

Independent Auditors' Report

To the Members of **Southern Spinners and Processors Limited**

Report on the Audit of the Financial Statements

Opinion

We have audited the accompanying financial statements of **Southern Spinners and Processors Limited** ("the Company"), which comprise the balance sheet as at March 31 2025, the statement of profit and loss including comprehensive loss, the statement of cash flow and the statement of changes in equity for the year then ended, and notes to the financial statements, including a summary of material accounting policies and other explanatory information. (herein after 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, as amended ("the Act") in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India, of the state of affairs of the Company as at March 31, 2025, its profit including other comprehensive loss, its cash flows and the changes in equity for the year ended on that date.

Basis for Opinion

We conducted our audit of the financial statements in accordance with the Standards on Auditing (SAs), as specified under section 143(10) of the Act. 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 Code of Ethics. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion on the financial statements.

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

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

The Company's director's report is expected to be made available to us after the date of this auditor's report. 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 identified above when it becomes available and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated.



When we read the Company's directors report, if we conclude that there is a material misstatement therein, we are required to communicate the matter to those charged with governance. and take necessary actions, as applicable under the relevant laws and regulations

Responsibilities of Management 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 flow and changes in equity of the Company in accordance with the accounting principles generally accepted in India, including the Indian Accounting Standards (Ind AS) prescribed under Section 133 of the Act read with relevant Rules issued thereunder.

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

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.

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

Auditor's Responsibilities for the Audit of the Financial Statements

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

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

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that



is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.

- Obtain an understanding of internal 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 with reference to financial statements in place and the operating effectiveness of such controls.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Company to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

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

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

Report on Other Legal and Regulatory Requirements

1. As required by the Companies (Auditor's Report) Order, 2020 ("the Order") issued by the Central Government of India in terms of section 143(11) of the Act, we give in the Annexure A, a statement on the matters specified in the paragraph 3 and 4 of the Order.
2. As required by Section 143(3) of the Act, we report that:
 - (a) We have sought and obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purposes of our audit;
 - (b) In our opinion, proper books of account as required by law have been kept by the Company so far as it appears from our examination of those books except for the matters stated in paragraph 2(i)(vi) below on reporting under Rule 11(g) of the Companies (Audit and Auditors) Rules, 2014;



- (c) The balance sheet, the statement of profit and loss including the statement of other comprehensive loss, the statement of cash flow 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, read with the companies (Indian Accounting standards) Rules 2015 as amended. relevant Rules issued thereunder.
- (e) On the basis of the written representations received from the directors as on March 31, 2025 taken on record by the Board of Directors, none of the directors is disqualified as on March 31, 2025 from being appointed as a director in terms of Section 164 (2) of the Act;
- (f) With respect to the maintenance of accounts and other matters connected therewith, reference is made to our remarks in the paragraph 2(b) above on reporting under Section 143(3)(b) of the Act and paragraph 2(i)(vi) below on reporting under Rule 11(g) of the Companies (Audit and Auditors) Rules, 2014.
- (g) With respect to the adequacy of the internal financial controls with reference to these financial statements and the operating effectiveness of such controls, refer to our separate Report in “Annexure B” to this report. Our report expresses an unmodified opinion on the adequacy and operating effectiveness of the Company’s internal financial controls with reference to financial statements;
- (h) In our opinion, and according to the information and explanations given to us, the Company has not paid any managerial remuneration during the year ended March 31, 2025. Hence, provisions of section 197 read with Schedule V to the Act are not applicable to the Company and has not commented upon;
- (i) With respect to the other matters to be included in the Auditor’s Report in accordance with Rule 11 of the Companies (Audit and Auditors) Rules, 2014, as amended in our opinion and to the best of our information and according to the explanations given to us:
- i. The Company does not have any pending litigations which would impact its financial position;
 - ii. The Company did not have any long-term contracts including derivative contracts for which there were any material foreseeable losses;
 - iii. There were no amounts which were required to be transferred to the Investor Education and Protection Fund by the Company.
 - iv. a) The management has represented that, to the best of its knowledge and belief, no funds have been advanced or loaned or invested by the Company to or in any other person or entities, including foreign entities (“Intermediaries”), with the understanding, whether recorded in writing or otherwise, that the Intermediary shall, whether, directly or indirectly lend or invest in



other persons or entities identified in any manner whatsoever by or on behalf of the company (“Ultimate Beneficiaries”) or provide any guarantee, security or the like on behalf of the Ultimate Beneficiaries;

b) The management has represented that, to the best of its knowledge and belief, no funds have been received by the Company from any person or entity, including foreign entities (“Funding Parties”), with the understanding, whether recorded in writing or otherwise, that the Company shall, whether, directly or indirectly, lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the Funding Party (“Ultimate Beneficiaries”) or provide any guarantee, security or the like on behalf of the Ultimate Beneficiaries; and

c) Based on such audit procedures that were considered reasonable and appropriate in the circumstances, nothing has come to our notice that has caused us to believe that the representations under sub-clause iv (a) and iv (b) contain any material misstatement.

v. No dividend has been declared or paid during the year by the Company.

vi. Based on our examination, which included test checks, the Company has used an accounting software Tally Prime for maintaining its books of accounts for the financial year ended March 31, 2025 which has a feature of recording audit trail (edit log) facility except audit trail functionality at the database level due to inherent limitations of the software and the same has operated throughout the year for all relevant transactions recorded in the accounting software systems. Further, during the course of our audit we did not come across any instance of audit trail feature being tampered with and the audit trail has been preserved by the Company, wherever available as per the statutory requirements for record retention, refer Note - 41 of the financial statements.

For S S Kothari Mehta & Co. LLP

Chartered Accountants

Firm's Registration No. 000756N/N500441

Deepak Kumar Gupta

Partner

Membership No. 411678

Place: New Delhi

Date: April 24, 2025

UDIN : 25411678BNQLOA4566



Annexure A to the Independent Auditor's Report to the Members of Southern Spinners and Processors Limited dated April 24, 2025.

Report on the matters specified in paragraph 3 of the Companies (Auditor's Report) Order, 2020 ("the Order") issued by the Central Government of India in terms of section 143(11) of the Companies Act, 2013 ("the Act") as referred to in paragraph 1 of 'Report on Other Legal and Regulatory Requirements' section.

- i. (a)(A) According to the information and explanations given to us and on the basis of our examination of records of the Company, The Company has maintained proper records showing full particulars including quantitative details and situation of Property, Plant and Equipment.
- (a)(B) The Company has maintained proper records showing full particulars of intangibles assets.
- (b) According to the information and explanations given to us and on the basis of our examination of the records of the Company, the Property, Plant and Equipment have been physically verified by the management during the year, the frequency of which, in our opinion, is reasonable having regard to the size of the Company and the nature of its assets. No discrepancies were noticed on such verification.
- (c) According to the information and explanations given to us and on the basis of our examination of the records of the Company, The title deeds of all the immovable properties (other than properties where the Company is the lessee and the lease agreements are duly executed in favour of the lessee) are held in the name of the Company.
- (d) According to the information and explanations given to us and on the basis of our examination of the records of the Company, The Company has not revalued its property, plant and equipment or intangible assets during the year ended March 31, 2025. The Company does not have any right to use of asset.
- (e) According to the information and explanations given to us and on the basis of our examination of the records of the Company, There are no proceedings initiated or are pending against the Company for holding any benami property under the Prohibition of Benami Property Transactions Act, 1988 and rules made thereunder.
- ii. (a) According to the information and explanations given to us and on the basis of our examination of the records of the Company, The inventory has been physically verified by the management during the year except for inventories lying with third parties. In our opinion, the frequency of verification by the management is reasonable and the coverage and procedure for such verification is appropriate. No Discrepancies of 10% or more in aggregate for each class of inventory were noticed on such physical verification.
- ii. (b) According to the information and explanations given to us, the Company has been sanctioned working capital limits in excess of Rs 5 crores, in aggregate, at points of time during the year, from banks on the basis of security of current assets. In our opinion and according to the information and explanations given to us, the quarterly returns/statements filed by the Company with such banks and financial institutions are in agreement with the books of accounts of the Company except as mention in note no. 43.



iii. According to the information and explanations given to us, the Company has granted loan to Companies, in respect of which requisite information is as below. According to the information and explanation given to us and on the basis of examination of the records of the Company, the Company has not made any investment in, has not provided any guarantee or security, granted any advance in the nature of loan secured and unsecured, to Companies, firms, limited liability partnership or any other parties during the year.

(a) Based on the audit procedure carried on by us and as per the information and explanations given to us the Company has provided loans to the consultant of the Company. Details are as follows :

	Amount in lakh			
	Guarantees	Security	Loans	Advances in nature of loans
Aggregate amount granted/ provided during the year				
- Subsidiaries	-	-	-	-
- Joint Ventures	-	-	-	-
- Associates	-	-	-	-
- Others	-	-	-	-
Balance outstanding as at balance sheet date in respect of above cases				
- Subsidiaries	-	-	-	-
- Joint Ventures	-	-	-	-
- Associates	-	-	-	-
- Others	-	-	100.00	-

(b) According to the information and explanations given to us and based on the audit procedures conducted by us, in our opinion the investments made, guarantees provided and the terms and conditions of the grant of loans during the year are, not prejudicial to the interest of the Company.

(c) According to the information and explanation given to us and based on the audit procedures conducted by us, in respect of loan granted to other parties, the schedule of repayment of principal and payment of interest has been stipulated and the repayment or receipts are regular.

(d) According to the information and explanations given to us and on the basis of our examination of the records of the Company, there were no loans or advance in the nature of loan granted to companies, firms, Limited Liability Partnerships or any other parties, which was fallen due during the year, that have been renewed or extended or fresh loans granted to settle the over dues of existing loans given to the same parties.

(e) There were no loans or advance in the nature of loan granted to companies, firms, Limited Liability Partnerships or any other parties which have fallen due during the year, that have been



renewed or extended or fresh loans granted to settle the overdue of existing loans given to the same parties.

(f) The Company has not granted any loans or advances in the nature of loans, either repayable on demand or without specifying any terms or period of repayment to companies, firms, Limited Liability Partnerships or any other parties. Accordingly, the requirement to report on clause 3(iii)(f) of the Order is not applicable to the Company.

iv. According to the information and explanations given to us and on the basis of our examination of the records of the Company, there are no loans, investments, guarantees, and security in respect of which provisions of sections 185 and 186 of the Act are applicable and accordingly, the requirement to report on clause 3(iv) of the Order is not applicable to the Company.

v. In our opinion and according to the information and explanations given to us, the Company has not accepted any deposits from the public within the meaning of directives issued by the Reserve Bank of India and provisions of sections 73 to 76 or any other relevant provisions of the Act and the Rules framed thereunder.

vi. According to the information and explanations given to us and on the basis of our examination of the records of the Company, The Central Government has not specified the maintenance of cost records under Section 148(1) of the Act for the company's activities, Hence reporting under clause 3(vi) of the Order is not applicable to the Company.

vii. (a) According to the information and explanations given to us and on the basis of our examination of the records of the Company, The Company is regular in depositing with appropriate authorities undisputed statutory dues including goods and services tax, provident fund, employees' state insurance, income-tax, sales-tax, service tax, duty of customs, duty of excise, value added tax, cess and other statutory dues applicable to it. According to the information and explanations given to us and based on audit procedures performed by us, no undisputed amounts payable in respect of these statutory dues were outstanding, at the year end, for a period of more than six months from the date they became payable.

(b) According to the information and explanations given to us and on the basis of our examination of the records of the Company, There are no dues of goods and services tax, provident fund, employees' state insurance, income tax, sales-tax, service tax, customs duty, excise duty, value added tax, cess, goods and service tax and other statutory dues which have not been deposited on account of any dispute.

viii. According to the information and explanations given to us and on the basis of our examination of the records of the Company, The Company has not surrendered or disclosed any transaction, previously unrecorded in the books of account, in the tax assessments under the Income Tax Act, 1961 as income during the year. Accordingly, the requirement to report on clause 3(viii) of the Order is not applicable to the Company.

ix. (a) According to the information and explanations given to us and on the basis of our examination of the records of the Company, The Company did not have any outstanding loans or borrowings or interest thereon due to any lender during the year. Accordingly, the requirement to report on clause 3 (ix) (a) of the Order is not applicable to the Company.



- (b) The Company has not been declared willful defaulter by any bank or financial institution or government or any government authority.
- (c) In our opinion and according to the information and explanations given to us by the management, the Company has not taken any term loan. Accordingly, the provisions of clause 3 (ix) (c) of the Order are not applicable to the Company.
- (d) According to the Information and explanations given to us and on an overall examination of the balance sheet of the Company, we report that no funds raised on short-term basis have been used for long-term purposes by the Company.
- (e)&(f) According to the information and explanations given to us and on an overall examination of the financial statements of the Company, the Company does not have any subsidiaries, associates or joint ventures, hence clause 3(ix) (e) and (f) of the Order is not applicable.
- x. (a) The Company has not raised any money during the year by way of initial public offer/further public offer (including debt instruments). Hence, the requirement to report on clause 3(x)(a) of the Order is not applicable to the Company.
- (b) According to the information and explanations given to us and on an overall examination of the financial statements of the Company, The Company has not made any preferential allotment or private placement of shares /fully or partially or optionally convertible debentures during the year under audit and hence, the requirement to report on clause 3(x)(b) of the Order is not applicable to the Company.
- xi. (a) Based on examination of the books and records of the Company and according to the information and explanations given to us, considering the principles of materiality outlined in Standards on Auditing, we report that no fraud by the Company or on the Company has been noticed or reported during the course of the audit.
- (b) According to the information and explanations given to us, no report under sub-section (12) of section 143 of the Act, has been filed by cost auditor/ secretarial auditor or by us in Form ADT – 4 as prescribed under Rule 13 of Companies (Audit and Auditors) Rules, 2014 with the Central Government.
- (c) As represented to us by the management, there are no whistle blower complaints received by the Company during the year.
- xii. According to the information and explanations given to us, The Company is not a Nidhi Company as per the provisions of the Act. Therefore, the requirement to report on clause 3(xii)(a), 3(xii)(b) and 3(xii)(c) of the Order are not applicable to the Company.
- xiii. In our opinion, and according to the information and explanations given to us during the course of audit, transactions with the related parties are in compliance with section 188 of the Act, where applicable and the details have been disclosed in the notes to the financial statements, as required by the applicable accounting standards. The provisions of section 177 of the Act are not applicable to the Company and accordingly reporting under clause 3(xiii) of the Order insofar as it relates to section 177 of the Act is not applicable to the Company and hence not commented upon.



- xiv. The Company is not required to have an internal audit system under the provisions of Section 138 of the Act. Therefore, the requirement to report under clause 3(xiv)(a) and 3(xiv)(b) of the Order is not applicable to the Company.
- xv. In our opinion, and according to the information and explanations given to us, the Company has not entered into any non-cash transactions with directors or persons connected with him as referred in section 192 of the Act.
- xvi. (a) According to the information and explanations given to us, the provisions of section 45-IA of the Reserve Bank of India Act, 1934 are not applicable to the Company.
- (b) The Company has not conducted any Non-Banking Financial or Housing Finance activities without obtaining a valid Certificate of Registration (CoR) from the Reserve Bank of India as per the Reserve Bank of India Act, 1934.
- (c) The Company is not a Core Investment Company as defined in the regulations made by Reserve Bank of India. Accordingly, the requirement to report on clause 3(xvi) of the Order is not applicable to the Company.
- (d) Based on the information and explanations provided by the management of the Company, The Group has two Core Investment Company as part of the Group. We have not, however, separately evaluated whether the information provided by the management is accurate and complete.
- xvii. The Company hasn't incurred cash losses during the current and in the immediately preceding year.
- xviii. There has been no resignation of the statutory auditors during the year and accordingly requirement to report on Clause 3(xviii) of the Order is not applicable to the Company.
- xix. On the basis of the financial ratios disclosed in note 40 to the financial statements, ageing and expected dates of realization of financial assets and payment of financial liabilities, other information accompanying the financial statements, our knowledge of the Board of Directors and management plans and based on our examination of the evidence supporting the assumptions, nothing has come to our attention, which causes us to believe that any material uncertainty exists as on the date of the audit report that 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.
- xx. The Company has not meeting the requirement of applicability of section 135 of the Act, hence report on clause 3(xx)(a) and 3(xx)(b) of the Order is not applicable to the Company.



- xxi. Consolidated financial statements is not applicable to the Company. Hence requirement of clause 3(xxi) of the Order is not applicable to the Company.

For S S Kothari Mehta & Co. LLP

Chartered Accountants

Firm's Registration No. 000756N/N500441

Deepak Kumar Gupta

Partner

Membership No. 411678

Place: New Delhi

Date: April 24, 2025

UDIN : 25411678BNQLOA4566



Annexure B to the Independent Auditor's Report to the Members of Southern Spinners and Processors Limited dated April 24, 2025.

Report on the Internal Financial Controls under Clause (i) of Sub-section 3 of Section 143 of the Act as referred to in paragraph 2(g) of 'Report on Other Legal and Regulatory Requirements' section

We have audited the internal financial controls with reference to these financial statements of the **Southern Spinners and Processors Limited** (the 'Company') as of March 31, 2025 in conjunction with our audit of the financial statements of the Company for the year ended on that date.

Management's Responsibility for Internal Financial Controls

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

Auditors' Responsibility

Our responsibility is to express an opinion on the Company's internal financial controls with reference to these financial statements based on our audit. We conducted our audit in accordance with the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting (the "Guidance Note") and the Standards on Auditing as specified under Section 143(10) of the Companies Act, 2013, to the extent applicable to an audit of internal financial controls and, both issued by the ICAI. Those Standards and the Guidance Note require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether adequate internal financial controls with reference to these financial statements was established and maintained and if such controls operated effectively in all material respects.

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

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion on the internal financial controls with reference to these financial statements.



Meaning of Internal Financial Controls with Reference to these Financial Statements

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

Inherent Limitations of Internal Financial controls with Reference to these Financial Statements

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

Opinion

In our opinion, the Company has, in all material respects, adequate internal financial controls with reference to these financial statements and such internal financial controls with reference to these financial statements were operating effectively as at March 31, 2025, based on “the internal control over financial reporting criteria established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting issued by the Institute of Chartered Accountants of India”.

For S S Kothari Mehta & Co. LLP

Chartered Accountants

Firm's Registration No. 000756N/N500441

Deepak Kumar Gupta

Partner

Membership No. 411678

Place: New Delhi

Date: April 24, 2025

UDIN : 25411678BNQLOA4566



Southern Spinners and Processors Limited
CIN : U17111TN2005PLC056558
Balance Sheet as at March 31, 2025
(All Amounts are in Rupees lakhs, unless otherwise stated)

	Notes	As at March 31, 2025	As at March 31, 2024
ASSETS			
(1) Non - current assets			
(a) Property, plant and equipment	2	1,248.36	762.52
(b) Intangible assets	3	4.87	5.90
(c) Capital Work - in - progress	4	-	10.87
(d) Financial assets			
i) Investments	5	12.37	7.89
ii) Other financial assets	6	60.52	60.11
(e) Deferred tax assets(Net)	7	-	28.26
		1,326.12	875.55
(2) Current assets			
(a) Inventories	8	1,223.67	1,037.69
(b) Financial assets			
(i) Trade receivables	9	345.06	446.48
(ii) Cash and cash equivalents	11	68.87	60.39
(iii) Other Financial Assets	10	8.24	9.04
(c) Current tax assets	12	-	85.50
(d) Other current assets	13	275.39	226.69
		1,921.23	1,865.80
Total assets		3,247.35	2,741.35
EQUITY AND LIABILITIES			
(1) Equity			
(a) Equity Share capital	14	505.00	505.00
(b) Other equity		2,060.12	1,704.06
		2,565.12	2,209.06
(2) Liabilities			
Non Current Liabilities			
(a) Long term provisions	15	4.98	6.62
(b) Deferred tax liability	7	31.77	-
		36.75	6.62
Current Liabilities			
(a) Financial liabilities			
(i) Trade payables	16		
Micro and small enterprises		55.41	21.65
Others		382.45	203.67
(ii) Other financial liabilities	17	141.91	119.51
(b) Other current liabilities	18	46.43	71.10
(c) Provisions	19	19.28	109.74
		645.48	525.67
Total equity and liabilities		3,247.35	2,741.35

**Company overview, Basis of preparation and
Material accounting policies** 1

The accompanying notes are an integral part of the financial statements

As per our report of even date attached.

For S S Kothari Mehta & Co LLP
Chartered Accountants
Firm Registration No. 000756N / N500441

Deepak Kumar Gupta
Partner
Membership No.411678



For and on behalf of Board of Directors of
Southern Spinners and Processors Limited

Nagaraju Srirama
Director
DIN 02473218

Vidya Charan Shukla
Director
DIN 06925365

Place : New Delhi
Dated: April 24, 2025

Southern Spinners and Processors Limited
CIN : U17111TN2005PLC056558
Statement of profit & loss for the year March 31, 2025
(All Amounts are in Rupees lakhs, unless otherwise stated)

	Notes	For the year ended March 31, 2025	For the year ended March 31, 2024
I Income			
Income from operations	20	8,036.12	7,429.79
Other income	21	70.79	26.65
Total income		8,106.91	7,456.44
II Expenses			
Cost of materials consumed		4,571.23	4,076.15
Changes in inventories of finished goods, stock - in - trade and work - in - progress	22	(399.36)	189.56
Purchase of stock-in-trade		462.59	536.12
Employee benefits expenses	23	986.21	801.50
Finance costs	24	8.23	9.04
Depreciation and amortization expenses	25	132.75	96.99
Other expenses	26	1,769.33	1,385.95
Total expenses		7,530.98	7,095.31
III Profit before tax		575.93	361.13
IV Tax expense			
Less: Current tax		89.89	81.25
Less: Deferred tax		126.62	(41.83)
V Profit for the year		359.42	321.71
VI Other comprehensive income			
Items that will not be reclassified to profit or loss			
Remeasurement (gains) / losses on Defined benefit plans		3.36	12.25
VII Total comprehensive income for the year		356.06	309.46
VIII Earnings per equity share	32	7.12	6.37
Basic / Diluted			

**Company overview, Basis of preparation and
Material accounting policies**

1

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

As per our report of even date attached.

For S S Kothari Mehta & Co LLP

Chartered Accountants

Firm Registration No. 000756N / N500441

Deepak Kumar Gupta

Partner

Membership No.411678

Place : New Delhi

Dated: April 24, 2025



**For and on behalf of Board of Directors of
Southern Spinners and Processors Limited**

Nagaraju Srirama

Nagaraju Srirama

Director

DIN 02473218

Vidya Charan Shukla

Vidya Charan Shukla

Director

DIN 06925365

Southern Spinners and Processors Limited
CIN : U17111TN2005PLC056558
Statement of changes in cash flow for the year ended March 31, 2025
(All Amounts are in Rupees lakhs, unless otherwise stated)

Particulars	Year ended March 31, 2025	Year ended March 31, 2024
A. Cash flow from Operating activities:		
Profit before tax	575.93	361.13
Adjustments for:		
Depreciation	132.75	96.99
Finance cost	8.23	9.04
Interest income	(4.30)	(3.58)
Remeasurement on defined benefit plans charged to OCI	-	(12.25)
(Profit)/Loss on property plant & equipment sold (Net)	(51.03)	(3.75)
Provision No Longer required	(7.69)	-
Operating profit before working capital changes	653.89	447.58
Adjustments for changes in working capital :		
- (Increase)/decrease in trade receivable & other assets	53.12	(95.12)
- (Increase)/decrease in inventories	(185.98)	36.21
- Increase/(decrease) in trade and other payables	197.26	(68.56)
Cash generated from operations	718.29	320.11
- Taxes (paid) /received (Net of TDS)	(133.88)	(82.55)
Net cash flow from operating activities	584.41	237.56
B. Cash Flow from Investing Activities		
Investment in capital work in Progress	-	(10.87)
Purchase of Property plant & equipment	(630.96)	(106.52)
Purchase of investments	(4.48)	-
Proceeds from Sale of property, plant and equipment	63.44	5.21
Interest received	4.30	3.58
Net cash (used) in Investing activities	(567.70)	(108.60)
C. Cash flow from Financing activities:		
Proceeds/(Repayment) of short secured loans	-	(66.88)
Interest Paid	(8.23)	(9.04)
Net cash (used) in financing activities	(8.23)	(75.92)
Net Increase/(Decrease) in Cash & Cash Equivalents	8.48	53.04
Cash and cash equivalents at the beginning of the year	60.39	7.35
Cash and cash equivalents at the end of the year	68.87	60.39
Cash and cash equivalents comprise		
Cash, cheques & drafts (in hand) and remittances in transit	0.05	0.29
Balance with Scheduled Banks	68.82	60.10
	68.87	60.39

Note:

1. The above cash flow statement has been prepared under the 'Indirect Method' as set out in the Indian Accounting Standard (Ind AS 7) 'Statement of Cash Flow'.

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

As per our report of even date attached.

For S S Kothari Mehta & Co LLP
Chartered Accountants
Firm Registration No. 000756N / N500441

Deepak Kumar Gupta
Partner
Membership No.411678

Place: New Delhi
Date: April 24, 2025



For and on behalf of Board of Directors of
Southern Spinners and Processors Limited

(Signature)

Nagaraju Srirama · **Vidya Charan Shukla**
Director Director
DIN 02473218 DIN 06925365

Southern Spinners and Processors Limited

CIN : U17111TN2005PLC056558

Statement of Changes in Equity for the year ended as on March 31, 2025

(All Amounts are in Rupees lakhs, unless otherwise stated)

I. Share Capital

Equity shares of Rs. 10 each issued, subscribed and fully paid	No. of shares	Amount
As at April 1, 2023	5,50,000.00	55.00
Issue during the year		
As at March 31, 2024	5,50,000.00	55.00
Issue during the year	-	-
As at March 31, 2025	5,50,000.00	55.00

II. Other Equity

Particulars	Securities premium account	General Reserve	Retained earnings	Other comprehensive Income	Total
As on April 01, 2023	1,550.00	49.99	(158.84)	(46.55)	1,394.60
Profit for the year	-	-	321.71	(12.25)	309.46
As on March 31, 2024	1,550.00	49.99	162.87	(58.80)	1,704.06
Profit for the year	-	-	359.42	(3.36)	356.06
As on March 31, 2025	1,550.00	49.99	522.29	(62.16)	2,060.12

For S S Kothari Mehta & Co LLP
Chartered Accountants
Firm Registration No. 000756N / N500441

Deepak Kumar Gupta
Partner
Membership No.411678

Place : New Delhi
Dated: April 24, 2025



For and on behalf of Board of Directors of
Southern Spinners and Processors Limited

Nagaraju Sritama
Director
DIN 02473218

Vidya Charan Shukla
Director
DIN 06925365

Southern Spinners and Processors Limited

CIN : U17111TN2005PLC056558

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2023

(All Amounts are in Rupees lakhs, unless otherwise stated)

1.1 The Company overview

Southern Spinners and Processors Limited (the "Company") is a public limited company incorporated and domiciled in India. The registered office of the company is situated at 3, Madurai-Melakkal Road, Kochadai, Madurai - 625016, Tamilnadu, India. The Company is a subsidiary of J.K.Fenner (India) Limited.

The company is engaged in the manufacturing / trading and selling of Yarn and Industrial Fabric products.

1.2 Basis of preparation of financial statements

(i) Statement of compliance

The financial statements have been prepared in accordance with Indian Accounting Standards (Ind AS) as prescribed under Section 133 of the Companies Act, 2013 read with Companies (Indian Accounting Standards) Rules, 2015 and Companies (Indian Accounting Standards) (Amendment) Rules, 2016 and relevant provisions of the Companies Act, 2013. All accounting policies and applicable Ind AS have been applied consistently for all periods presented.

The financial statements have been prepared on an accrual basis and under the historical cost convention.

The preparation of these Financial Statements requires management judgements, estimates and assumptions that affect the application of accounting policies, the accounting disclosures made and the reported amounts of assets, liabilities, income and expenses. The estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognised in the period in which the estimates are revised and in any future periods effected pursuant to such revision.

1.3 Material accounting policies

The accounting policies set out below have been applied consistently throughout the periods presented in these financial statements.

1.3.1 Property, plant and equipment

Recognition and measurement:

Property, plant and equipment are measured at cost less accumulated depreciation and impairment losses, if any. Cost includes expenses directly attributable in bringing the asset to the location and condition necessary for it to be capable of operating in the manner intended by management.

Expenditure directly attributable in bringing the asset to the location during construction / erection period is included under 'Capital Work-in-Progress' and is allocated to the respective property, plant and equipment on completion of construction / erection.

The cost and related accumulated depreciation are eliminated from the financial statements, upon sale and disposition of the assets and the resultant gains or losses are recognised in the statement of profit and loss

Depreciation:

Depreciation on property, plant and equipment has been provided using straight line method over their useful lives and in the manner prescribed under Schedule II of the Companies Act, 2013. However, in respect of certain assets including assets given on the operating lease, depreciation is provided as per the useful lives as assessed by the management supported by technical advice ranging from 9 to 24 years for plant and machinery.

1.3.2 Intangible assets:

Intangible assets are recognised, if the future economic benefits attributable to the assets are expected to flow to the Company and cost of the asset can be measured reliably. The same are amortised over the expected duration of benefits. Such intangible assets are measured at cost less any accumulated amortisation and impairment losses, if any.

Specialised software is amortised over a period of five years from the year of installation.

1.3.3 Foreign currency transactions and translation:

The functional currency of the company is Indian rupee (INR). Foreign currency transactions are recorded at exchange rates prevailing on the date of transaction. Monetary assets and liabilities in foreign currencies as at the balance sheet date are translated at exchange rate prevailing at the year end. Exchange differences arising on actual payments / realisations and year end translations including on forward contracts are recognized within Statement of Profit and Loss.

1.3.4 Inventories

Inventories are valued at lower of cost or net realisable value. The cost is computed on weighted average basis. Finished goods and process stock include cost of conversion and other costs incurred in bringing the inventories to their present location and condition.



Southern Spinners and Processors Limited

CIN : U17111TN2005PLC056558

Notes to the financial statements for the year ended March 31, 2023

1.3.5 Borrowing cost:

Borrowing Cost is charged to statement of profit and loss statement except borrowing cost meant for acquisition of qualifying assets, which is capitalised, using the effective interest method till the date of commercial use.

1.3.6 Employee benefits:

(a) Defined-contribution plans

Contributions to the Employees' Regional Provident Fund, Superannuation Fund, Employees Pension Scheme and Employees' State Insurance are recognised as defined contribution plan and charged as expenses during the period in which the employees perform the services.

(b) Defined benefit plan

Retirement benefits in the form of Gratuity and Leave Encashment are considered as defined benefit plan and determined on an actuarial valuation using the projected unit credit method at the Balance Sheet date. Actuarial gains or losses through remeasurement of the net obligation of a defined benefit liability or asset are recognised in Other Comprehensive Income. Such re-measurements are not reclassified to Statement of Profit and Loss in subsequent periods.

(c) Short term employee benefits

Short term benefits are charged off at the undiscounted amount in the year in which the related service is rendered.

1.3.7 Income tax:

Income tax comprises of current and deferred tax. Income tax expense is recognised in the Statement of Profit and Loss, except to the extent it relates to items directly recognised in Equity or in Other Comprehensive Income.

a) Current tax: Current Tax is the amount of tax payable on the estimated taxable income for the current year as per the provisions of Income Tax Act, 1961.

Deferred tax assets are recognised for all deductible temporary differences, the carry forward of unused tax credits and any unused tax losses. Deferred tax assets are recognised to the extent that it is probable that taxable profit will be available against which the deductible temporary differences, and the carry forward of unused tax credits and unused tax losses can be utilised

At each reporting date the Company re-assesses unrecognised deferred tax assets. It recognises unrecognised deferred tax assets to the extent that it has become probable that future taxable profits will allow the deferred tax asset to be recovered.

Deferred tax relating to items recognised outside profit or loss is recognised outside profit or loss (either in other comprehensive income or in equity). Deferred tax items are recognised in correlation to the underlying transaction either in OCI or directly in equity.

1.3.8 Provisions:

Provisions are recognised when the Company has a present obligation (legal or constructive) as a result of a past event; it is probable that an outflow of economic benefits will be required to settle the obligation, and a reliable estimate can be made of the amount of the obligation. The amount recognised as a provision is the present value of best estimate of the consideration required to settle the present obligation at the end of the reporting period, taking into account the risks and uncertainties surrounding the obligation. Contingent liabilities (if material) are disclosed by way of notes to accounts. Contingent assets if any, are disclosed in financial statements.

1.3.9 Financial instruments

A financial instrument is any contract that gives rise to a financial asset of one entity and a financial liability or equity instrument of another entity.

(a) Financial assets

Financial assets include cash and cash equivalents, trade and other receivables, loans, investments in securities and other eligible current and non-current assets.

Initial Recognition and Measurement:

At initial recognition, all financial assets are measured at fair value. Such financial assets are subsequently classified under one of the following three categories according to the purpose for which they are held. The classification is reviewed at the end of each reporting period.



Financial assets at amortised cost:

At the date of initial recognition, these financial assets are held to collect contractual cash flows of principal and interest on principal amount outstanding on specified dates. These financial assets are intended to be held until maturity. Therefore, they are subsequently measured at amortised cost by applying the Effective Interest Rate ("EIR") method to the gross carrying amount of the financial asset. The EIR amortisation is included as interest income in the statement of profit or loss.

Financial assets at fair value through other comprehensive income:

At the date of initial recognition, these financial assets are held to collect contractual cash flows of principal and interest on principal amount outstanding on specified dates, as well as held for selling. Therefore, they are subsequently measured at each reporting date at fair value, with all fair value movements recognised in Other Comprehensive Income (OCI). Interest income calculated using the EIR method, impairment gain or loss and foreign exchange gain or loss are recognised in the Statement of Profit and Loss. On derecognition of the asset, cumulative gain or loss previously recognised in Other Comprehensive Income is reclassified from the OCI to Statement of Profit and Loss.

Financial assets at fair value through profit or loss:

At the date of initial recognition, financial assets that are held for trading, or which are measured neither at amortised cost nor at fair value through OCI. Therefore, they are subsequently measured at each reporting date at fair value, with all fair value movements recognised in the Statement of Profit and Loss.

Investment in equity shares of subsidiaries and associates are valued at cost.

The Company derecognises a financial asset when the contractual rights to the cash flows from the financial asset expire or it transfers the financial asset and the transfer qualifies for derecognition under Ind AS 109 'Financial Instruments'.

The Company assesses impairment based on the expected credit losses ("ECL") model to all its financial assets except equity instruments measured at fair value and financial assets measured on fair value through profit and loss ("FVTPL") basis.

(b) Financial liabilities

Financial Liabilities include Long-term and Short-term Loans and Borrowings, Trade and Other payables and Other eligible Current and Non-Current Liabilities.

Initial Recognition and Measurement

All Financial Liabilities are recognized initially at fair value and, in the case of loans and borrowings and payables, net of directly attributable transaction costs. The Company's Financial Liabilities include trade and other payables, loans and borrowings including bank overdrafts, and derivative financial instruments.

Subsequent Measurement

The measurement of financial liabilities depends on their classification, as described below:

i) Financial Liabilities at Fair Value through Profit or Loss

Financial liabilities at fair value through profit or loss include financial liabilities held for trading. The Company has not designated any financial liabilities upon initial measurement recognition at fair value through profit or loss. Financial liabilities at fair value through profit or loss are at each reporting date at fair value with all the changes recognized in the Statement of Profit and Loss.

ii) Financial Liabilities measured at Amortized Cost

After initial recognition, interest bearing loans and borrowings are subsequently measured at amortized cost using the effective interest rate method ("EIR") except for those designated in an effective hedging relationship. The carrying value of borrowings that are designated as hedged items in fair value hedges that would otherwise be carried at amortized cost are adjusted to record changes in fair values attributable to the risks that are hedged in effective hedging relationship.

Amortized cost is calculated by taking into account any discount or premium on acquisition and fee or costs that are an integral part of the EIR. The EIR amortization is included in finance costs in the Statement of Profit and Loss.



Southern Spinners and Processors Limited

CIN : U17111TN2005PLC056558

Notes to the financial statements for the year ended March 31, 2023

1.3.10 Revenue:

Revenue from contracts with customers for sale of goods or services is recognised when the Company satisfies performance obligation by transferring promised goods or services to the customer at an amount that reflects the consideration which the Company is expected to be entitled to in exchange for those goods or services.

Sale of goods

Revenue from sale of products is recognized when the control on the goods have been transferred to the customer. The performance obligation in case of sale of product is satisfied at a point in time i.e., when the material is shipped to the customer or on delivery to the customer, as may be specified in the contract.

Revenue from the sale of goods is measured at the transaction price, which is adjusted for, net of returns and allowances, trade discounts and volume rebates/claims etc. Sales exclude Value added tax/sales tax / Service Tax / Goods & Service Tax.

Export incentives are recognised in the Statement of Profit and Loss.

1.3.11 Impairment

The carrying amount of property, plant and equipments, intangible assets and investment property are reviewed at each Balance Sheet date to assess impairment if any, based on internal / external factors. An asset is treated as impaired, when the carrying cost of asset or cash generating unit exceeds its recoverable value, being higher of value in use and fair value less costs of disposal. An impairment loss is recognised as an expense in the Statement of Profit and Loss in the year in which an asset is identified as impaired. The impairment loss recognised in prior accounting period is reversed, if there has been an improvement in recoverable amount.

1.3.12 Earnings per share (EPS):

Basic earnings per share is calculated by dividing the profit or loss for the period attributable to the equity holders of the company by the weighted average number of ordinary shares outstanding during the year.

For the purpose of calculating diluted earnings per share, the net profit or loss for the period attributable to equity shareholders and the weighted average number of shares outstanding during the period are adjusted for the effects of all dilutive potential equity shares.

1.3.13 Cash and cash equivalents:

Cash and cash equivalents include cash on hand and at bank, cheques on hand and remittances in transit for the purpose of meeting short-term cash commitments.



Southern Spinners and Processors Limited

CIN : U17111TN2005PLC056558

Notes to the Financial Statements as at March 31, 2025

(All Amounts are in Rupees lakhs, unless otherwise stated)

NON CURRENT ASSETS

2 Property, plant and equipments

	Gross Value				Depreciation				Net Value	
	As at April 01, 2024	Additions	Sales/ Adjustments	As at March 31, 2025	As at April 01, 2024	For the year	Sales/ Adjustments	As at March 31, 2025	As at March 31, 2025	As at March 31, 2024
Land - Freehold	44.19 (44.19)	-	-	44.19 (44.19)	-	-	-	-	44.19 (44.19)	44.19 (44.19)
Buildings	380.91 (354.14)	88.69 (26.77)	1.83	467.77 (380.91)	90.85 (78.43)	15.71 (12.42)	0.84	105.72 (90.85)	362.05 (290.06)	290.06 (275.71)
Plant and Equipment	1,331.86 (1,236.84)	529.52 (102.71)	198.38 (7.69)	1,663.00 (1,331.86)	927.36 (854.92)	109.96 (79.27)	187.10 (6.83)	850.22 (927.36)	812.78 (404.50)	404.50 (381.92)
Furniture and Fixtures	24.41 (28.85)	6.09 (1.02)	4.09 (5.46)	26.41 (24.41)	16.33 (20.29)	1.36 (1.06)	3.80 (5.02)	13.89 (16.33)	12.52 (8.08)	8.08 (8.56)
Vehicles	14.22 (14.05)	-	1.98	12.25 (14.22)	7.90 (7.05)	0.87 (0.85)	1.88	6.89 (7.90)	5.36 (6.32)	6.32 (7.00)
Office Equipments	18.68 (16.07)	6.10 (4.40)	5.01 (1.79)	19.77 (18.68)	9.31 (9.07)	3.27 (1.86)	4.28 (1.62)	8.31 (9.31)	11.47 (9.37)	9.37 (7.00)
Total	1,814.27 (1,694.14)	630.40 (135.07)	211.29 (14.94)	2,233.39 (1,814.27)	1,051.75 (969.76)	131.17 (95.46)	197.90 (13.47)	985.03 (1,051.75)	1,248.36 (762.52)	762.52 (724.38)

Figures in brackets represent amounts pertaining to previous year

Note . The Company holds land amounting to INR 44.19 lakhs and building amounting to INR 247.81 lakhs under Property, Plant and Equipment since December 01, 2006. The title deeds are held in the name of Southern Spinners and Processors Limited, which is not related to any promoter, director, their relatives, or employees thereof.

3 Intangible assets

Particulars	Gross Value			Depreciation			Net Value			
	As at April 01, 2024	Additions	Sales/ Adjustments	As at March 31, 2025	As at April 01, 2024	For the year	Sales/ Adjustments	As at March 31, 2025	As at March 31, 2024	
Software	8.83 (8.33)	0.57 (0.50)	0.43	8.97 (8.83)	2.93 (1.40)	1.58 (1.53)	0.41	4.10 (2.93)	4.87 (5.90)	5.90 (6.93)

Figures in brackets represent amounts pertaining to previous year



Southern Spinners and Processors Limited
CIN : U17111TN2005PLC056558
Notes to the Financial Statements as at March 31, 2025
(All Amounts are in Rupees lakhs, unless otherwise stated)

Capital work-in-progress (CWIP) includes machinery under installation/in transit and other
4 assets under erection. Details are as under :

Particulars	As at March 31, 2025	As at March 31, 2024
Balance at the beginning of the year	10.87	29.05
Add:- Additions during the year	619.53	116.89
Less: Capitalization during the year	630.40	135.07
Balance at the end of the year	-	10.87

CWIP ageing schedule (March 31, 2024)

CWIP	Amount in CWIP for a period of				
	Less than 1 year	1-2 years	2-3 years	More than 3 years	Total
Project in progress	10.87	-	-	-	10.87
Project temporarily suspended	(29.05)				(29.05)
Total	(29.05)				(29.05)

Figures in brackets represents amount pertaining to previous year



Southern Spinners and Processors Limited

CIN : U17111TN2005PLC056558

Notes to the Financial Statements as at March 31, 2025

(All Amounts are in Rupees lakhs, unless otherwise stated)

5 Financial Assets - Investment [(Non - Current(Other than Trade)]

	As at March 31, 2025		As at March 31, 2024	
	Numbers	Amount	Numbers	Amount
a) Investments in equity instruments (FVTPL)				
Unquoted				
TCP Ltd.	100	0.47	100	0.47
Watsun Infrabuild Private Limited	1,19,000	11.90	74,210	7.42
Total	1,19,100	12.37	74,310	7.89

i) Aggregate Acquisition Cost of Quoted Investments:	-	-	-	-
Aggregate Market Value of Quoted Investments:	-	-	-	-
Aggregate Book Value of Unquoted Investments:	1,19,100	12.37	74,310	7.89



Southern Spinners and Processors Limited

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Notes to the Financial Statements as at March 31, 2025

(All Amounts are in Rupees lakhs, unless otherwise stated)

Particulars	As at March 31, 2025	As at March 31, 2024
6 Other Financial Assets		
Unsecured, considered good		
Security deposits	60.52	60.11
	60.52	60.11

Particulars	As at March 31, 2025	As at March 31, 2024
7 Deferred Tax Assets / (Liabilities)		
Deferred tax assets :		
Expenses /Provision allowable and Losses	3.41	-
Property, Plant and Equipment and Others	-	28.26
MAT Credit entitlement	18.57	-
Deferred tax Liabilities :		
Property, Plant and Equipment and Others	(53.75)	-
	(31.77)	28.26
Opening Deferred Tax Asset	28.26	
Add : Mat Entitlement transfer to Deferred Tax	66.59	
Closing deferred tax liability as at March 31, 2025	(31.77)	
Charge to profit and loss	126.62	

Particulars	As at March 31, 2025	As at March 31, 2024
8 Inventories (Valued at lower of cost or net realisable value)		
Raw materials	363.93	581.89
Work-in-progress	47.87	59.01
Finished goods	800.43	389.93
Stores and spares	11.44	6.86
	1,223.67	1,037.69



Particulars	As at	As at
	March 31, 2025	March 31, 2024
Other Financial Assets		
9 Trade receivables		
Considered good		
Secured	-	-
Unsecured	345.06	446.48
Unsecured which have significant increase in credit risk	3.12	-
Credit impaired	(3.12)	-
Total	345.06	446.48

Trade Receivable aging schedule

As at March 31, 2025

Particulars	Not due	Outstanding for the following period from due date of payment				Total
		Less than 6 months	6 months to 1 year	1 - 2 years	More than 3 years	
Considered good - Undisputed						
Secured	-	-	-	-	-	-
Unsecured	342.52	-	2.54	-	-	345.06
Unsecured which significant increase in credit risk	-	-	-	-	-	-
Credit impairment	-	-	-	-	-	-
Total	342.52	-	2.54	-	-	345.06

Trade Receivable aging schedule

As at March 31, 2024

Particulars	Not due	Outstanding for the following period from due date of payment				Total
		Less than 6 months	6 months to 1 year	1 - 2 years	More than 3 years	
Considered good - Undisputed						
Secured	-	-	-	-	-	-
Unsecured	438.87	-	7.61	-	-	446.48
Unsecured which significant increase in credit risk	-	-	-	-	-	-
Credit impairment	-	-	-	-	-	-
Total	438.87	-	7.61	-	-	446.48

(e) The movement of impairment loss allowance as follows :-

Particulars	As at	As at
	March 31, 2025	March 31, 2024
Balance at the beginning of the year	-	-
Add: Impairment allowance (Refer Note No. 26)	3.12	-
Less : Balance written off	-	-
Balance at the end of the year	3.12	-



Southern Spinners and Processors Limited
CIN : U17111TN2005PLC056558
Notes to the Financial Statements as at March 31, 2025
(All Amounts are in Rupees lakhs, unless otherwise stated)

Particulars	As at March 31, 2025	As at March 31, 2024
10 Other financial assets		
Other financial asset (Unsecured, considered good)		
Security Deposit	0.78	2.39
Other loans and advances	7.46	6.66
	8.24	9.04

Particulars	As at March 31, 2025	As at March 31, 2024
11 Cash and Cash Equivalents		
(i) Balances with Banks		
Current account	68.82	60.10
(ii) Cash on hand	0.05	0.29
	68.87	60.39

Particulars	As at March 31, 2025	As at March 31, 2024
12 Current tax assets (net)		
Mat credit entitlement	-	78.10
Advance Tax and TDS	-	7.40
	-	85.50

Reconciliation of Mat Credit entitlement

Opening Balance	78.10	63.23
Add : created during the year	-	20.97
Less : Adjsutment to advance tax	11.51	6.10
Less : Transfer to deferred tax asset	66.59	-
Closing balance	-	78.10

Particulars	As at March 31, 2025	As at March 31, 2024
13 Other advances		
Export benefit receivable	3.35	25.71
Amount receivable from Government authorities	121.28	71.66
Prepaid Expenses	17.46	6.46
Advance to Suppliers	19.83	8.51
Advance to employees	13.47	14.35
Other Loan (Refer Note No. 36)	100.00	100.00
	275.39	226.69



14. Share Capital

Particulars	As on March 31, 2025		As on March 31, 2024	
	No. of shares	Amount	No. of shares	Amount
Authorized				
Equity share capital of Rs. 10/- each	50,50,000	505.00	50,50,000	505.00
	50,50,000	505.00	50,50,000	505.00
Issued, Subscribed and fully paid up				
Equity shares of Rs. 10/- each fully paid up	50,50,000	505.00	50,50,000	505.00
	50,50,000	505.00	50,50,000	505.00

a. Reconciliation of Equity shares outstanding at the beginning and at the end of the year

Particulars	As at March 31, 2025	As at March 31, 2024
	No. of Shares	No. of Shares
At the beginning of the year	50,50,000	50,50,000
Add: Issued during the year	-	-
Equity shares outstanding at the close of the Year	50,50,000	50,50,000

b. Terms/rights attached to equity shares

The Company has only one class of equity shares having a face value of Rs. 10 per share. Each equity shareholder is entitled to one vote per share. In the event of liquidation of the Company, the holders of equity shares will be entitled to receive remaining assets of the Company, after distribution of all preferential amounts. The distribution will be in proportion to the number of equity shares held by the shareholders.

As per records of the Company, including its register of shareholders/members and other declarations received from shareholders regarding beneficial interest, the above shareholding represents both legal and beneficial ownerships of shares.

c. In previous five years the Company has not issued any bonus shares nor are there any shares bought back and issued for consideration other than cash.

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

Particulars	As at March 31, 2025		As at March 31, 2024	
	No. of Shares	% holding	No. of Shares	% holding
J.K. Fenner(India) Ltd - Holding Company	50,50,000	100%	50,50,000	100%

(e) Details of shares held by promoters

As at March 31, 2025	Promoter Name	No. of shares at the beginning of the year	Change during the year	No. of shares at the end of the year	% of Total Shares	% change during the year
Equity shares of Rs. 10/- each fully paid up	J.K. Fenner(India) Ltd - Holding Company	50,50,000	-	50,50,000	100%	NIL

As at March 31, 2024	Promoter Name	No. of shares at the beginning of the year	Change during the year	No. of shares at the end of the year	% of Total Shares	% change during the year
Equity shares of Rs. 10/- each fully paid up	J.K. Fenner(India) Ltd - Holding Company	50,50,000	-	50,50,000	100%	NIL



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Particulars	As at March 31, 2025	As at March 31, 2024
15 Long term provision		
Provision for Leave encashment	4.98	6.62
	<u>4.98</u>	<u>6.62</u>

Particulars	As at March 31, 2025	As at March 31, 2024
16 Trade payables		
Micro and Small Enterprises	55.41	21.65
Other Payables	382.45	203.67
	<u>437.86</u>	<u>225.32</u>

Trade Payable ageing schedule

As at March 31, 2025

Particulars	Not due	Outstanding for the following period from due date of payment			
		Less than 6 months	6 months to 1 year	1 - 2 years	2-3 years
MSME	55.41	-	-	-	-
Others	382.45	-	-	-	-
Disputed dues- MSME	-	-	-	-	-
Disputed dues - Others	-	-	-	-	-
Total	437.86				

As at March 31, 2024

Particulars	Not due	Outstanding for the following period from due date of payment			
		Less than 6 months	6 months to 1 year	1 - 2 years	2-3 years
MSME	21.65				
Others	203.67	-	-	-	-
Disputed dues- MSME	-	-	-	-	-
Disputed dues - Others	-	-	-	-	-
Total	225.32				



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Particulars	As at March 31, 2025	As at March 31, 2024
17 Current Financial Liabilities - Others		
(a) Other Payables		
Employee Benefits	21.58	28.68
Others	120.33	90.83
	<u>141.91</u>	<u>119.51</u>
Particulars	As at March 31, 2025	As at March 31, 2024
18 Other Current Liabilities		
Statutory dues Payable	46.43	71.10
	<u>46.43</u>	<u>71.10</u>
Particulars	As at March 31, 2025	As at March 31, 2024
19 Current Liabilities- Provisions		
Provision for Gratuity	3.57	15.21
Provision for LTA	0.68	1.45
Provision for Leave encashment	1.35	15.01
Tax Provision Net of Advance Tax	13.68	78.07
	<u>19.28</u>	<u>109.74</u>
Particulars	As at March 31, 2025	As at March 31, 2024
20 Revenue from Operations		
Sale of products:	7,816.17	7,299.12
Other operating income :		
Misc. sales - others	182.71	110.16
Export benefit	37.24	20.51
	<u>219.95</u>	<u>130.67</u>
Total Income from operations	<u>8,036.12</u>	<u>7,429.79</u>



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Particulars	For the year ended March 31, 2025	For the year ended March 31, 2024
21 Other Income		
Interest income	4.30	3.58
Profit on sale of assets	51.03	3.75
Others	15.46	19.32
	70.79	26.65

Particulars	For the year ended March 31, 2025	For the year ended March 31, 2024
22 Changes in inventories of finished goods & work in progress		
Closing Stock :		
Finished stock	800.43	389.93
Work-in-Progress	47.87	59.01
	848.30	448.94
Less: Opening Stock :		
Finished stock	389.93	560.14
Work-in-progress	59.01	78.36
	448.94	638.50
Net(Increase)/Decrease in stock	(399.36)	189.56

Particulars	For the year ended March 31, 2025	For the year ended March 31, 2024
23 Employee benefit expenses		
Salary Wages & Bonus	880.56	691.40
Contribution to Provident Fund & other funds	27.29	42.39
Workmen & Staff welfare expenses	78.36	67.71
	986.21	801.50

Particulars	For the year ended March 31, 2025	For the year ended March 31, 2024
24 Finance Costs		
Interest expenses	8.23	9.04
	8.23	9.04

Particulars	For the year ended March 31, 2025	For the year ended March 31, 2024
25 Depreciation and amortization expenses		
Depreciation on property, plant and equipment	131.17	95.46
Amortization of intangible assets	1.58	1.53
	132.75	96.99

Particulars	For the year ended March 31, 2025	For the year ended March 31, 2024
26 Other expenses		
Power & fuel	565.21	484.32
Job work charges	515.90	365.14
Repairs to machinery	204.24	155.79
Packing materials consumed	117.23	102.70
Freight and transportation	116.32	78.81
Professional and Legal Expenses	48.28	23.67
Security Guards Expenses	14.80	15.01
General Maintenance	10.17	12.55
Repairs to buildings	39.75	18.94
Consumption of stores and spare parts	21.50	17.90
Commission	13.39	20.60
Rent	4.09	3.23
Insurance	10.40	12.93
Rates & taxes	13.87	7.99
Travelling expenses	30.80	27.59
Miscellaneous expenses	43.38	38.77
	1,769.33	1,385.95



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27 Capital Commitments (Net of advances) ` 114.05 Lacs (Previous year) ₹ 45.72 Lacs and other commitments Nil (previous year (nil).

28 Contingent liabilities in respect of claims not accepted and not provided for Nil (Previous Year ` 3.0 Lacs)

In respect of labour claims some appeals are pending before authorities and adjustments, if any , will be made after the same are finally settled.

29 Forward contracts for hedging receivables ` Nil - USD Nil (Previous year ` Nil - USD Nil)

Foreign Currency unhedged

(a) net receivables ` 49.87 Lacs USD 0.58 Lacs (Previous Year ` 68.61 Lacs USD 0.83 lacs)

(b) Loans ` Nil USD Nil (Previous year Loans ` Nil USD Nil)

30 The details of amounts outstanding under the Micro, Small and Medium Enterprises Development Act,2006 (MSMED)

to the extent of information available with the company is as : (i) Principal & Interest amount due and remaining

unpaid as at 31.03.2025 ₹ 55.41 Lacs (Previous year ₹ 21.65 Lacs), (ii) Payment made beyond the appointed day during the year Nil

(previous year Nil) and (iii) Interest accrued and unpaid as at 31.03.2025 Nil (Previous year Nil)

	2024-25	2023-24
31 Amount paid to auditors		
a) Audit Fee	1.63	1.63
b) Taxation	0.37	0.37
c) Reimbursement of expenses	0.64	0.44
Total	<u>2.64</u>	<u>2.44</u>
32 Earnings per share	2024-25	2023-24
Profit for the year attributable to Equity shareholders	359.42	321.71
Weighted average number of Equity Shares for Basic /Diluted EPS	50,50,000	50,50,000
Earnings per share ₹10 each	10	10
Basic /Diluted	7.12	6.37

33 Operating Segment Information

The Company operates in a single segment of textiles

Information about geographical areas**A. Income from external customers**

Particulars	2024-25	2023-24
Within India	7,342.39	7,013.96
Outside India	693.73	415.83
Total	<u>8,036.12</u>	<u>7,429.79</u>



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34 Income Tax

A. Income Tax Expenses

Particulars	2024-25	2023-24
Current tax	89.89	81.25
deferred tax	126.62	(41.83)
	216.51	39.42

(B) Reconciliation of tax expense and accounting profit multiplied by India's tax rate:

Particulars	For the year ended March 31, 2025	For the year ended March 31, 2024
Profit before tax	575.93	361.13
Tax at Indian tax rate of 27.82%	160.22	100.47
Non deductible expenses for tax purpose	1.68	-
Earlier year tax provision	62.77	20.97
Others	(8.17)	(82.02)
Income tax expense reported in the statement of profit and loss	216.51	39.42



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35 Employees' Benefits

The disclosures required under Ind AS 19 "Employee Benefits" notified in the Companies (Indian Accounting Standards) Rules, 2015 are as given below

Defined Benefit Plan

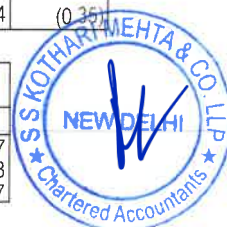
	Leave Encashment (Non funded)		Gratuity (Funded)	
	2024-25	2023-24	2024-25	2023-24
I.Change in the present value of the defined benefit obligation				
Opening defined benefit obligation	9.39	14.70	128.18	139.32
Interest cost	0.27	0.76	7.94	8.69
Current service cost	0.82	1.21	5.20	5.77
Benefit paid out of funds			(28.58)	(36.50)
Benefit paid by company	(10.91)	(8.36)		
Remeasurements or actuarial (gain)/loss arising from				
a. Effect of change in demographic assumptions	-	-	-	-
b. Effect of changes in financial assumptions	0.08	0.10	1.34	1.50
c. Effect of experience adjustments	6.68	0.98	2.06	9.41
Closing defined benefit obligation	6.34	9.39	116.15	128.18
II. Change in the Fair value of Plan Assets are as follows:-				
Opening fair value of plan assets			144.02	156.14
Expected return			9.57	10.41
Contribution by employer	10.91	8.36	15.22	14.23
Benefit paid	(10.91)	(8.36)	(28.58)	(36.50)
Actuarial gains/(losses) on obligation			0.04	(0.26)
Closing fair value of plan assets			140.27	144.02
III. Expenses recognised in the Statement of Profit and Loss				
Current service cost	0.82	1.21	5.20	5.77
Interest Cost	0.27	0.76	(1.63)	(1.72)
Expected return on plan assets	0.00	0.00	-	-
Net actuarial ((gain)/loss)	0.08	0.10	-	-
Past service cost	6.68	0.98	-	-
Total expenses	7.86	3.04	3.56	4.05
Actual return on planned assets				
IV. Other Comprehensive income				
Effects of changes in financial assumptions	0.08	0.10		
Effect of experience adjustments	6.68	0.98	3.40	10.91
(Return) on plan assets	-	-	(0.04)	0.26
Components of defined benefit costs recognised in other comprehensive income	6.77	1.08	3.36	11.17
V. Actuarial Assumptions				
Discount rate	6.78%	6.97%	6.78%	6.97%
Mortality table	IALM (2012-14) Ultimate			
Salary escalation	5%	5%	5%	5%
Attrition	3%	3%	3%	3%
Retirement	58 Yrs			

Amounts for the current and previous four periods in respect of Gratuity & Leave Encashment are as follows:-

Particulars	Leave Encashment (Non Funded)				
	2024-25	2023-24	2022-23	2021-22	2020-21
Defined benefit obligation	6.34	9.39	14.70	11.74	8.65
Plan assets					
Surplus / (deficit)	(6.34)	(9.39)	(14.70)	(11.74)	(8.65)
Experience adjustment on plan assets	-	-	-	-	-
Experience adjustment on plan liabilities	7.86	3.04	12.79	9.61	8.00
Particulars	Gratuity (Funded)				
	2024-25	2023-24	2022-23	2021-22	2020-21
Defined benefit obligation	116.15	128.18	139.32	122.11	99.36
Plan assets	140.27	144.02	156.14	134.90	131.62
Surplus / (deficit)	24.13	15.84	16.82	12.79	32.25
Experience adjustment on plan assets	-	-	-	-	-
Experience adjustment on plan liabilities	2.06	9.41	22.79	3.64	(0.35)

Sensitivity Analysis

Particulars	Leave Encashment (Non funded)		Gratuity (Funded)	
	Decrease	Increase	Decrease	Increase
Discount Rate (-/+1%)	6.82	5.92	123.22	108.77
Salary Growth Rate (-/+ 1%)	5.93	6.79	109.26	123.68
Attrition Rate (-/+ 1% of attrition rate)	6.28	6.38	115.83	116.47



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36 Related Parties

(A) Related parties and Nature of related party relationship when control exist

(a) Ultimate Holding company

Bengal & Assam Company Ltd.(BACL)

(b) Holding company

J.K Fenner (India) Ltd (JKFIL)

(c) Key Management Personnel (KMP)

Shri. Nagaraju Srirama, Director

Shri. P.K.Rustagi, Director

Shri. Vidya Charan Shukla, Director

(d) Key Management Personnel (KMP) of Holding Company

Amit Agarwal (CFO)

(e) Related parties and Nature of related party relationship with whom transaction has taken place during the year

Modern Cotton Yarn Spinners Ltd. (MCYSL)

(B) Transactions between related parties

(i) Related party transactions

Nature of Transaction	2024-25	2023-24
<u>Ultimate Holding Company -BACL</u>		
Sale of goods & services	163.90	-
<u>Holding Company -JKFIL</u>		
Purchase of Goods	-	56.59
Sale of goods & services	1114.13	1379.93
Expenses	169.11	-
Other Income	45.93	5.85
<u>Fellow Subsidiary Company - Modern Cotton Yarn Spinners Limited</u>		
Purchase of Goods	32.52	40.95
Sale of goods	2753.57	2136.13
Other Income	60.95	49.93

(C) Outstanding Balances

<u>Amount Receivable/ (payable)</u>	As at March 31, 2025	As at March 31, 2024
From Ultimate Holding Company -BACL	14.57	-
From KMP of Holding Company	100.00	100.00
To Holding Company -JKFIL	(48.40)	76.56
From fellow subsidiary company - MCYSL	6.81	100.10



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37 : Financial Instruments - Fair value and risk management

Set out below, is a comparison by class of the carrying amounts and fair value of the financial instruments of the company
Financial instruments by category

	As at March 31, 2025		As at March 31, 2024	
	Carrying Amount	Fair Value	Carrying Amount	Fair Value
Financial asset				
Current assets				
Trade receivables	345.06	345.06	446.48	446.48
Loans	8.24	8.24	9.04	9.04
Cash and Bank Balances	68.87	68.87	60.39	60.39
Non current assets				
Investments				
-Investments in equity instruments	12.37	12.37	7.89	7.89
Others financial assets	60.52	60.52	60.11	60.11
Total Financial Assets	495.04	495.04	583.91	583.91
Financial Liabilities				
Current liabilities				
Trade payables	437.86	437.86	225.32	225.32
Other Financial Liabilities	141.91	141.91	119.51	119.51
Total Financial Liabilities	579.77	579.77	344.83	344.83

The following methods and assumptions were used to estimate the fair values:

1. Cash and trade receivables, trade payable and other current financial assets and liabilities approximate their carrying amounts largely due to the short term maturities of these instruments
2. Other non current receivables are evaluated by the company, based on parameters, such as interest rate, individual credit worthiness of the counterparty etc. Based on this evaluation, allowances are considered to account for the expected losses of these receivables. As at the end of each reporting year, the carrying amount of such receivables, net of allowances, (if any), are not materially different from their calculated fair values.
3. The fair value of unquoted investment in equity shares are estimated on net assets basis.

Fair Value Hierarchy

All financial assets and liabilities for which fair value is measured in the financial statements are categorised within the fair value hierarchy, described as follows:

- Level 1: Quoted (unadjusted) market prices in active markets for identical assets or liabilities.
Level 2: Valuation techniques for which the lowest level input that is significant to the fair value measurement is directly or indirectly observable.
Level 3: Valuation techniques for which the lowest level input that is significant to the fair value measurement is unobservable

The following table provide the fair value measurement hierarchy of Company's asset, grouped into Level 1 and Level 3 as described below:

	Carrying value	Fair value	Fair value (As at March 31, 2025)		
			Level 1	Level 2	Level 3
Financial Assets at fair value through profit and loss					
Investments in equity instruments	12.37	12.37	-	-	12.37
Total Financial Assets	12.37	12.37	-	-	495.05

The following table provide the fair value measurement hierarchy of Company's asset , grouped into Level 1 and Level 3 as described below:

	Carrying value	Fair value	Fair value (As at March 31, 2024)		
			Level 1	Level 2	Level 3
Financial Assets at fair value through profit and loss					
Investments in equity instruments	12.37	12.37	-	-	12.37
Total Financial Assets	12.37	12.37	-	-	12.37

The following table provide the fair value measurement hierarchy of Company's liabilities, grouped into Level 1 and Level 3 as described below:

	Level 1	Fair value (As at March 31, 2025)			Amorised cost
		Level 2	Level 3		
Financial liabilities at amortised cost					
Trade payables	-	-	-	-	437.86
Other Financial Liabilities	-	-	-	-	141.91
Total financial liabilities	-	-	-	-	579.77

	Level 1	Fair value (As at March 31, 2024)			Amorised cost
		Level 2	Level 3		
Financial liabilities at amortised cost					
Trade payables	-	-	-	-	225.32
Other Financial Liabilities	-	-	-	-	119.51
Total financial liabilities	-	-	-	-	344.83



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38 Financial Risk Management

The Company's principal financial liabilities, other than derivatives, comprise borrowings, trade and other payables. The main purpose of these financial liabilities is to manage finances for the Company's operations. The Company principal financial asset includes loan, trade and other receivables, and cash and short-term deposits that arise directly from its operations.

The Company's activities are exposed to market risk, credit risk and liquidity risk.

I. Market risk

Market risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market prices. Market prices comprise three types of risk: currency rate risk, interest rate risk and other price risks, such as equity price risk and commodity price risk. Financial instruments affected by market risk include loans and borrowings, deposits, investments, and derivative financial instruments.

The sensitivity of the relevant profit or loss item is the effect of the assumed changes in respective market risks.

(a) Interest rate risk

Interest rate risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market interest rates. In order to optimize the Company's position with regard to interest income and interest expenses and to manage the interest rate risk, treasury performs a comprehensive corporate interest rate risk management by balancing the proportion of the fixed rate and floating rate financial instruments in its total portfolio.

The company does not have borrowing as on the reporting date.

(b) Foreign currency risk

Foreign currency risk is the risk that the fair value or future cash flows of an exposure will fluctuate because of changes in foreign exchange rates. The Company operates internationally and The Company has foreign currency trade payables and receivables and is therefore, exposed to foreign exchange risk.

The Company hedges its exposure to fluctuations by using foreign currency forwards contracts on the basis of risk perception of the management.

Foreign currency exposure as at March 31, 2025	In USD / Lakhs
Trade Receivables	0.58
Hedged Portion	-
Net Exposure to foreign currency risk (assets)	0.58

Foreign currency exposure as at March 31, 2024	In USD/ Lakhs
Trade Receivables	0.83
Hedged Portion	-
Net Exposure to foreign currency risk (assets)	0.83

Foreign currency sensitivity

1% increase or decrease in foreign exchange rates will have the following impact on profit before tax and other comprehensive income:

Particulars	2024-25		2023-24	
	1% decrease	1% increase	1% decrease	1% increase
USD	(0.50)	0.50	(0.69)	0.69
Euro	-	-	-	-
Others	-	-	-	-

The assumed movement in exchange rate sensitivity analysis is based on the currently observable market environment.

(c) Price Risk

The company exposure to equity securities price risk arises from the investments held by company and classified in the balance sheet at fair value through profit and loss. The company have a very small portfolio of equity shares and have invested majorly in non listed entities where there is very less fluctuation in the price of shares. Therefore no sensitivity is provided.



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II. Credit risk

Credit risk arises from the possibility that the counterparty will default on its contractual obligations resulting in financial loss to the company. To manage this, the Company periodically assesses the financial reliability of customers, taking into account the financial conditions, current economic trends, and analysis of historical bad debts and ageing of accounts receivable.

The Company considers the probability of default upon initial recognition of assets and whether there has been a significant increase in credit risk on an on going basis through each reporting period. To assess whether there is significant increase in credit risk, it considers reasonable and supportive forward looking information such as:

- (i) Actual or expected significant adverse changes in business.
- (ii) Actual or expected significant changes in the operating results of the counterparty.
- (iii) Financial or economic conditions that are expected to cause a significant change to the counterparty's ability to meet its obligation
- (iv) Significant increase in credit risk an other financial instruments of the same counterparty
- (v) significant changes in the value of collateral supporting the obligation or in the quality of third party guarantees or credit enhancements

The company major exposure is from trade receivables, which are unsecured and derived from external customers. Credit risk on cash and cash equivalents is limited as we generally invest in deposits with banks and financial institutions with high credit ratings assigned by international and domestic credit rating agencies.

The trade receivables position is provided here below:

Particulars	For the year ended March 30, 2025	For the year ended March 30, 2024
Total receivables (note 9)	345.06	446.48
Receivables individually in excess of 10% of the total receivable	159.36	227.39
Percentage of above receivables to the total receivables of the Company	46%	51%

Refer note 9 for ageing of trade receivables as at March 31, 2025 and March 31, 2024.

III. Liquidity Risk

Liquidity risk is defined as the risk that company will not be able to settle or meet its obligation on time or at a reasonable price. The Company's objective is to at all times maintain optimum levels of liquidity to meet its cash and collateral requirements. The Company's management is responsible for liquidity, funding as well as settlement management. In addition, processes and policies related to such risk are overseen by senior management. Management monitors the company's net liquidity position through rolling, forecast on the basis of expected cash flows. Table here under provides the current ratio of the Company as at the year end.

Particulars	As at March 31, 2025	As at March 31, 2024
Total current assets	1921.23	1,865.80
Total current liabilities	645.48	525.67
Current ratio	2.98	3.55

The table below provides details regarding the remaining contractual maturities of financial liabilities at the reporting date based on contractual undiscounted payments:

As at March 31, 2025	Carrying Amount	Less than One Year	More than one year and less than three year	Total
Trade payables	437.86	437.86	-	437.86
Other financial liabilities	141.91	141.91	-	141.91
Total	579.77	579.77	-	579.77
As at March 31, 2024	Carrying Amount	Less than One Year	More than one year and less than three year	Total
Trade payables	225.32	225.32	-	225.32
Other financial liabilities	119.51	119.51	-	119.51
Total	344.83	344.83	-	344.83



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(All Amounts are in Rupees lakhs, unless otherwise stated)

39 Capital Management

(a) Risk Management

The primary objective of the Company's Capital Management is to maximize the shareholder value and also maintain an optimal capital structure to reduce cost of capital. In order to manage the capital structure, the Company may adjust the amount of dividend paid to shareholders, return on capital to shareholders, issue new shares or sell assets to reduce debts.

The Company monitors capital on the basis of following gearing ratio, which is net debt divided by total capital plus debt.

Particulars	As at March 31, 2025	As at March 31, 2024
Debt	-	-
Cash & bank balances	(68.87)	(60.39)
Net Debt	(68.87)	(60.39)
Total Equity	2565.12	2209.06
Total Equity and Net Debt	2496.25	2148.67
Gearing Ratio	N.A	N.A

Notes-

(i) Debt is defined as long-term and short-term borrowings including current maturities (excluding derivatives).

(ii) Total equity (as shown in balance sheet) includes issued capital and all other equity reserves.



Sl.no	Ratio	Numerator	Denominator	31-03-2025	31-03-2024	%change	Reason for variance
1	Current Ratio	Current Assets	Current Liabilities	2.98	3.55	-16%	
2	Return on Equity ratio	Net Profit after taxes - preference dividend	Average Shareholders' Equity	0.15	0.16	-4%	
3	Inventory Turnover ratio	Cost of goods sold	Average Inventory	4.10	6.47	-37%	decrease in COGS leads to decline in ratio
4	Trade receivable Turnover ratio	Net Credit sales = Gross credit sales - sales return	Average Trade Receivable	19.83	18.31	8%	
5	Trade payable Turnover ratio	Net Credit purchase = Gross credit purchase - purchase return	Average Trade Payables	15.82	13.96	13%	
6	Net Capital Turnover Ratio	Net Sales = Total Sales - Sales return	Working Capital = current assets - current liabilities	6.13	5.45	12%	
7	Net Profit ratio	Net Profit	Net Sales = Total Sales - sales return	0.05	0.04	15%	
8	Return on Capital Employed	Earnings before interest and taxes	Capital employed = Equity + Reserves and surplus + Long term loans	0.28	0.21	33%	decrease in raw material cost has made better Returns
9	Return on investment	Interest (Finance Income)	Investment	-	-	0%	

Following ratios are not applicable to the company:

Debt Equity Ratio
Debt Service Coverage Ratio



Southern Spinners and Processors Limited

CIN : U17111TN2005PLC056558

Notes to the Financial Statements as at March 31, 2025

(All Amounts are in Rupees lakhs, unless otherwise stated)

41. Audit Trail

The Group has used an accounting software i.e. Tally Prime for maintaining its books of accounts for the financial year ended March 31, 2025 which have a feature of recording audit trail (edit log) facility except audit trail functionality at the database level due to inherent limitations of the software and the same has operated throughout the year for all relevant transactions recorded in the accounting software systems. Further, we did not come across any instance of audit trail feature being tampered with and the audit trail has been preserved by the Group as per the statutory requirements for record retention.

42. Corporate Social Responsibility (CSR)

The Provisions of section 135 of the Companies Act, 2013 are not applicable to the Company.

43. Other Statutory Information

- a) The Company does not have any Benami property, where any proceeding has been initiated or pending against the Company for holding any Benami Property.
- b) The Company does not have pending charges which are yet to be registered with ROC beyond the statutory period.
- c) The Company has not traded or invested in Crypto Currency or Virtual Currency during the financial period.
- d) The Company is not a declared wilful defaulter by any bank or financial Institution or other lender, in accordance with the guidelines on wilful defaulters issued by the Reserve Bank of India, during the years ended March 31, 2025 and March 31, 2024.
- e) The Company has not advanced or loaned or invested funds to any other person(s) or entity(ies), including foreign entities, (Intermediaries) with the understanding that the Intermediary shall : (a) directly or indirectly lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the company (Ultimate Beneficiaries) or (b) provide any guarantee, security or the like to or on behalf of the Ultimate Beneficiaries.
- f) The Company has not received any fund from any person(s) or entity(ies), including foreign entities (Funding Party) with the understanding (whether recorded in writing or otherwise), that the Company shall : (a) directly or indirectly lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the Funding Party. (Ultimate Beneficiaries) or (b) provide any guarantee, security or the like on behalf of the Ultimate Beneficiaries.
- g) The Company does not have any such transaction which is not recorded in the books of accounts that has been surrendered or disclosed as income during the year in the tax assessments under the Income Tax Act, 1961 (such as, search or survey) or any other relevant provisions of the Income Tax Act, 1961.
- h) The Company does not have any transactions or outstanding balances with struck off Companies.
- i) The Company does have any borrowings from banks or financial institutions on the basis of security of current assets.
- j) The Company has not revalued any of its property, plant and equipments or intangible assets during the year.

44. Events after Balance Sheet Date

No adjusting or significant non-adjusting events have occurred between the reporting date and date of authorization of these financial statements.

45. Previous year figures have been regrouped / rearranged wherever considered necessary to make them comparable with current year figures.

For S S Kothari Mehta & Co LLP

Chartered Accountants

Firm Registration No. 000756N / N500441

Deepal Kumar Gupta
Partner

Membership No.411678

Place : New Delhi

Dated: April 24, 2025



Nagaraju Srirama

Director

DIN 02473218

For and on behalf of Board of Directors of

Southern Spinners and Processors Limited

Vidya Charan Shukla

Director

DIN 06925365