number of shares held by investors in physical form and in the depositories and the said certificates were submitted to the stock exchanges within the prescribed time limit. As on 31<sup>st</sup> March 2022, there was no difference between the issued and listed capital and the aggregate of shares held by investors in both physical form and in electronic form with the depositories. 53,73,091 Equity shares representing 93.24% of the paid up equity capital have been dematerialized as on 31st March 2022

#### **Dematerialization of Shares and Liquidity:**

Shares of the Company can be held and traded in electronic form. As stipulated by SEBI, the shares of the Company are accepted in the Stock Exchanges for delivery only in dematerialization form.

Outstanding GDRs/ADRs/Warrants or any Convertible instruments, conversion date and likely impact on equity – NIL

Disclosure of commodity price risks or foreign exchange risk and commodity hedging activities NIL

#### **ADDRESS FOR COMMUNICATION:**

Registrar & Share Transfer Agents (R&TA) (matters relating to Shares, Dividends, Annual Reports)	Cameo Corporate Services Limited Subramanian Building, V Floor, No.1, Club House Road Chennai – 600 002 Contact No. 044-40020710 / 044-2846 0390
For any other general matters or in case of any difficulties/ grievances	Mr. Rajasekaran Ponnappan Chief Financial Officer Omalur Road, Jagir Ammapalayam, Salem – 636302 +91 0427 2345425
Website address	<a href="http://www.thambbimodern.com">www.thambbimodern.com</a>
Email ID of Investor Grievances Section	<a href="mailto:tmsml@thambbimodern.com">tmsml@thambbimodern.com</a>
Name of the Compliance Officer	Ms. M. Uma Maheshwari, Company Secretary



#### **A. DETAILS OF ESTABLISHMENT OF VIGIL MECHANISM WHISTLE BLOWER POLICY, AND AFFIRMATION THAT NO PERSONNEL HAVE BEEN DENIED ACCESS TO THE AUDIT COMMITTEE.**

Pursuant to Section 177(9) of the Companies Act, 2013 read with Rule 7 of the Companies (Meetings of Board and its Powers) Rules, 2014 and Regulation 15 (2) of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, the Board of Directors had approved the Policy on Vigil Mechanism/ Whistle Blower and the same was hosted on the website of the Company.

This Policy enables stakeholders (including Directors and employees) to report unethical behavior, actual or suspected fraud or violation of the Company's Code of Conduct. The policy provides adequate safeguards against victimization of director(s)/ employee(s) and direct access to the chairman of the audit committee. The Protected Disclosures, if any reported under this Policy will be appropriately and expeditiously investigated by the chairman of the audit committee.

Your company hereby affirms that no director/ employee have been denied access to the chairman of the audit committee and that no complaints were received during the year.

#### **B. DETAILS OF COMPLIANCE WITH MANDATORY REQUIREMENTS AND ADOPTION OF THE NON-MANDATORY REQUIREMENTS OF THIS CLAUSE:**

The company has adopted all the mandatory requirements as per the listing agreement and SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015. The company has not adopted non-mandatory requirements as stipulated in Part E of Schedule II of the SEBI (Listing Obligations and Disclosure Requirements) Regulations.

Web link where policy for determining 'material' subsidiaries is disclosed – [www.thambbimodern.com](http://www.thambbimodern.com)

Web link where policy on dealing with related party transactions – [www.thambbimodern.com](http://www.thambbimodern.com)

Disclosure of commodity price risks and commodity hedging activities – Nil

Subsidiary Companies - Nil

Material Subsidiary – Nil

Disclosure with respect to demat suspense account/unclaimed suspense account – Nil

#### **INDEPENDENT DIRECTORS:**

Pursuant to the provisions of Section 149 of the Companies Act, 2013, the Independent Directors of the Company were reappointed for a period of 3 years from the date of Annual General Meeting held on 28/08/2020. Pursuant to Schedule IV of the Companies Act, 2013, every Independent Director has been issued a letter of appointment containing the terms and conditions of his/her



appointment. The terms and conditions of appointment have been posted on the website of the Company at [www.thambbimodern.com](http://www.thambbimodern.com).

#### **SEPARATE MEETING OF INDEPENDENT DIRECTORS:**

In accordance with the provisions of Schedule IV of the Companies Act, 2013, a separate meeting of the Independent Directors was held during the year on March 30, 2022 without the attendance of Non-Independent Directors and members of management, inter alia to:

- Review the performance of the Non-Independent Directors and the Board as a whole;
- Review the performance of the Managing Director of the Company, taking into account the views of the executive directors and non-executive directors;
- Assess the quality, quantity and timeliness of flow of information between the company management and the Board that is necessary for the Board to effectively and reasonably perform their duties.

Mr. Muthu Pugazendhi and Mr. Ashok Pukhraj Shah, Independent directors of the company convened a meeting of independent directors and discussed matters pertaining to the Company's affairs and functioning of the Board and presented their views to the Managing Director for appropriate action.

**FOR AND ON BEHALF OF BOARD OF DIRECTORS**

**Place:** Salem

**Date:** 04<sup>th</sup> May, 2022

**R.Jagadeesan**

Managing Director

DIN: 01153985

**Malathi Jagadeesan**

Director

DIN: 00153952



## **ANNEXURE-V**

### **MANAGEMENT DISCUSSION AND ANALYSIS REPORT**

#### **a. Industry structure and developments**

**Structure:** - The Company has involved in Rental and property development activities. However it has obtained Rs. 222.91 lakhs of Rental Receipts and other income.

**Developments:** - The buildings of the Company have been leased out to generate income.

#### **b. Opportunities and Threats**

**Opportunity:** - The Company has started concentrating on leasing its existing land & building.

**Threats:-** The Company sees no threat affecting the performance and growth.

#### **c. Segment-wise or product-wise performance – Nil**

#### **d. Outlook**

During the financial year 2021 – 2022, the Company has revenue from operations of Rs. 221.07 Lakhs as against Rs. 166.78 Lakhs in the financial year 2020 – 2021.

#### **e. Risks and concerns**

The Company is keep on assessing and minimizing risk and monitors it continuously.

#### **f. Internal control systems and their adequacy**

The Company is keep on reviewing internal audit function, discussion on internal audit reports, reviewing of vigil mechanism, internal control systems and review of risk management policies especially enterprise level risk management.



g. Discussion on financial performance with respect to operational performance Financial Statement for the financial year 2021– 2022

Particulars	2021-22(in Lakhs)	2020-21 (in Lakhs)
<b>Income</b>		
Revenue from operations	221.07	166.78
Other Income	1.84	81.41
<b>TOTAL</b>	<b>222.91</b>	<b>248.19</b>
Employee benefit expenses	41.64	42.99
Finance costs	178.31	169.05
Depreciation	60.31	64.78
Other Expenses	272.98	78.54
<b>TOTAL</b>	<b>553.24</b>	<b>355.37</b>
Profit/(Loss) before exceptional and extraordinary items and tax	(330.33)	(107.17)
Previous Year Adjustments	172.56	6.96
Profit/(Loss) before tax	(502.89)	(114.13)
Tax Expenses	7.44	50.48
<b>Total Income/(Loss)</b>	<b>(510.33)</b>	<b>(164.61)</b>

**Results in Operations:-**

During the financial year 2021 – 2022, the Company has revenue from operations of Rs. 222.91 Lakhs as against Rs. 248.19 Lakhs in the financial year 2020 – 2021.

**DECLARATION REGARDING COMPLIANCE BY BOARD MEMBERS AND SENIOR MANAGEMENT PERSONNEL WITH THE COMPANY’S CODE OF CONDUCT**

This is to confirm that the company has adopted a code of conduct for its employees including the Managing Director and Executive Directors. In addition, the company has adopted a code of conduct for its Non-Executive Directors and Independent Directors. These codes are available on the company’s website.



I confirm that the company has in respect of the year ended 31<sup>st</sup> March, 2022, received from the senior management team of the company and the member of the board a declaration of compliance with the code of conduct as applicable to them.

For the purpose of this declaration, senior management team means the chief financial officer cum Compliance Officer as on 31<sup>st</sup> March, 2022.

**For Thambbi Modern Spinning Mills Limited**

**R.JAGADEESAN**  
**Managing Director**  
**DIN: 01153985**

**MALATHI JAGADEESAN**  
**Director**  
**DIN: 00153952**

**Place: Salem**  
**Date: 4th May, 2022**



**CERTIFICATION BY MANAGING DIRECTOR AND CHIEF FINANCIAL OFFICER TO THE BOARD PURSUANT TO REGULATION 17(8) AND PART B OF SCHEDULE II OF THE SEBI (LISTING OBLIGATIONS AND DISCLOSURE REQUIREMENTS) REGULATIONS, 2015**

We, R.Jagadeesan, Managing Director and P.Rajasekaran, Chief Financial Officer of M/s Thambbi Modern Spinning Mills Limited, certify that:

A. we have reviewed the financial statements and the cash flow statement for the year ended 31<sup>st</sup> March, 2022 and that to the best of our knowledge and belief:

1. these statements do not contain any materially untrue statement or omit any material fact or contain statements that might be misleading;

2. These statements together present a true and fair view of the of the Company's affairs and are in compliance with existing accounting standards, applicable laws and regulations.

B. There are, to the best of our knowledge and belief, no transactions entered into by the Company during the year which are fraudulent, illegal or violate of the Company's Code of Conduct.

C. We accept responsibility for establishing and maintaining internal controls system for financial reporting and that we have evaluated the effectiveness of Internal control systems of the company pertaining to financial reporting and we have disclosed to the auditors and the audit committee, deficiencies in the design or operation of such internal controls, if any, of which we are aware and the steps we have taken or propose to take to rectify these deficiencies.

D. We have indicated to the Auditors and to the Audit Committee that no:

1. significant changes in internal control over financial reporting during the year;

2. significant changes in accounting policies during the year and that the same have been disclosed in the notes to the financial statements and;

3. Instances of significant fraud of which we have become aware and the involvement therein, if any, of the management or an employee having a significant role in the Company's internal control system over financial reporting.

**Place: Salem**

**Date: 04.05.2022**

**For Thambbi Modern Spinning Mills Limited**

**R.Jagadeesan**  
**Managing Director**  
**DIN: 01153985**

**P.Rajasekaran**  
**Chief Financial Officer**  
**PAN: ADDPR3091C**



**CERTIFICATE OF NON-DISQUALIFICATION OF DIRECTORS**  
**(Pursuant to Regulation 34(3) and Schedule V Para C clause (10)(i) of the**  
**SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015)**

To

The Members,

**THAMBBI MODERN SPINNING MILLS LIMITED,**

**OMALUR ROAD, JAGIR AMMAPALAYAM,**

**SALEM -636302.**

I have examined the relevant registers, records, forms, returns and disclosures received from the Directors of M/s. Thambbi Modern Spinning Mills Limited having CIN: L17111TZ1977PLC000776 and having registered office at Omalur Road, Jagir Ammapalayam, Salem -636302 (hereinafter referred to as 'the Company'), produced before me by the Company for the purpose of issuing this Certificate, in accordance with Regulation 34(3) read with Schedule V Para-C Sub clause 10(i) of the Securities Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015.

In my opinion and to the best of my information and according to the verifications (including Directors Identification Number (DIN) status at the portal ([www.mca.gov.in](http://www.mca.gov.in)) as considered necessary and explanations furnished to me by the Company & its officers, I hereby certify that none of the Directors on the Board of the Company as stated below for the Financial Year ending on 31<sup>st</sup> March, 2022 have been debarred or disqualified from being appointed or continuing as Directors of companies by the Securities and Exchange Board of India, Ministry of Corporate Affairs.

S. No.	Name of Director	DIN	Date of appointment at current designation	Original Date of appointment in Company
1.	Mr. R.JAGADEESAN	01153985	16/09/1978	16/09/1978
2.	Ms. MALATHI JAGADEESAN	00153952	10/10/1994	10/10/1994
3.	Mr. ASHOK PUKHRAJ SHAH	01137579	28/08/2020	08/06/2002
4.	Mr. MUTHU PUGAZHENDHI	01137623	28/08/2020	08/06/2002

Ensuring the eligibility of for the appointment / continuity of every Director on the Board is the responsibility of the management of the Company. My responsibility is to express an opinion on these based on my verification. This certificate is neither an assurance as to the future viability of the Company nor of the efficiency or effectiveness with which the management has conducted the affairs of the Company.



Place: Chennai  
Date: 04-05-2022

For Mohan Kumar & Associates

Sd/-  
A. Mohan Kumar  
Practicing Company Secretary  
Membership Number: FCS 4347  
Certificate of Practice Number: 19145  
UDIN: F004347D000269161



## Independent Auditor's Report

### To The Members of THAMBBI MODERN SPINNING MILLS LIMITED Report on the Audit of the Financial Statements

#### 1. Opinion

We have audited the accompanying Financial Statements of **M/s. Thambbi Modern Spinning Mills Limited** ("the Company"), which comprise the Balance Sheet as at 31 March 2022, the Statement of Profit and Loss (including Other Comprehensive Income), the Statement of Cash Flows and the Statement of Changes in Equity for the year then ended and a summary of the Significant Accounting Policies and other explanatory information (hereinafter referred to as "the financial statements").

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 ('the Act') in the manner so required and give a true and fair view in conformity with the Indian Accounting Standards prescribed under Section 133 of the Act read with the Companies (Indian Accounting Standards) Rules, 2015, as amended, ('Ind AS') and other accounting principles generally accepted in India, of the state of affairs of the Company as at 31 March 2022, its total loss, total comprehensive income, its cash flows and the changes in equity for the year ended on that date.

#### 2. Basis of Opinion

We conducted our audit of the financial statements 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 Act and the rules thereunder, and we have fulfilled our other ethical responsibilities in accordance with these requirements and the ICAI's code of ethics. We believe that the audit evidence obtained by us is sufficient and appropriate to provide a basis for our audit opinion on the financial statements.

#### 3. Information other than the Financial Statements and Auditors' Report thereon

- The Company's Board of Directors is responsible for the other information. The other information comprises the information included in the Board's Report including Annexures to Board's Report, but does not include the financial statements and our auditor's report thereon.
- Our opinion on the financial statements does not cover the other information and we do not express any form of assurance conclusion thereon.
- In connection with our audit of the Financial Statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained the course of our audit or otherwise appears to be materially misstated.
- If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.



#### **4. Management's Responsibility for the Financial Statements**

The Company's Board of Directors is responsible for the matters stated in Section 134(5) of the Act with respect to the preparation of these financial statements that give a true and fair view of the financial position, financial performance including other comprehensive income, cash flows and changes in equity of the Company in accordance with the Ind AS and other accounting principles generally accepted in India.

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

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

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

#### **5. Auditor's Responsibility 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 judgement and maintain professional skepticism throughout the audit. We also:

- a) 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.
- b) Obtain an understanding of internal financial control relevant to the audit in order to design audit procedures that are appropriate in the circumstances. Under Section 143(3)(i) of the Act, we are also responsible for expressing our opinion on whether the Company has adequate internal financial controls system in place and the operating effectiveness of such controls.
- c) Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.



- d) 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.
- e) 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.

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

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

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

## 6. Report on Other Legal and Regulatory Requirements

- I. As required by the Companies (Auditor's Report) Order, 2020 ("the Order") issued by the Central Government of India in terms of Section 143(11) of the Act, we give in Annexure 'A', a statement on the matters specified in paragraphs 3 and 4 of the Order.
- II. As required by Section 143 (3) of the Act, we report that:
  - a) We have sought and obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purposes of our audit;
  - b) In our opinion, proper books of account as required by law have been kept by the Company so far as it appears from our examination of those books;
  - c) The Balance Sheet and the Statement of Profit and Loss including Other Comprehensive Income, Statement of Cash Flows and Statement of Changes in Equity dealt with by this Report are in agreement with the books of account;
  - d) In our opinion, the aforesaid financial statements comply with the Indian Accounting Standards specified under Section 133 of the Act;
  - e) On the basis of the written representations received from the directors as on 31st March 2022 taken on record by the Board of Directors, none of the directors is disqualified as on 31<sup>st</sup> March 2022 from being appointed as a director in terms of Section 164(2) of the Act;
  - f) Since the Company's turnover as per last audited financial statements is less than Rs. 50 crores and its borrowings from Banks and Financial Institutions at any time during the year is less than Rs 25 crores, the Company is exempted from getting an audit opinion with respect to the internal financial controls over



financial reporting of the Company and the operating effectiveness of such controls vide notification dated June 13, 2017;

- g) With respect to the other matters to be included in the Auditor's Report in accordance with the requirements of section 197(16) of the Act, as amended, in our opinion and to the best of our information and according to the explanations given to us, the remuneration paid by the Company to its directors during the year is in accordance with the provisions of section 197 of the Act and
- 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 does not have any pending litigations which would have any impact on its financial position;
  - ii. The Company did not have any long-term contracts including derivative contracts for which there were having any material foreseeable losses; and
  - iii. There were no amounts which were required to be transferred, to the Investor Education and Protection Fund by the Company.
- a) The management has represented that, to the best of its knowledge and belief, as disclosed in the notes to the accounts, no funds (which are material either individually or in the aggregate) have been advanced or loaned or invested (either from borrowed funds or share premium or any other sources or kind of funds) by the company to or in any other person(s) or entity (ies), including foreign entities.
- b) The management has represented, that, to the best of its knowledge and belief, as disclosed in the notes to the accounts, no funds (which are material either individually or in the aggregate) have been received by the company from any person(s) or entity(ies), including foreign entities.
- c) Based on the audit procedures that we have considered reasonable and appropriate in the circumstances, nothing has come to our notice that cause us to believe that the representation given by the Management under sub-clause (i) and (ii) of Rule 11(e), as provided under (a) and (b) above, contain any material misstatement.
- v. No dividend has been declared or paid during the year by the company.

Place : Chennai

Date : 04.05.2022

**For R. SUNDARARAMAN & CO.,  
Chartered Accountants  
(FRN: 004219S)**

**S. SRIRAM  
Partner  
Membership No : 202813  
UDIN NO : 22202813AIKBVS2133**



## **ANNEXURE “A” TO THE INDEPENDENT AUDITOR’S REPORT**

**(Referred to in Paragraph 1 under “Report on Other Legal and Regulatory Requirements” Section of our report of even date)**

- 1) In respect of fixed assets :
  - a) The Company has maintained proper records showing full particulars, including quantitative details and situation of fixed assets.
  - b) The fixed assets have been physically verified by the management according to a phased programme designed to cover all the items over a period of two years which, in our opinion, is reasonable having regard to the size of the Company and nature of its assets. According to the information and explanation given to us, no material discrepancies were noticed on such verification.
  - c) The title deeds of immovable properties are held in the name of the Company.
  - d) The Company has not revalued any of its property, plant and equipment and intangible assets during the year.
- 2) In respect of Inventory and Working Capital :
  - a) As explained to us, the Company does not hold any stock of inventory and therefore the provisions of clause ii(a) of the Order is not applicable.
  - b) According to the information and explanations given to us, at any point of time of the year, the Company has not been sanctioned any working capital facility from banks or financial institutions and hence reporting under clause ii(b) of the Order is not applicable.
- 3) The Company has not made any investments in, provided any guarantee or security, and granted any loans or advances in the nature of loans, secured or unsecured, to companies, firms, LLPs or any other parties during the year, and hence reporting under clause iii of the Order is not applicable.
- 4) The Company has not granted any loans or made any investments, or provided any guarantees or securities and hence reporting under clause iv of the Order is not applicable.
- 5) The Company has not accepted any deposit or amounts which are deemed to be deposits. Hence reporting under clause v of the Order is not applicable.
- 6) Having regard to the nature of the Company’s business / activities, reporting under clause vi of the Order is not applicable.
- 7) In respect of statutory dues :
  - a) The Company is generally regular in depositing with appropriate authorities undisputed statutory dues including goods and services act, provident fund, employees’ state insurance, income tax, sales tax, custom duty, excise duty, cess, goods and services tax and other material statutory dues applicable to it.



- b) According to the information and explanations given to us, no undisputed amounts payable in respect of goods and services act, provident fund, employees state insurance, income tax, sales tax, custom duty, excise duty, service tax and cess were in arrears, as at 31<sup>st</sup> March, 2022 for a period of more than six months from the date they became payable.
- c) According to the information and explanations given to us, there are no amounts payable in respect of goods and services act, income tax, sales tax, custom duty, excise duty, goods and services tax and cess, which have not been deposited on account of any dispute.
- 8) According to the information and explanations provided to us, there were no transactions relating to previously unrecorded income that were surrendered or disclosed as income in the tax assessments under the Income Tax Act, 1961 (43 of 1961) during the year.
- 9) In respect of Borrowings :
- a) The Company has not defaulted in repayment of loans or other borrowings or in the payment of interest thereon to any lender.
- b) The Company has not been declared wilful defaulter by bank or financial institution or government or any government authority.
- c) The Term Loans have been utilised for the purpose for which the loans were obtained.
- d) The Company has not raised funds on short term basis and hence reporting under clause ix(d) of the Order is not applicable.
- e) The Company did not have any subsidiary or associate or joint venture during the year and hence, reporting under clause ix(e) of the Order is not applicable.
- f) The Company has not raised any loans during the year on the pledge of securities held in its subsidiaries, associates and joint ventures.
- 10) In respect of Funds Raised and Utilisation :
- a) The Company has not raised any money by way of initial public offer, further public offer (including debt instruments) during the year and hence, reporting under clause x(a) of the Order is not applicable.
- b) During the year, the Company has not made any preferential allotment or private placement of shares or convertible debentures (fully or partly or optionally) and hence reporting under clause x(b) of the Order is not applicable.
- 11) In respect of Fraud and Whistle Blower Complaints :
- a) To the best of our knowledge, no fraud by the Company and no material fraud on the Company has been noticed or reported during the year.
- b) To the best of our knowledge, no report under sub-section (12) of section 143 of the Companies Act has been filed in Form ADT-4 as prescribed under rule 13 of Companies 9Audit and Auditors) Rules, 2014 with the Central Government, during the year and upto the date of this report.
- c) As represented to us by the Management, there were no whistle blower complaints received by the Company during the year.
- 12) The Company is not a Nidhi Company and hence reporting under clause xii of the Order is not applicable.
- 13) In our opinion, the Company is in compliance with Sections 177 and 188 of the Companies Act, where applicable, for all transactions with the related parties and the details of related party transactions have been disclosed in the Financial Statements etc., as required by the applicable accounting standards.



14) Internal Audit System

a) In our opinion, the Company has an adequate internal audit system commensurate with the size and nature of its business.

b) We have considered, the internal audit reports issued to the Company during the year.

15) In our opinion, the Company has not entered in to any non-cash transactions with its directors or persons connected with its directors and hence provisions of section 192 of the Companies Act, 2013 are not applicable to the Company.

16) The Company is not required to be registered under Section 45-IA of the Reserve Bank of India Act, 1934 and hence reporting under clause xvi (a), (b) and (c) of the Order is not applicable.

17) The Company has incurred cash losses during the financial year covered by our audit and the immediately preceding financial year.

18) There has been no resignation of the statutory auditors of the Company during the year.

19) On the basis of the financial ratios, ageing and expected dated of realization of financial assets and payment of financial liabilities, other information accompanying the financial statements and our knowledge of the Board of Directors and Management plans and based on our examination of the evidence supporting the assumptions, nothing has come to our attention, which causes us to believe that any material uncertainty exists as on the date of the audit report indicating that Company is not capable of meeting its liabilities existing at the date of balance sheet as and when they fall due within a period of one year from the balance sheet date. We, however, state that this is not an assurance as to the future viability of the Company. We further state that our reporting is based on the facts up to the date of the audit report and we neither give any guarantee nor any assurance that all liabilities falling due within a period of one year from the balance sheet date, will get discharged by the Company as and when they fall due.

20) The provisions of clause xx of the Companies (Auditors Report) Order 2020 with regard to obligations under Corporate Social Responsibility are not applicable to the Company.

21) The Company does not have any subsidiary or associate company and consolidated financial statements are not prepared. Hence reporting under clause xxi of the Order with regard to consolidated financial statements are not applicable to the Company.

Place : Chennai

Date : 04.05.2022

**For R. SUNDARARAMAN & CO.,  
Chartered Accountants  
(FRN: 004219S)**

**S. SRIRAM  
Partner  
Membership No : 202813  
UDIN NO : 22202813**



**PRACTISING CHARTERED ACCOUNTANT'S REPORT ON CORPORATE GOVERNANCE TO THE MEMBERS OF THAMBBI MODERN SPINNING MILLS LIMITED**

**To,**

**The Members  
THAMBBI MODERN SPINNING MILLS LIMITED**

We have examined the compliance of conditions of Corporate Governance by THAMBBI MODERN SPINNING MILLS LIMITED for the year ended 31st March, 2022 as stipulated in the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 and other applicable amendments from time to time (as was applicable from effective) with the stock exchange.

The compliance of conditions of corporate governance is the responsibility of the management. Our examination was limited to procedure and implementation thereof, adopted by the company for ensuring the compliance of the conditions of corporate governance. It is neither an audit nor an expression of opinion on the financial statements of the Company.

In our opinion and to the best of our information and according to the explanations given to us, we certify that the company has complied in general with the conditions of corporate governance as stipulated in the above mentioned Listing Agreement.

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

Place: Chennai  
Date : May 04, 2022

**For R. SUNDARARAMAN & CO.,  
Chartered Accountants  
(FRN: 004219S)**

**S. SRIRAM  
Partner  
Membership No : 202813  
UDIN NO : 21202813AAAAFC9726**



**THAMBBI MODERN SPINNING MILLS LIMITED**

**BALANCE SHEET AS AT 31<sup>ST</sup>MARCH 2022**

(Amount in Rupees)

S.No	Particulars	Note No.	As at 31 <sup>st</sup> March2022	As at 31 <sup>st</sup> March2021
<b>A</b>	<b>ASSETS</b>			
<b>1</b>	<b>Non-Current Assets</b>			
	(a) Property, Plant and Equipment	2	107,830,323	117,218,642
	(b) Intangible Assets	2	-	10,119
	(c) Capital Work in Progress	2	19,860,885	-
	Financial Assets			
	(a) Long Term Loans & Advances	3	1,037,993	980,269
	Other Non-Current Assets	4	1,096,079	1,096,079
	Deferred Tax Assets (Net)	5	18,039	761,641
			<b>129,843,319</b>	<b>120,066,750</b>
<b>2</b>	<b>Current Assets</b>			
	(a) Financial Assets			
	(i) Trade Receivables	6	9,306,723	24,660,735
	(ii) Cash and Cash Equivalents	7	3,596,759	3,661,575
	(iii) Other Current Financial Assets	8	201,417	4,979,369
	(b) Current Tax Assets (Net)	9	3,417,828	3,028,119
			16,522,727	36,329,798
	<b>Total Assets</b>		<b>146,366,046</b>	<b>156,396,548</b>
<b>B</b>	<b>EQUITY AND LIABILITIES</b>			
<b>1</b>	<b>Equity</b>			
	(a) Equity Share Capital	10	57,627,700	57,627,700
	(b) Other Equity	11	(152,058,903)	(101,025,832)
			<b>(94,431,203)</b>	<b>(43,398,132)</b>
	<b>Liabilities</b>			
<b>2</b>	<b>Non-Current Liabilities</b>			
	Financial Liabilities			
	(i) Borrowings	12	180,060,569	169,994,627
	(ii) Other Financial Liabilities	13	18,814,377	13,864,695
			<b>198,874,946</b>	<b>183,859,322</b>
<b>3</b>	<b>Current Liabilities</b>			
	(a) Financial Liabilities			
	(i) Trade Payables	14	17,661,622	1,056,686
	(ii) Other Financial Liabilities	15	24,260,681	14,878,672
			41,922,303	15,935,358
	<b>Total Equity &amp; Liabilities</b>		<b>146,366,046</b>	<b>156,396,548</b>

Statement on Significant Accounting Policies and Notes to the Financial Statements are an integrated part of this Balance Sheet

For **R.SUNDARARAMAN&CO.,**  
Chartered Accountants  
(FRN:004129S)

**S.SRIRAM**  
Partner  
M.No:202813

Place: Chennai  
Date:04/05/2022

**R. Jagadeesan**  
Managing Director  
DIN:01153985

**P.Rajasekaran**  
Chief Financial Officer

**Malathi Jagadeesan**  
Director  
DIN : 01153985

**M.UmaMaheshwari**  
Company Secretary



**THAMBBI MODERN SPINNING MILLS LIMITED**

**STATEMENT OF PROFIT AND LOSS FOR THE PERIOD ENDED 31<sup>ST</sup>MARCH 2022**

S.No	Particulars	Note No.	(Amount in Rupees)	
			As at	As at
			31stMarch2022	31stMarch2021
<b>I</b>	<b>Revenue</b>			
	Revenue from Operations	16	22,107,451	16,678,274
	Other Income	17	183,266	8,141,197
	<b>Total Revenue</b>	<b>(A)</b>	<b>22,290,717</b>	<b>24,819,471</b>
<b>II</b>	<b>Expenses</b>			
	Employee Benefit Expenses	18	4,163,728	4,299,711
	Finance Costs	19	17,831,292	16,905,181
	Depreciation and Amortization Expense		6,030,869	6,478,316
	Other Expenses	20	27,297,916	7,853,635
	<b>Total Expenses</b>	<b>(B)</b>	<b>55,323,805</b>	<b>35,536,843</b>
<b>III</b>	<b>Profit / (Loss) before Exceptional Items and Tax</b>	<b>(A) -(B)</b>	<b>(33,033,088)</b>	<b>(10,717,372)</b>
<b>IV</b>	<b>Exceptional Items</b>			
	- Prior Year Adjustments		17,256,381	696,240
<b>V</b>	<b>Profit / (Loss) before Tax</b>		<b>(50,289,469)</b>	<b>(11,413,612)</b>
<b>VI</b>	<b>Tax Expense :</b>			
	a) Current Tax		--	--
	b) Deferred Tax		743,602	5,048,204
<b>VII</b>	<b>Profit / (Loss) for the period from continuing operations</b>		<b>(51,033,071)</b>	<b>(16,461,816)</b>
VIII	Other Comprehensive Income		--	--
<b>IX</b>	<b>Total Comprehensive Income for the Year (Comprising Profit / (Loss) and other income)</b>		<b>(51,033,071)</b>	<b>(16,461,816)</b>
	Attributable to :			
	Owners to the Company		<b>(51,033,071)</b>	<b>(16,461,816)</b>
	Non-controlling interests		--	--
<b>X</b>	<b>Earnings per Equity Share (in Rs.)</b>			
	<b>(1) Basic</b>		(5.73)	(1.86)
	<b>(2) Diluted</b>		(5.73)	(1.86)

Statement on Significant Accounting Policies and Notes to the Financial Statements are an integral part of this Statement of Profit and Loss

**For R.SUNDARARAMAN&CO.,**  
Chartered Accountants  
(FRN:004129S)

For and on behalf of the Board

**S.SRIRAM**  
Partne  
M.No:202813

**R.Jagadeesan**  
Managing Director  
DIN:01153985

**Malathi Jagadeesan**  
Director  
DIN:00153952

Place: Chennai  
Date: 04/05/2022

**P.Rajasekaran**  
Chief Financial Officer

**M.UmaMaheshwari**  
Company Secretary



**THAMBBI MODERN SPINNING MILLS LIMITED**

<b>CASH FLOW STATEMENT FOR THE PERIOD ENDED 31<sup>ST</sup> MARCH, 2022</b>		<b>Amount in Rupees</b>	
		<b>31<sup>st</sup> March 2022</b>	<b>31<sup>st</sup> March 2021</b>
		<b>(12months)</b>	<b>(12months)</b>
<b>A.CASH FLOW FROM OPERATING ACTIVITIES</b>			
Net Profit/Loss before Tax		(50,289,469)	(11,413,612)
Adjustments for-			
Depreciation	6,030,869		6,478,316
Interest paid	17,831,292		16,844,832
(Profit) / Loss on Sale of Assets	2,679,469		(8,023,197)
Interest Received	(160,490)		(118,000)
		26,381,140	15,181,951
Operating Cash Flow before working capital changes		(23,908,329)	3,768,339
Adjustments for (Increase) / Decrease in Operating Assets			
Trade and other receivables	15,354,012		608,054
Short Term Loans & Advances	4,777,952		(1,425,048)
Long Term Loans & Advances	(57,724)		(44,766)
Adjustments for Increase / (Decrease) in Operating Liabilities			
Trade Payables	16,604,936		314,977
Other Current Liabilities	9,382,009		(19,690,966)
Other Non-Current Liabilities	4,949,682	51,010,867	1,162,841
Cash generated from Operations		27,102,538	(15,306,569)
Current Tax Assets (Net)		(389,709)	442,337
<b>NET CASH FLOW FROM OPERATING ACTIVITIES</b>	<b>(A)</b>	<b>26,712,829</b>	<b>(14,864,232)</b>
<b>B. CASH FLOW FROM INVESTING ACTIVITIES</b>			
Purchase/Sale of Fixed Assets (Net)	(19,172,785)		2,549,642
Interest Income	160,490	(19,012,295)	118,000
<b>NET CASH FLOW FROM INVESTING ACTIVITIES</b>	<b>(B)</b>	<b>(19,012,295)</b>	<b>2,667,642</b>
<b>C. CASH FLOW FROM FINANCING ACTIVITIES</b>			
Long Term Borrowings (Net)	10,065,942		29,848,334
Short Term Borrowings (Net)	-		-
Interest on Borrowings	(17,831,292)	(7,765,350)	(16,844,832)
<b>NET CASH FLOW FROM FINANCING ACTIVITIES</b>	<b>(C)</b>	<b>(7,765,350)</b>	<b>13,003,502</b>
<b>NET INCREASE / (DECREASE) IN CASH &amp; CASH EQUIVALENTS</b>		<b>(64,816)</b>	<b>806,914</b>
Opening Balance in Cash & Cash Equivalents		3,661,575	2,854,661
Closing Balance in Cash & Cash Equivalents		3,596,759	3,661,575

For R.Sundaraman & Co,  
Chartered Accountants,  
FirmRegistrationNo:004219S

**S.SRIRAM**  
Partner  
Membership No:202813  
Place: Chennai  
Date:04/05/2022

For and on Behalf on the Board

**R.Jagadeesa**  
Managing Director  
DIN0115398

**Malathi Jagadeesan**  
Director  
DIN:00153952

**P.Rajasekaran**  
Chief Financial Officer

**M.UmaMaheshwari**  
Company Secretary



## **1 NOTES TO FINANCIAL STATEMENTS FOR THE YEAR ENDED 31<sup>ST</sup> MARCH 2022**

### **1.1 Basis of preparation of Financial Statements**

These financial statements are prepared in accordance with Indian Accounting Standards (“Ind AS”), the provisions of the Companies Act, 2013 (“the Companies Act”), as applicable and guidelines issued by the Securities and Exchange Board of India (“SEBI”). The Ind AS are prescribed under Section 133 of the Act read with Rule 3 of the Companies (Indian Accounting Standards) Rules, 2015 and Companies (Indian Accounting Standards) Amendment Rules, 2016. Accounting policies have been applied consistently to all periods presented in these financial statements. The financial statements correspond to the classification provisions contained in Ind AS 1, “Presentation of Financial Statements”. For clarity, various items are aggregated in the statements of profit and loss and balance sheet. These items are disaggregated separately in the notes to the financial statements, where applicable. Previous year figures have been regrouped/re-arranged, wherever necessary.

### **1.2 Exemptions availed under Ind AS 101**

#### **a) Property ,plant and Equipment**

The historical cost of the Property, Plant and Equipment as at the Transition Date is adopted as the deemed cost.

#### **b) Fair value of Financial Assets & Liabilities**

As per Ind AS Exemption, the Company has not fair valued the financial assets and liabilities retrospectively, and has measured the same prospectively.

### **1.3 Significant Accounting Policies**

#### **a) Use of Estimates**

The preparation of financial statements in conformity with the generally accepted Indian Accounting Standards (Ind AS) principles, requires the management to make estimates and assumption that effect the reported amounts of the assets & liabilities and disclosure of contingent liabilities as at the date of financial statements and the result of operations during the reporting period. Although these estimates are based on the management’s best knowledge of current events and actions, the actual results could differ from these estimates.

#### **b) Property, Plant and Equipment**

Property, Plant and Equipment are accounted for at the deemed cost which is the historical cost as per the previous GAAP. Depreciation is provided on Straight Line Basis over the remaining useful life of the assets, as per Schedule II of the Companies Act, 2013.

#### **c) Revenue Recognition**

Rental Income is recognised on Accrual basis.

#### **d) Borrowing Costs**

Interest and other cost in connection with borrowing of funds to the extent related / attributed to the acquisition /construction of qualifying fixed assets are capitalized up to the date when such assets are ready for its intended use. Other borrowing costs are charged to Profit and Loss Account.



**e) Investments**

Long Term Investments are carried at cost

**f) Employee Benefits**

The Company does not have any manufacturing activity. There are no permanent workers / employees as at the end of the year. Accordingly there are no liabilities with respect to Bonus, Gratuity, Provident Fund, Employees State Insurance, Leave Encashment and other retirement benefits.

**g) Impairment of Assets**

As at the Balance Sheet date, the carrying amount of assets is tested for impairment so as to determine:

- The extent of recognition of impairment loss, if any, required or
- The reversal, if any, required of impairment loss recognised in previous periods. Where the carrying amount of an asset exceeds its recoverable amount, such excess is recognised as impairment loss and charged in the Statement of Profit and Loss.

**h) Provision and contingent liabilities**

Provision is recognised in respect of present obligation requiring settlement by outflow of resources and of which reliable estimate of the amount of obligation could be made.

Contingent liability is not recognised and is disclosed unless the possibility of outflow of resources embodying economic benefit is remote. Present obligation arising from past events and the existence of which is subject to occurrence or non-occurrence of an in certain future event is disclosed.



**2 Property, Plant and Equipment 2020-2021**

Particulars	Gross Block				Depreciation				Net Block	
	As at 01.04.2020	Additions	Deletions	Total 31.03.2021	As at 31.03.2020	Additions	Deletions	Total 31.03.2021	As at 31.03.2021	As at 01.04.2020
<b>Tangible Assets</b>										
Freehold Land	2,805,276	-	190,000	2,615,276	-	-	-	-	2,615,276	2,805,276
Buildings	148,985,865	13,147,056	-	162,132,921	50,119,878	4,710,393	-	54,830,271	107,302,650	98,865,987
Plant & Equipment's	2,473,567	-	-	2,473,567	1,057,450	469,978	-	1,527,428	946,139	1,416,117
Generator Set	777,000	-	-	777,000	165,726	73,862	-	239,588	537,412	611,274
Electrical Fittings	7,524,756	-	-	7,524,756	1,608,777	714,805	-	2,323,582	5,201,174	5,915,979
Furniture & Fixtures	1,038,250	-	-	1,038,250	358,280	109,458	-	467,738	570,512	679,970
Office Equipment's	3,541,785	-	3,317,931	223,854	1,265,699	281,578	1,354,128	193,149	30,705	2,276,086
Computers	295,480	-	-	295,480	210,528	70,178	-	280,706	14,774	84,952
<b>Total</b>	<b>167,441,979</b>	<b>13,147,056</b>	<b>3,507,931</b>	<b>177,081,104</b>	<b>54,786,338</b>	<b>6,430,252</b>	<b>1,354,128</b>	<b>59,862,462</b>	<b>117,218,642</b>	<b>112,655,641</b>
<b>Intangible Assets-Software</b>	<b>202,370</b>	<b>-</b>	<b>-</b>	<b>202,370</b>	<b>144,187</b>	<b>48,064</b>	<b>-</b>	<b>192,251</b>	<b>10,119</b>	<b>58,183</b>
<b>Total</b>	<b>202,370</b>	<b>-</b>	<b>-</b>	<b>202,370</b>	<b>144,187</b>	<b>48,064</b>	<b>-</b>	<b>192,251</b>	<b>10,119</b>	<b>58,183</b>
Capital Work in Progress	-	-	-	-	-	-	-	-	-	5,519,698
<b>Total</b>	<b>167,644,349</b>	<b>13,147,056</b>	<b>3,507,931</b>	<b>177,283,474</b>	<b>54,930,525</b>	<b>6,478,316</b>	<b>1,354,128</b>	<b>60,054,713</b>	<b>117,228,761</b>	<b>118,233,522</b>

**2. Property, Plant and Equipment 2021-2022**

Particulars	Gross Block				Depreciation				Net Block	
	As at 01.04.2021	Additions	Deletions	Total 31.03.2022	As at 31.03.2021	Additions	Deletions	Total 31.03.2022	As at 31.03.2022	As at 01.04.2021
<b>Tangible Assets</b>										
Freehold Land	2,615,276	-	-	2,615,276	-	-	-	-	2,615,276	2,615,276
Buildings	162,132,921	-	-	162,132,921	54,830,271	4,662,677	-	59,492,948	102,639,973	107,302,650
Plant & Equipment's	2,473,567	-	2,473,567	-	1,527,428	469,978	1,997,406	-	-	946,139
Generator Set	777,000	-	-	777,000	239,588	73,861	-	313,449	463,551	537,412
Electrical Fittings	7,524,756	-	4,522,715	3,002,041	2,323,582	714,805	2,030,074	1,008,313	1,993,728	5,201,174
Furniture & Fixtures	1,038,250	-	677,950	360,300	467,738	90,452	334,915	223,275	137,025	570,512
Office Equipment's	223,854	-	202,254	21,600	193,149	19,096	171,415	40,830	-19,230	30,705
Computers	295,480	-	35,500	259,980	280,706	-	20,726	259,980	-	14,774
<b>Total</b>	<b>177,081,104</b>	<b>-</b>	<b>7,911,986</b>	<b>169,169,118</b>	<b>59,862,462</b>	<b>6,030,869</b>	<b>4,554,536</b>	<b>61,338,795</b>	<b>107,830,323</b>	<b>117,218,642</b>
<b>Intangible Assets-Software</b>	<b>202,370</b>	<b>-</b>	<b>202,370</b>	<b>-</b>	<b>192,251</b>	<b>-</b>	<b>192,251</b>	<b>-</b>	<b>-</b>	<b>10,119</b>
<b>Total</b>	<b>202,370</b>	<b>-</b>	<b>202,370</b>	<b>-</b>	<b>192,251</b>	<b>-</b>	<b>192,251</b>	<b>-</b>	<b>-</b>	<b>10,119</b>
Capital Work in Progress	-	-	-	-	-	-	-	-	19,860,885	-
<b>Total</b>	<b>177,283,474</b>	<b>-</b>	<b>8,114,356</b>	<b>169,169,118</b>	<b>60,054,713</b>	<b>6,030,869</b>	<b>4,746,787</b>	<b>61,338,795</b>	<b>127,691,208</b>	<b>117,228,761</b>



	As at 31st March 2022	As at 31st March 2021
<b>3. Long Term Loans &amp; Advances</b>		
Security Deposits	10,37,993	9,80,269
<b>Total</b>	<b>10,37,993</b>	<b>9,80,269</b>

#### 4. Other Non-Current Assets

Balances with Government Authorities (Other than Income Tax)	10,96,079	10,96,079
<b>Total</b>	<b>10,96,079</b>	<b>10,96,079</b>

#### 5. Deferred Tax Asset (Net)

Business Loss	76,46,838	76,46,838
Depreciation	(76,28,799)	(68,85,197)
<b>Total</b>	<b>18,039</b>	<b>7,61,641</b>

#### 6. Trade Receivables

Unsecured - Considered Good

Outstanding for a period exceeding 6 months from the date they are due for payment	2,21,64,488	2,21,64,488
Less: Bad Debts Written off	1,48,64,488	--
	73,00,000	--
Other Receivables	20,06,723	24,96,247
<b>Total</b>	<b>93,06,723</b>	<b>2,46,60,735</b>

#### 7. Cash & Cash Equivalents

Cash on Hand	11,135	61,922
Balance with Banks in Current Accounts	4,70,154	8,37,891
Balance with Banks in Escrow Accounts	21,02,111	27,61,762
Balance in HDFC-Fixed Deposits	10,13,359	--
<b>Total</b>	<b>35,96,759</b>	<b>36,61,575</b>

#### 8. Other Current Financial Assets

Advances recoverable in cash or kind for value to be received	1,92,000	49,79,369
Interest Receivable from Bank	9,417	--
<b>Total</b>	<b>2,01,417</b>	<b>49,79,369</b>



## 9. Current Tax Assets

Particulars	As at 31st March 2022	As at 31st March 2021
TDS / Advance Income Tax (Net of Provision)	34,17,828	30,28,119
<b>Total</b>	<b>34,17,828</b>	<b>30,28,119</b>

## 10. Share Capital

<b>Authorised Capital</b> 1,40,00,000 Equity Shares of Rs. 10/- each	14,00,00,000	14,00,00,000
<b>Total</b>	<b>14,00,00,000</b>	<b>14,00,00,000</b>
<b>Issues, Subscribed &amp; Paid-up Capital</b> 57,62,770 Equity Shares of Rs. 10/- each	5,76,27,700	5,76,27,700
<b>Total</b>	<b>5,76,27,700</b>	<b>5,76,27,700</b>

### 10.1 Number of Equity Shares at the beginning and end of the reporting year

Particulars	As at 31/03/2022		As at 31/03/2021		As at 31/03/2020	
	No. of Shares	Amount	No. of Shares	Amount	No. of Shares	Amount
Shares outstanding at the beginning of the year	57,62,770	5,76,27,700	57,62,770	5,76,27,700	57,62,770	5,76,27,700
Shares issued during the year	-	-	-	-	-	-
Shares outstanding at the close of the year	<b>57,62,770</b>	<b>5,76,27,700</b>	<b>57,62,770</b>	<b>5,76,27,700</b>	<b>57,62,770</b>	<b>5,76,27,700</b>

### 10.2 Details of Shareholders holding more than 5% shares in the Company

Name of Shareholder	As at 31/03/2022		As at 31/03/2021		As at 31/03/2020	
	No. of Shares	% Holding	No. of Shares	% Holding	No. of Shares	% Holding
R. Jagadeesan	32,84,995	57%	32,84,995	57%	32,84,995	57%
Malathi Jagadeesan	5,68,530	10%	5,68,530	10%	5,68,530	10%
SR Murali Manohar	2,92,000	5%	2,92,000	5%	2,92,000	5%

## 11. Other Equity

Particulars	Capital Reserve	Share Premium	General Reserve	Retained Earnings	Total
Balance as on 01-04-2019	34,95,62,334	7,45,79,000	5,87,66,833	(54,56,48,717)	(6,27,40,550)
Total Comprehensive Income for the year	-	-	-	(2,18,23,466)	(2,18,23,466)
Balance as on 01-04-2020	34,95,62,334	7,45,79,000	5,87,66,833	(56,74,72,183)	(8,45,64,016)
Total Comprehensive Income for the year	-	-	-	(1,64,61,816)	(1,64,61,816)
Adjustments on a/c of transition to INDAS	-	-	-	-	-
Balance as on 31-03-2021	34,95,62,334	7,45,79,000	5,87,66,833	(58,39,33,999)	10,10,25,832
Total Comprehensive Income for the year	-	-	-	(5,10,33,071)	(5,10,33,071)
Adjustments on account of IND AS	-	-	-	-	-
<b>Balance as on 31-03-2022</b>	<b>34,95,62,334</b>	<b>7,45,79,000</b>	<b>5,87,66,833</b>	<b>(63,49,67,070)</b>	<b>(15,20,58,903)</b>



## 12. Borrowings

Particulars	As at 31st March 2022	As at 31st March 2021
Secured :		
Loan against Rent Receivables		
IDBI Bank Ltd. Salem	4,48,72,712	8,34,72,635
IDBI Bank Ltd. Salem- WCTL Loan	-	1,44,15,009
HDFC Bank Ltd. Salem Term Loan-Rent Receivables	2,25,35,326	-
HDFC Bank Ltd. Salem -LAP Loan	4,31,04,819	-
Unsecured :		
From Directors	6,95,47,712	7,21,06,983
<b>Total</b>	<b>18,00,60,569</b>	<b>16,99,94,627</b>

### Note :

Loans from IDBI Bank Limited are secured by mortgage of title deeds of a portion of Unit I Land located at Jagir Ammapalayam Village, Salem. Loans from HDFC Bank Ltd are secured by mortgage of title deeds of a portion of Udayapatty Land, Salem

## 13. Other Financial Liabilities (Non-Current)

Rent Deposit	1,88,14,377	1,38,64,695
<b>Total</b>	<b>1,88,14,377</b>	<b>1,38,64,695</b>

## 14. Trade Payables

Dues to Micro & Small Enterprises	-	-
Dues to Other than Micro & Small Enterprises	1,76,61,622	10,56,686
<b>Total</b>	<b>1,76,61,622</b>	<b>10,56,686</b>

## 15. Other Current Financial Liabilities

Current Maturity of Long Term Debts	98,11,564	75,54,357
Statutory Liabilities	10,06,332	6,35,198
Accrued Expenses	14,70,015	6,16,346
Advances Received	1,19,72,770	60,72,770
<b>Total</b>	<b>2,42,60,681</b>	<b>1,48,78,671</b>



#### 16. Income from Operations

Particulars	As at 31st March 2022	As at 31st March 2021
Rent Receipts	2,21,07,451	1,66,78,274
<b>Total</b>	<b>2,21,07,451</b>	<b>1,66,78,274</b>

#### 17. Other Income

Interest received - Banks	22,776	-
Interest received - Others	1,60,490	1,18,000
Profit on Sale of Assets	-	80,23,197
<b>Total</b>	<b>1,83,266</b>	<b>81,41,197</b>

#### 18. Employment Benefit Expenses

Salaries & Wages	40,19,537	41,45,211
Staff Welfare Expenses	1,44,191	1,54,500
<b>Total</b>	<b>41,63,728</b>	<b>42,99,711</b>

#### 19. Finance Cost

Interest to Banks	1,01,07,157	1,38,47,528
Interest to Others	59,27,912	29,97,304
Bank Charges / Pre closure Charges	17,96,223	60,349
<b>Total</b>	<b>1,78,31,292</b>	<b>1,69,05,181</b>

#### 20. Other Expenses

Power & Fuel	7,35,163	8,38,057
Repairs & Maintenance	44,57,039	30,88,273
Insurance	3,08,816	1,89,156
Rent	-	8,75,000
Rates & Taxes	7,65,412	12,20,125
Travelling & Conveyance	3,36,902	2,30,476
Professional & Legal Fees	24,31,841	7,72,550
Audit Fees	94,400	88,500
Bad Debts W/off	1,48,64,488	-
Loss on Sale of Assets	26,79,469	-
Miscellaneous Expenses	5,52,111	4,39,837
Directors Sitting Fees	14,000	12,000
Advertisement	58,275	99,661
<b>Total</b>	<b>2,72,97,916</b>	<b>78,53,635</b>



## 21. Contingent Liabilities

Claims against the Company which are contested / proposed to be contested before various judicial forums :

Particulars	As at 31.03.2022	As at 31.03.2021
The Cotton Corporation of India, Coimbatore	-	1,26,15,907
<b>Total</b>	-	<b>1,26,15,907</b>

## 22. Related Party Information

Related party information as required by AS18 is given below :

### A. Names of the Related Parties and their relationships :

i) Key Management Personnel

Mr. R. Jagadeesan, Managing Director

Mrs. Malathi Jagadeesan, Director

B. Transactions with Related Parties :	As at 31.03.2022	As at 31.03.2021
Remuneration paid Mr. R. Jagadeesan	15,00,000	15,00,000
Interest Paid Mr. R. Jagadeesan	56,96,812	14,74,782
Loans Availed /(Paid) Mr. R. Jagadeesan Ms. Malathi Jagadeesan	(76,51,901) (6,04,182)	4,51,17,486 (16,53,250)
Outstanding Payable / (Receivable) at the year end Mr. R. Jagadeesan Ms. Malathi Jagadeesan	6,92,72,109 2,75,603	7,12,27,198 8,79,785

## 23. Segment Reporting

The Company's presently earns revenue from letting out the factory premises, which constitutes single business segment. As per management's perspective, the risks and returns from them do not materially vary geographically. Accordingly there are no business/geographical segments to be reported under Accounting Standard (AS) 17 issued by the Institute of Chartered Accountants of India.

## 24. Quantity Particulars – Not Applicable

25. Breakup of Payment made to Auditors	As at 31.03.2022	As at 31.03.2021
Towards :		
Statutory Audit	59,000	59,000
Tax Audit	17,700	11,800
Certification & Other Matters	17,700	17,700
<b>Total</b>	<b>94,400</b>	<b>88,500</b>



<b>26. Earnings per Share</b>	<b>As at 31.03.2022</b>	<b>As at 31.03.2021</b>
i) (Loss)/Profit after tax as per the Statement of Profit and Loss	(5,10,33,071)	(1,64,61,816)
ii) Weighted average number of equity shares outstanding during the year		
for Basic EPS (Nos)	57,62,770	57,62,770
for Diluted EPS (Nos)	57,62,770	57,62,770
iii) Basic and diluted earnings per share of Rs.10/- each		
For Basic EPS (in Rs.)	(5.73)	(1.86)
For Diluted EPS (in Rs.)	(5.73)	(1.86)

27. No provision for tax has been made in the absence of taxable profits for the current year. Deferred Tax has been provided on the timing differences. The Unabsorbed losses and depreciation for the 4 years ending 31.03.2022 have not been considered on account of the continued losses.

28. Sundry Debtors and Creditors Balances are subject to confirmation and reconciliation.

29. Previous year's figures have been regrouped wherever necessary, to confirm with the current year's disclosures.

**For R. Sundararaman & Co,**  
**Chartered Accountants,**  
**Firm Registration No:004219S**

**For and on behalf of the Board,**

**S.SRIRAM**  
**Partner**  
**Membership No:202813**

Place : Chennai  
Date : 04/05/2022

**R.Jagadeesan**  
**Managing Director**  
**DIN 01153985**

**P. Rajasekaran**  
**Chief Financial Officer**

**Malathi Jagadeesan**  
**Director**  
**DIN : 00153952**

**M.UmaMaheswari**  
**Company Secretary**