Precot

Annual Report - 2024

Precot

Directors	C N Srivatsan (Upto 31.05.2024) R Bhuvaneshwari (Upto 31.05.2024) P Vijay Raghunath Arun Selvaraj Vinay Balaji Naidu
Chairman and Managing Director	Ashwin Chandran
Vice Chairman and Managing Director	Prashanth Chandran
Executive Director	T Kumar
Chief Financial Officer	M K Ravindra Kumar
Company Secretary	S Kavitha
Statutory Auditors	M/s VKS Aiyer & Co., Coimbatore
Registered Office	D Block, 4th Floor, Hanudev Info Park Nava India Road, Udaiyampalayam Coimbatore - 641028. Email : secretary@precot.com Website : www.precot.com CIN : L17111TZ1962PLC001183
Registrar and Share transfer agent	Link Intime India Pvt Limited, "Surya", 35, Mayflower Avenue, Senthil Nagar, Sowripalayam Road, Coimbatore - 641028. E-mail : coimbatore@linkintime.co.in

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Dear Shareholders,

Your Directors hereby present the 62nd Annual Report of your Company along with the financial results for the year ended 31st March, 2024.

State of affairs of the company

a. Financial results		(₹ In lakhs)
Particulars	**31.03.2024**	**31.03.2023**
Revenue from operations	**97,776**	**95,382**
PBIDT	**6,275**	**2,777**
Less: Finance cost	3,935	3,614
Profit from Operations	**2,340**	**(836)**
Other Income	1,034	724
PBDT	**3,374**	**(112)**
Less: Depreciation and Amortisation	2,267	3,340
PBT (Before Exceptional item)	**1,106**	**(3,452)**
Exceptional item	**623**	**-**
PBT (After Exceptional item)	**1,729**	**(3,452)**
Deferred Tax	532	(850)
Tax Credit for earlier years	(481)	-
Profit After Tax	**1,678**	**(2,602)**
Other Comprehensive Income	(428)	(519)
Total Comprehensive Income	**1,250**	**(3,121)**
Add: Opening balance in Retained Earnings including OCI	22,095	25,936
Less: Transfer to General Reserve	-	-
Dividend paid during the year	-	720
Closing balance in Retained Earnings including OCI	**23,345**	**22,095**

b. Dividend and Transfer to reserves

The Board has recommended a dividend of Rs.1.50 /-per share (15% on face value of Rs.10/-each) for the financial year 2023-24 which is subject to the approval of share holders at the Annual General Meeting (AGM). The Directors have not recommended any transfer to the reserves.

Industry Overview

FY 23-24 was a lackluster year for the spinning industry. Although the year started with some optimism that the worst of the post Covid inventory surpluses were behind us, demand for textile products continued to be sluggish, both in the export and domestic markets. The Indian textile industry faced challenges on multiple fronts including geo-political uncertainties, shifting consumer preferences and stiff competition from our competitors such as Bangladesh and Vietnam. This resulted in modest demand for yarn for most of the year although there was gradual improvement in export demand quarter on quarter. The year started with the spinning division operating at lower utilisation levels due to high inventory of yarn. We were able to bring our finished goods stocks to a normal level and stabilized operations at optimum utilization in all spinning units from June of 2023. The spinning division was only able to record a marginal operating profit for the year.

The Indian cotton season opened with cotton prices just above MSP levels. Prices were stable from November until the beginning of March but then rose sharply, by close to 10%, in a one-month period. This mirrored an increase in the international futures where the index rose from 80 cents to 100 cents in a short period. However, these increases were short lived. The cotton futures index for July is back below 80 cents and Indian cotton prices have given up all the gains from March and April. Demand for yarn is muted but certain segments such as home textiles and woven apparel have performed well in the recent past.

India's textile and apparel exports experienced a setback for the second consecutive year in fiscal year 2023-24. Revenue from exports amounted to US$ 34.4 billion, marking a decline of over $1 billion (3%) compared to the previous fiscal and lower by $ 6.6 billion (16%) compared to 2021-22. Exports of cotton yarns and fabrics saw a year-on-year increase but were still significantly lower than 2021-22 figures. Adverse economic conditions in Europe and the Red Sea crisis which started in December were significant contributors to this overall decline. The Red Sea crisis continues to disrupt global shipping and has led to increased lead times and higher freight costs owing to longer shipping times and a spike in maritime insurance.

The performance of the technical textile division continued to be a bright spot for the Company. The order book for our products was strong through the year and operational efficiencies were maintained at a high level. Costs were lower due to a decrease in raw material prices and the increase in consumption of solar power. The division accrued similar revenues to the previous year while operating margins were better. The planned capacity expansion is in progress and will come on stream during the second quarter of FY 2024-25.

Review of operations

Your Company registered a turnover of Rs. 97,776 lakhs during FY 2023-24, an increase of 2.5% compared to the previous year. Turnover increased despite a drop in yarn prices by 21%, on account of better capacity utilisation in the spinning division. Utilisation improved from 72% in the previous year to 95% in the year under review. The company earned a profit of Rs. 6,275 Lakhs at an EBITDA level. Export revenues from the Spinning Division increased by 47% to Rs. 21,061 Lakhs due to improved demand for value added products. Your company was able to dispose off all excess yarn stock accumulated during the prior year and bring stocks down to a normal level.

Outlook for the current year

International cotton prices continue to be weak on account of increased supply from Brazil and West Africa, favourable forecasted weather conditions for US cotton growers and subdued textile demand. There is also sufficient cotton stock in India with significant quantities being held by the Cotton Corporation of India and private merchants. The forecast for the South West monsoon is good which bodes well for the 2024-25 Indian cotton season. However, there continues to be a problem with respect to cotton yields due to inferior cotton seed technology. The cotton import duty continues to be a pain point and is eroding the competitiveness of Indian spinners. It is hoped that the new government addresses these issues at the earliest, along with completing Free Trade agreements with the UK and the EU which have the potential to be a big positive for the Indian textile and apparel industry. Action in all these areas is essential for the country to meet the ambitious target of becoming a $ 350 billion textile economy by 2030.

Although retail sales in the US improved from the previous year, nearly stagnant growth in consumption of apparel in major markets and a continuous shift towards essential and discretionary spends remain a concern. The exports of cotton yarn, knitted garments and home textiles continue to be stable and there is expectation of improved demand in the coming months. Your company is focused on reducing cost in the spinning division to improve operating margins through continuous improvement in productivity, yarn realization and optimization of power consumption. The technical textile division will continue to be the driver for future growth. With the capacity addition on the anvil, the focus is on accessing new markets and developing new products to enhance our basket of offerings.

Personnel

The Company has been able to continue maintaining cordial relations with its labour force in all its units. The Company has 2224 permanent employees on the roll as on 31st March, 2024.

Internal Control Systems & Risk Management

The Company has adequate internal control systems to monitor business processes, financial reporting and compliance with applicable regulations. The systems are periodically reviewed for identification of control deficiencies and formulation of time bound action plans to improve efficiency at all the levels. The Audit Committee of the Board constantly reviews internal control systems and their adequacy, significant risk areas, observations made by the internal auditors on control mechanism and the operations of the Company and recommendations made for corrective action through the internal audit reports. The Committee reviews the statutory auditors' report, key issues, significant processes and accounting policies. The Directors confirm that the Internal Financial Controls are adequate with respect to the operations of the Company. A report of Auditors certifying the adequacy of Internal Financial Controls is annexed with the Auditors Report.

The Board identifies and reviews the various elements of risk which the company has to face and laid out the procedures and measures for mitigating those risks.

The company does not face any risk other than those that are prevalent in the industry and has taken all possible steps to overcome such risks. The main concerns are volatility in raw material prices and fluctuations in foreign exchange rates. Effective planning in raw material purchasing and the ability to pass on raw material price increases, have minimised the risk relating to the volatility in raw material prices.

Foreign exchange fluctuation risk is minimised through proper planning and natural hedging. As a part of the overall risk management strategy, all assets are appropriately insured.

Number of meetings of the Board

Details of number of meetings of the Board and Committees thereof and the attendance particulars of the Directors in such meetings are provided under the Corporate Governance Report.

Declaration by Independent Directors

The Independent Directors have submitted their disclosures to the Board confirming that they fulfill the requirements enumerated under Section 149(6) of the Companies Act, 2013 (hereinafter “the Act”) and Regulation 25 of The Securities Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations,2015.

Directors and Key Managerial Personnel (KMP)

Appointments, Retirements and Resignations

There is no cessation of office by any Director due to death or resignation. However, Mr. T Kumar, Executive Director retired by rotation, and being eligible, offered himself for reappointment and was reappointed as Director at the AGM held on 27th September 2023.

Mrs.Suguna Ravichandran and Mr.V Prakash have been appointed as Additional Directors (Non- Executive and Independent) of the Company by the Board of Directors of the company at their meeting held on 23-May-2024, on the recommendation of the Nomination and Remuneration committee, for a term of 5 (five) consecutive years effective from 01-Jun-2024. They shall not be liable to retire by rotation. More details on the terms of appointment are provided in the Notice of the AGM.

Mr. Ravi Kumar Abburu has been appointed as an Additional Director of the company by the Board of Directors at their meeting held on 23-May-2024, on the recommendation of the Nomination and Remuneration committee. The Board recommends the appointment of Mr. Ravi Kumar Abburu as a Director of the company to hold office up to 31-Mar-2026. He shall be liable to retire by rotation. More details on the terms of appointment are provided in the Notice of the AGM.

The second term of office of Mr. C. N. Srivatsan (DIN: 00002194) and Mrs. R. Bhuvaneshwari, (DIN: 01628512) as Independent Directors, comes to an end on 31.05.2024. The Board of Directors have expressed their whole hearted appreciation for the contributions made by them during their Directorship.

The following are the whole-time key managerial personnel of the Company as per Section 203 of the Act as on 31st March,2024, (i) Mr. Ashwin Chandran, Chairman and Managing Director (ii) Mr.M.K.Ravindra Kumar, Chief Financial Officer & (iii) Mrs. S. Kavitha, Company Secretary.

Performance Evaluation

The Board of Directors at their meeting held on 12th February, 2024, had carried out an annual evaluation of its own performance and the performance of the Committees of the Board and the individual Directors pursuant to the provisions of the Act and the corporate governance requirements as prescribed by Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements), Regulations 2015 (hereinafter "Listing Regulations").

The performance of the Board was evaluated by the Board of Directors after seeking inputs from all the Directors on the basis of criteria such as Board composition and structure, effectiveness of the Board meetings and process and contributions made by the Directors.

The performance evaluation of each Director was done by the entire Board of Directors, excluding the Director being evaluated, taking into consideration inputs received from the other Directors, covering various aspects of the Board's functioning such as active participation and contribution during discussions, effective deployment of knowledge and expertise towards the growth and betterment of the Company, impact and influence on the growth of the Company and performance of specific duties, obligations and governance.

The performance of the committees was evaluated by the Board after seeking inputs from the committee members on the basis of criteria such as the composition of the committees and effectiveness of the committee meetings.

In a separate meeting of Independent Directors held on 20th March, 2024 performance of the non-independent Directors, performance of the Board as a whole and performance of the Chairman were evaluated, taking into account the views of the executive Directors and non-executive Directors.

The Board also carried out an evaluation on the performance of the Independent Directors and also verified the fulfilment of the criteria for independence as specified under listing Regulations and their independence from the management. This evaluation of Independent Directors was done by the entire Board, excluding the Independent Directors being evaluated.

Policy on Director's appointment and remuneration and other details

The Company's policy on Director's appointment and remuneration and other matters provided in Section 178(3) of the Act has been disclosed in the Corporate Governance Report.

Auditors' report and Secretarial Auditors' report

The auditors' report and secretarial auditors' report do not contain any qualifications, reservation or adverse remarks.

During the year under review, neither the Statutory auditors nor the Secretarial Auditor have reported to the Audit Committee, any instances of fraud committed against the Company by its officers or employees.

The report of the Secretarial Auditor is furnished as **Annexure A** and forms part of this report.

Receipt of any commission by Whole Time Directors from the Company or receipt of commission/remuneration from subsidiary Company

During the year under review all the Executive Directors have received commission from the Company. They have not received any commission/ remuneration from subsidiaries during the year under review.

Annual Return

The extract of the annual return pursuant to Section 92 read with rule 12 of the Companies (Management and Administration) Rules, 2014 is available on the website of the Company www.precot.com under investors.

Secretarial Standards

The Company complies with all the applicable mandatory secretarial standards issued by the Institute of Company Secretaries of India.

Particulars of Employees

The particulars as required under rule 5 of Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014, is provided in **Annexure B.**

Consolidation of Accounts

The Company has control over "Suprem Associates", a partnership firm by holding majority of the capital in the firm. The accounts of the said firm are consolidated as per the requirement of Indian Accounting Standards (IndAS).

Maintenance of Cost Records

The Company is maintaining the cost records as specified under Section 148(1) of the Companies Act, 2013.

Audit Committee

The Company has constituted an Audit Committee as per Section 177 of the Act and Listing Regulations.

The details pertaining to vigil mechanism, composition and meetings of the Audit Committee are included in the Corporate Governance Report.

Energy Conservation, Technology Absorption and Foreign Exchange Earnings and Outgo

The details as required under Section 134(3)(m) of the Act read with Rule 8 of the Companies (Accounts) Rules, 2014, is detailed in **Annexure C.**

Corporate Governance

A report on corporate governance is furnished as **Annexure D** and forms part of this report. This includes other disclosures as required under the provisions of the Act. The Company has complied with the conditions relating to corporate governance as stipulated in Regulation 34 of the Listing Regulations.

Corporate Social Responsibility (CSR)

The CSR Committee comprises of 1. Mr. Ashwin Chandran, 2. Mr. Prashanth Chandran and 3. Mr. Vijay Raghunath. This committee takes care of CSR policy execution to ensure that the CSR objectives of the Company are met. The CSR policy deals with allocation of funds, activities, identification of programmes, approval, implementation, monitoring and reporting.

For the financial year 2023-24, the Company was not required to spend for CSR activities as per the provisions of the Companies Act.

The CSR policy is available on the Company's website http://www.precot.com/investors.

Particulars of Loan, Guarantees or Investments

Details as per the provisions of Section 186 of the Act, is given under notes to financial statements.

Related Party Transactions

None of the transactions with related parties falls under the scope of Section 188(1) of the Act. Information on transactions with related parties pursuant to Section 134(3)(h) of the Act read with rule 8(2) of the Companies (Accounts) Rules, 2014 are given in **Annexure E** in Form AOC-2 and the same forms part of this report.

The Board has approved a policy for related party transactions which is available on the Company's website http://www.precot.com/investors.

Directors' responsibility statement

The Directors confirm that:

a) The applicable accounting standards have been followed and proper explanations provided relating to material departures, if any,

b) The Company has adopted prudent and consistent accounting policies so as to give a true and fair view of the state of affairs of the Company,

c) Proper and sufficient care has been taken for maintenance of adequate accounting records under the provisions of the Companies Act for safeguarding the assets of the Company and for preventing and detecting fraud and other irregularities,

d) The annual accounts of the Company have been prepared on a going concern basis,

e) The internal financial controls are adequate and are operating effectively, and

f) A proper system for ensuring compliance of all the applicable laws are put in place and are operating effectively.

Statutory Auditors

M/s VKS Aiyer & Co., Chartered Accountants (Firm Registration No. 000066S), pursuant to the provisions of Section 139 of the Act, were appointed as the statutory auditors of the Company for a term of 5 years from the conclusion of the 61st AGM till the conclusion of the 66th AGM to be held in the year 2029.

They have confirmed that they are not disqualified and are eligible to continue in the office for the year 2024-25.

Cost Auditor

Pursuant to Section 148 of the Act, read with the Companies (Cost Records and Audit) Rules 2014, the Board of Directors, on the recommendation of the Audit Committee, appointed Mr. R Krishnan, Cost Accountant (Associate regn. no. 7799), as the cost auditor of the Company for the financial year 2024-25.

Accordingly, a resolution seeking member's ratification for the remuneration payable to Mr. R. Krishnan, Cost Auditor is included as Item No.7 of the AGM notice.

Secretarial Auditor

Pursuant to Section 204 of the Act, the Board of Directors has appointed Mr. K. Duraisami, Practicing Company Secretary, Coimbatore as the secretarial auditor of the Company for the financial year 2024-25.

Insider Trading Regulations

Based on the requirements under SEBI (Prohibition of Insider Trading) Regulations, 2015, the 'Insider Trading Code' to regulate, monitor and report trading by insiders and the 'Code of Practices and Procedures for fair disclosure of Unpublished Price Sensitive Information' are in force.

Change in nature of business

There was no change in the nature of the business of the Company during the year under review.

Deposits from public

The Company has not accepted any deposits from the public and as such, no amount on account of principal or interest on deposits from public was outstanding as on the date of the balance sheet.

Material Changes

No material changes or commitments affecting the financial position of the Company occurred between the end of the financial year (i.e.31st March, 2024) and the date of this report.

Vigil Mechanism/ Whistle Blower Policy

The Company has formulated and published a Whistle Blower Policy to provide Vigil Mechanism for employees including Directors of the Company to report genuine concerns and to ensure strict compliance with ethical and legal standards across the Company. The provisions of this policy are in line with the provisions of the Section 177(9) of the Act and Listing Regulations, are available on the website of the Company at http://www.precot.com/investors. The details of Whistle Blower Policy forms part of the Corporate Governance Report annexed with this report.

Disclosure under the Sexual Harassment of Women at Workplace (Prevention, Prohibition and Redressal) Act, 2013

The Company has constituted an internal complaints committee to address the complaints regarding sexual harassment. All employees are covered under this policy. The Company has not received any complaints during the year under review. The details relating to Complaints forms part of the Corporate Governance report.

Details of Application made or any proceeding pending under The Insolvency and Bankruptcy Code, 2016 during the year

No applications have been made and no proceedings are pending against the Company under the Insolvency and Bankruptcy Code, 2016 during the year under review.

Details of difference between amount of the valuation done at the time of one time settlement and the valuation done while taking loan from the banks or financial institutions along with the reasons thereof

The disclosure under this clause is not applicable as the Company has not undertaken any one-time settlement with the banks or financial institutions during the year under review.

Unclaimed Shares

In accordance with the requirement of Regulation 34(3) and Schedule V Part F of Listing Regulations, the details in respect of equity shares lying in the suspense account is as follows. .

Particulars	Number of share holders	Number of Equity Shares
Aggregate number of shareholders and the outstanding shares in the suspense account as on 01-Apr-2023	205	40250
Number of shareholders approached the Company for transfer of shares from suspense account during the year	10	2150
Number of shareholders to whom shares were transferred from suspense account during the year	10	2150
Aggregate number of shareholders and outstanding shares in the suspense account as on 31-Mar-2024	195	38100

The voting rights on the shares outstanding in the suspense account as on 31st March, 2024 shall remain frozen till the rightful owner of such shares claims the shares.

Acknowledgment

Your Directors thank the Shareholders, Customers, Suppliers and Bankers for their continued support during the year. Your Directors also place on record their appreciation of the contributions made by Employees at all levels towards the growth of the Company.

Coimbatore
23-May-2024

By order of the Board
Ashwin Chandran
Chairman and Managing Director

ANNEXURE A

FORM NO. MR-3

SECRETARIAL AUDIT REPORT

For the Financial Year Ended 31st March, 2024

[Pursuant to Section 204(1) of the Companies Act, 2013, Rule No.9 of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014 and Regulation 24A of the SEBI (Listing obligation and disclosure Requirements) Regulations, 2015.]

To,

The Members,
Precot Limited
Regd. Office: SF. No. 559/4, D Block,
4th Floor Hanudev Info Park,
Nava India Road, Udaiyampalayam,
Coimbatore - 641028.

I have conducted the secretarial audit of the compliance of applicable statutory provisions and the adherence to good corporate practices by **PRECOT LIMITED** [CIN: L17111TZ1962PLC001183] hereinafter referred to as the Company. The Secretarial Audit was conducted in a manner that provided me a reasonable basis for evaluating the corporate conducts/statutory compliances and expressing my opinion thereon.

Based on my verification of Company's books, papers, minute books, forms and returns filed and other records maintained by the Company and also the information provided by the Company, its officers, agents and authorized representatives during the conduct of secretarial audit, I hereby report that in my opinion, the Company has, during the audit period covering the financial year ended on **31st March, 2024** complied with the statutory provisions listed hereunder and also that the Company has proper Board-processes and compliance mechanism in place to the extent, in the manner and subject to the reporting made hereinafter:

I have examined the books, papers, minute books, forms and returns filed and other records maintained by the Company for the financial year ended on **31st March, 2024** according to the provisions of:

i. The Companies Act, 2013 (the Act) and the Rules made there under;

ii. The Securities Contracts (Regulation) Act, 1956 ('SCRA') and the Rules made there under;

iii. The Depositories Act, 1996 and the Regulations and Bye-laws framed there under;

iv. The Company has not dealt with the matters relating to Foreign Direct Investment, Overseas Direct Investment and External Commercial Borrowings under FEMA during the year under review and hence, the question of complying with the provisions of Foreign Exchange Management Act, 1999 and the rules and regulations made there under does not arise;

v. The following Regulations and Guidelines prescribed under the Securities and Exchange Board of India Act, 1992 ('SEBI Act'):-

(a) The Securities and Exchange Board of India (Substantial Acquisition of Shares and Takeovers) Regulations, 2011;

(b) The Securities and Exchange Board of India (Prohibition of Insider Trading) Regulations, 2015;

(c) The Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2018;

(d) The Securities and Exchange Board of India (Share Based Employee Benefits Scheme) Regulations, 2014;

(e) The Securities and Exchange Board of India (Issue and Listing of Debt Securities) Regulations, 2008;

(f) The Securities and Exchange Board of India (Listing Obligation and Disclosure Requirements) Regulations, 2015 ;

(g) The Securities and Exchange Board of India (Registrars to an Issue and Share Transfer Agents) Regulations, 1993 regarding the Companies Act and dealing with client;

(h) The Securities and Exchange Board of India (Delisting of Equity Shares) Regulations, 2009;

(i) The Securities and Exchange Board of India (Buy-back of Securities) Regulations, 2018 requiring compliance thereof by the Company during the audit period; and

(j) The Securities and Exchange Board of India (Depositories and Participants) Regulations, 2018.

(vi) The Management has identified and confirmed the following Laws as being specifically applicable to the Company:

1. Factories Act, 1948;
2. Labour laws and other incidental laws related to labour and employees appointed by the Company including those on contractual basis as relating to wages, gratuity, prevention of sexual harassment, dispute resolution, welfare, provident fund, insurance, compensation etc.;
3. Industries (Development & Regulation) Act, 1951;
4. Acts relating to consumer protection including the Competition Act, 2002;
5. Acts and Rules prescribed under prevention and control of pollution;
6. Acts and Rules relating to Environmental protection and energy conservation;
7. Acts and Rules relating to electricity, fire, motor vehicles, boilors etc.;
8. Land revenue laws;
9. Law relating to electricity generation and distribution and
10. Other local laws as applicable to various Units (factories) and offices;

I have relied on the representation made by the Company and its officers, relating to systems and mechanisms framed by the Company, for ensuring compliance with the other Laws and Regulations as applicable to the Company.

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

(i) Secretarial Standards with respect to Meetings of Board of Directors (SS-1) and General Meetings (SS-2) issued by The Institute of Company Secretaries of India.

(ii) The Uniform Listing Agreement entered into with National Stock Exchange of India Limited pursuant to the provisions of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015

During the period under review the Company has complied with the provisions of the Act, Rules, Regulations, Guidelines, Standards and Circulars there under mentioned above.

I further report that during the period under audit, there were no events / actions have taken place in pursuance of:

i. The Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2018;
ii. The Securities and Exchange Board of India (Issue and Listing of Debt Securities) Regulations, 2008;
iii. The Securities and Exchange Board of India (Share Based Employee Benefits Scheme) Regulations, 2014;
iv. The Securities and Exchange Board of India (Delisting of Equity Shares) Regulations, 2009; and
v. The Securities and Exchange Board of India (Buy-back of Securities) Regulations, 2018,

requiring compliance thereof by the Company during the audit period.

I further report that, the compliance by the Company of applicable financial laws such as direct and indirect tax laws and maintenance of financial records and books of accounts have not been reviewed in this audit since the same have been subject to review by the statutory financial auditors, tax auditors and other designated professionals.

I further report that, the Board of Directors of the Company is duly constituted with proper balance of Executive Director, Non-Executive Directors, Woman Independent Director and Independent Directors.

I further report that the Company has in place a secured in house Structured Digital Data Base for capturing the UPSI, transactions in securities by all the parties as contemplated under the SEBI (prohibition of insider trading) Regulations,2015 as amended and the circulars issued by SEBI and Stock Exchanges.

Adequate notice is given to all Directors before the schedule of the Board Meetings, agenda and detailed notes on agenda were sent at least seven days in advance, and a system exists for seeking and obtaining further information and clarifications on the agenda items before the meeting and for meaningful participation at the meeting. Notes on agenda were circulated within the specified period. The necessary compliances under the Companies Act, 2013 and Secretarial Standards on Board Meetings are complied with.

During the year under review, Directors have participated in the Committees / Board meetings through video conferencing, such meetings were properly convened and recorded in compliance with the provisions of Section 173 (2) of the Act read with Rule 3 & 4 of Companies (Meetings of Board and its Powers) Rules, 2014.

Based on the verification of the records and minutes, the decisions were carried out with the consent of the Board of Directors / Committee Members and no Director / Member dissented on the decisions taken at such Board / Committee Meetings. Further, in the minutes of the General Meetings the number of votes cast against the resolutions has also been recorded.

I further report that, based on the review of compliance mechanism established by the Company, I am of the opinion that the management has adequate systems and processes commensurate with its size and volume of operations, to monitor and ensure compliance with all applicable laws, rules, regulations and guidelines.

I further report that as per the information and explanations provided by the Management, the Company do not have any Material Unlisted Subsidiary Incorporated in India as defined in Regulation 16(1)(c) and Regulation 24A of the Listing Regulations as amended upto date.

I further report that, there were no specific events / actions, having major bearing on the Company's affairs in pursuance of above referred laws, rules, regulations, guidelines and standards have taken place.

This report is to be read with our letter of even date, annexed hereto and forms an integral part of this report.

K Duraisami
Company Secretary in Practice
M No: FCS 6792, C P No. 18308
PRC No.: 1862 / 2022

Place : Coimbatore
Date : 23rd May, 2024
ICSI UDIN : F006792F000407500

Annexure

To,
The Members,
Precot Limited ,
Regd.Office: SF. No. 559/4, D Block,
4th Floor Hanudev Info Park,
Nava India Road, Udaiyampalayam,
Coimbatore - 641028

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

1. Maintenance of Secretarial records is the responsibility of the management of the Company. My responsibility is to express an opinion on these secretarial records based on my audit.

2. I have followed the audit practices and processes as were appropriate to obtain reasonable assurance about the correctness of the contents of the secretarial records as per the Auditing Standards (CSAS-1 to CSAS-4) and Guidance Notes on ICSI Auditing Standards and Guidance Note on Secretarial Audit issued by The Institute of Company Secretaries of India. The verification was done to ensure that correct facts are reflected in secretarial records

3. I have not verified the correctness and appropriateness of financial records and books of accounts of the company.

4. Wherever required, I have obtained the management representation about the compliance of laws, rules, and regulations and happening of events etc.

5. The compliance of the provisions of corporate and other applicable laws, rules, regulations and standards is the responsibility of management. My examination was limited to the verification of procedures on random test basis.

6. The secretarial audit report is neither an assurance as to the future viability of the company nor of the efficacy or effectiveness with which the management has conducted the affairs of the company.

K Duraisami
Company Secretary in Practice
M No: FCS 6792, CP No: 18308
PRC No.: 1862 / 2022

Place : Coimbatore
Date : 23rd May, 2024
ICSI UDIN : F006792F000407500

ANNEXURE B - PARTICULARS OF EMPLOYEES

Statement pursuant to Section 197(12) of the Act, read with the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014, is as follows:

I. Particulars pursuant to rule 5 of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014.

a) The ratio of the remuneration of each Director to the median employee's remuneration for the financial year and the percentage increase in remuneration of each Director, Chief Financial Officer, Company Secretary in the financial year 2023-24:

Name	Ratio	% increase / (decreases) in remuneration*
Mr. Ashwin Chandran	48.92	9.19
Mr. Prashanth Chandran	46.35	21.32
Mr. Sumanth Ramamurthi **	NA	-
Dr. Jairam Varadaraj**	NA	-
Mr. C. N. Srivatsan	0.82	-
Ms. R. Bhuvaneshwari	0.74	-
Mr. T. Kumar	41.20	22.13
Mr. P. Vijay Raghunath	0.47	-
Mr. Arun Selvaraj	0.58	-
Dr. Vinay Balaji Naidu	1.13	-
Mr. M. K. Ravindra Kumar	NA	-
Mrs. S. Kavitha (CS)	NA	7.24

*** Note :** Percentage increase in remuneration not considered for non-executive Directors, as they are paid remuneration by way of sitting fee for attending the meetings.

** Retired as their second term of Independent Directorship came to an end on 31.05.2023. The ratio of their remuneration to median remuneration is not comparable as the remuneration was paid only for part of the year.

a) The percentage of remuneration increased to whole time Directors due to payment of commission from the Company for the Financial year 2023-24.

c) The percentage increase in the median remuneration of employees for the financial year was 6%.

d) The Company has 2224 permanent employees on the rolls as on 31st March, 2024.

e) Average percentile increase already made in the salaries of employees other than key managerial personnel in the last financial year- 6%. The average increase in the key managerial remuneration was 19.96. (due to commission) The increments are based on individual performance, industry benchmark and current compensation trends.

f) Is the remuneration as per the remuneration policy of the Company: Yes

II. A) The names of the top ten employees in terms of remuneration drawn during the period under review.

Name	Date of Joining	Designation	Qualification	Age	Experience (Years)	Remuneration (₹ in lakhs)	Last Employed
Mr. Ashwin Chandran	01.08.1997	Chairman and Managing Director	B. Sc (Hons.), MBA	48	27	120.00	-
Mr. Prashanth Chandran	14.07.2003	Vice Chairman and Managing Director	B.E (Hons.)	43	21	120.00	-
Mr. T Kumar	26.02.2016	Executive Director	DTT	55	36	104.02	GTN Textiles
Mr. Ravi Kumar	20.12.2018	General Manager	B Tech	53	29	69.41	Concorde Textiles
Mr. M. K. Ravindra Kumar	22.11.2022	Chief Financial Officer	C.A	62	39	68.00	Kovai Medical Center and Hospital Limited
Mr. K. V. John	23.11.2009	Vice President	DTT	58	40	41.23	Ambika Cotton Mills Ltd
Mr. Rajeev Ebenezer	10.10.2022	Head Corporate HR	BLM, MSW	51	28.6	35.98	Emerald Jewel Industry India Limited
Mr.N. Subbu Raj	08.02.2021	General Manager	DTT	56	32	34.62	S K S Mills Limited
Mr. V. Shanmugam	20.04.1997	General Manager	DTT, MA	56	36	30.60	Schlafhorst Mrktg Co
Mr.Varadaraj	01.12.1990	Head - Energy & Services	B.E	57	34.11	24.25	Super Spinning Mills Limited

Note :

1. Mr. Ashwin Chandran and Mr. Prashanth Chandran are brothers .None of the others are related to each other.
2. Nature of employment of Mr. Ashwin Chandran, Mr. Prashanth Chandran and Mr. T Kumar are contractual, and others are permanent.
3. Mr. Ashwin Chandran and Mr. Prashanth Chandran hold more than 2% of the equity shares of the Company. No. of shares held by them are provided in Annual Return available on the Company's website http://www.precot.com/investors.

B) The names of every employee who employed throughout the year and was in receipt of remuneration not less than Rs.102 Lakhs per annum:

1. Mr. Ashwin Chandran - Rs.120.00 lakhs
2. Mr. Prashanth Chandran - Rs.120.00 lakhs
3. Mr . T. Kumar - Rs.104.02 lakhs

ANNEXURE C

a. Conservation of Energy

Conservation of energy continues to receive increased emphasis at all the units of the Company. Energy audits and inter unit comparisons are carried out on a regular basis for reduction of energy consumption.

1. For conservation of energy the Company purchases third party wind power instead of operating gen sets,
2. For alternate source of energy the Company has installed windmills with a capacity of 5.50 MW for captive consumption, and
3. During the year, the Company has not spent any amount towards cost reduction and energy conservation equipments.

b. Technology Absorption, Adaptation and Innovation Research and Development.

Research and Development activities are carried out on an ongoing basis for improving the efficiency and also for improving quality of its products. The Company has not absorbed any particular technology from any outside source. However the Company adopts latest technology available in the industry. No separate expenditure was incurred for R&D.

c. Foreign Exchange Earnings (Rs. in Lakhs)

Earnings	-	38,095
Outflow	-	22,614
Net Earnings	-	15,481

ANNEXURE D - REPORT ON CORPORATE GOVERNANCE

I. Company's philosophy on code of governance

The Company adopts a self-governing corporate governance model to adhere to all the Rules and Regulations of the statutory authorities. It also discharge its duties and obligations in a fair and transparent manner with the object of maximizing the value of the stakeholders namely shareholders, employees, financial institutions, customers and suppliers.

II. Board of directors - composition, category and attendance

The Company has a very balanced structure of the Board of Directors, which primarily takes care of the business needs and stakeholders' interest. The composition of the Board also complies with the provisions of the Companies Act, 2013 and SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015.

During the year 2023-24, the Board of Directors met five times at the Registered Office of the Company on 26-May-2023, 10-Aug-2023, 16-Sep-2023,10-Nov-2023 and 12-Feb-2024. The last annual general meeting (AGM) was held through Video Conference on 27-Sep-2023.

Composition of directors and their attendance

Name of the director	Category	Attendance		No. of directorships in other companies*	No. of committees**		Names of listed entities in which directorship is held & Category of directorship
		Board Meetings	Last AGM		Member	Chairman	
Mr. Ashwin Chandran (DIN:00001884)	Chairman - Executive - Promoter	5	Yes	5	1	-	Kovilpatti Lakshmi Roller Flour Mills Limited (Non-Executive Independent Director)
Mr. Prashanth Chandran (DIN:01909559)	Vice Chairman - Executive - Promoter	4	Yes	1	-	-	-
Mr. Sumanth Ramamurthi *** (DIN:00002773)	Non-Executive - Independent	1	No	4	1	-	Super Spinning Mills Limited (Executive Director)
Dr. Jairam Varadaraj*** (DIN:00003361)	Non-Executive - Independent	1	No	9	2	-	Elgi Equipments Limited (Executive Director) Thermax Limited (Non-Executive Independent Director) Magna Electro Castings Limited (Non-Executive Independent Director) Elgi Rubber Company Limited (Non-Executive Non Independent Director)
Mr. C. N. Srivatsan (DIN:00002194)	Non-Executive - Independent	5	Yes	1	-	1	Rane Brake Lining Limited (Non-Executive Independent Director)
Mrs. R. Bhuvaneshwari (DIN:01628512)	Non-Executive - Independent	5	No	6	4	-	Elgi Rubber Company Limited (Non-Executive Independent Director) Kovai Medical Center and Hospital limited (Non-Executive Independent Director) Shiva Tex yarn Limited (Non-Executive Independent Director) K.P.R Mill Limited (Non-Executive Independent Director)

Name of the director	Category	Attendance		No. of directorships in other companies*	No. of committees**		Names of listed entities in which directorship is held & Category of directorship
		Board Meetings	Last AGM		Member	Chairman	
Mr.T. Kumar (DIN:07826033)	Executive - Non Promoter	5	Yes	-	-	-	-
Mr. P. Vijay Raghunath (DIN:00002963)	Non Executive - Independent	3	No	3	4	1	Elgi Rubber Company Limited (Non-Executive Independent Director) Pricol Limited (Non-Executive Independent Director)
Mr. Arun Selvaraj (DIN:01829277)	Non Executive - Independent	3	No	1	-	-	Lakhsmi Electrical Control Systems Limited (Non-Executive Independent Director)
Dr. Vinay Balaji Naidu (DIN:09232643)	Non Executive - Independent	5	Yes	1	-	-	L.G.Balakrishnan & Bros Limited

* Excluding Directorships in Private Companies and Foreign Companies.

** Chairmanship(s)/Membership(s) of only the Audit Committee and Stakeholders' Relationship Committee of other Indian Public Limited Companies have been considered (Listed and Unlisted).

*** Mr. Sumanth Ramamurthi and Dr. Jairam Varadraj have retired as their second term of Independent Directorship came to an end on 31.05.2023.

The number of Directorships, committee memberships/ chairmanships of all Directors are within respective limits prescribed under the Act and listing Regulations. DINs mentioned in this Section will apply to the names of the Directors in all other references in this report.

Disclosure of relationships between directors inter-se

Mr. Ashwin Chandran and Mr. Prashanth Chandran are brothers. None of the other Directors are related to each other.

Chart setting out the Skills / Expertise / Competence of the board of Directors:-

Name of the director	Qualification	Skills and Expertise
Mr. Ashwin Chandran (DIN: 00001884)	B.Sc (Hons.), MBA	He has more than 25 years of experience in the textile industry.
Mr. Prashanth Chandran (DIN:01909559)	B.E (Hons.)	He has almost 20 years of experience in the textile industry.
Mr. C N Srivatsan (DIN:00002194)	Chartered Accountant	He has more than 27 years of experience in the field of management consultancy.
Ms. R Bhuvaneshwari (DIN:01628512)	B.Com, B.L	She has more than 22 years experience specializing in Corporate laws.
Mr. T Kumar (DIN:07826033)	DTT	He has over 27 years experience in the textile industry.
Mr. P Vijay Raghunath (DIN:00002963)	B.Com, B.L	He has over 28 years of experience in the legal profession.
Mr. Arun Selvaraj (DIN:01829277))	DTT., B.Sc Textile Marketing & Management	He has over 17 years experience in the fields of Textile and Engineering
Dr. Vinay Balaji Naidu (DIN:09232643)	MDS	He has over 17 years of experience as a specialist in Micro Endodontics

III. Committees of the Board

A. Audit committee

The audit committee of the Company is constituted in compliance with the provisions of Section 177 of the Companies Act, 2013 and Regulation 18 (1) of the listing Regulations.

The terms of reference of the audit committee are broadly as under:

a. Oversight of the company's financial reporting process and the disclosure of its financial information to ensure that the financial statement is correct, sufficient and credible;

b. Recommendation for appointment, remuneration and terms of appointment of auditors of the company;

c. Approval of payment to statutory auditors for any other services rendered by the statutory auditors;

d. Reviewing with the management, the annual financial statements and auditor's report thereon before submission to the board for approval, with particular reference to :

   i) Matters required to be included in the Director's Responsibility Statement to be included in the Board's report in terms of clause (c) of sub-section 3 of section 134 of the Companies Act, 2013.

   ii) Changes, if any, in accounting policies and practices and reasons for the same.

   iii) Major accounting entries involving estimates based on the exercise of judgment by management.

   iv) Significant adjustments made in the financial statements arising out of audit findings.

   v) Compliance with listing and other legal requirements relating to financial statements.

   vi) Disclosure of any related party transactions.

   vii) Qualifications in the draft audit report.

e. Reviewing, with the management, the quarterly financial statements before submission to the board for approval;

f. Reviewing, with the management, the statement of uses / application of funds raised through an issue (public issue, rights issue, preferential issue, etc.), the statement of funds utilized for purposes other than those stated in the offer document/ prospectus/notice and the report submitted by the monitoring agency monitoring the utilisation of proceeds of a public or rights issue, and making appropriate recommendations to the Board to take up steps in this matter;

g. Review and monitor the auditor's independence and performance, and effectiveness of audit process;

h. Approval or any subsequent modification of transactions of the company with related parties;

i. Scrutiny of inter-corporate loans and investments;

j. Valuation of undertakings or assets of the company, wherever it is necessary;

k. Evaluation of internal financial controls and risk management systems;

l. Reviewing, with the management, performance of statutory and internal auditors, adequacy of the internal control systems;

m. Reviewing the adequacy of internal audit function, if any, including the structure of the internal audit department,

n. staffing and seniority of the official heading the department, reporting structure coverage and frequency of internal audit;

o. Discussion with internal auditors of any significant findings and follow up there on;

p. Reviewing the findings of any internal investigations by the internal auditors into matters where there is suspected fraud or irregularity or a failure of internal control systems of a material nature and reporting the matter to the board;

All the members of the audit committee are independent and they possess sound knowledge of finance, accounts and the textile industry. The quorum for audit committee meeting is two independent Directors.

The chairman of the audit committee, Mr. C .N. Srivatsan was present at the last annual general meeting.

During the financial year the committee met four times on 26-May-2023, 10-Aug-2023, 10-Nov-2023 and 12-Feb-2024. The composition of the audit committee and particulars of meetings attended by the members are given below:

Name of the member	Category	No. of meetings attended
Mr. C. N. Srivatsan - Chairman	Non-Executive - Independent	4
Dr. Jairam Varadaraj*	Non-Executive - Independent	1
Ms. R. Bhuvaneshwari	Non-Executive - Independent	3
Mr. Sumanth Ramamurthi*	Non-Executive - Independent	1
Mr. P. Vijay Raghunath	Non-Executive - Independent	2
Mr. Arun Selvaraj	Non-Executive - Independent	3
Dr. Vinay Balaji Naidu	Non-Executive - Independent	4

* Retired as their second term of Independent Directorship came to an end on 31.05.2023.

The statutory auditors, internal auditor and executives of the Company also attended the meetings. Necessary quorum was present for all the meetings. The minutes of the audit committee meetings were placed at the Board meetings.

The Company Secretary acts as the secretary of the committee.

B. Nomination and Remuneration committee

The nomination and remuneration committee of the Board is constituted in compliance with Section 178 of the Act and Regulation 19 of the Listing Regulations. The Nomination and Remuneration Policy is available on the Company's website http: //www .precot. com/investors.

The committee looks into and determines the Company's policy with regard to the remuneration packages of the executive Directors, appointment/ reappointment of Directors etc.

The Executive Directors are paid remuneration approved by the Board of Directors on the recommendation of nomination and remuneration committee. The said remuneration is approved by the shareholders by special resolutions at the general meetings.

The Company does not have employee stock option scheme.

Terms of reference

a) To identify persons who are qualified to become Directors, key managerial persons and senior management personnel in accordance with the criteria laid down and to recommend to the Board their appointment and removal.

b) To formulate criteria for evaluation of Independent Directors and the Board

c) To formulate and recommend to the Board, a policy determining remuneration, qualifications, positive attributes and independence of a Director, and

d) To devise a policy on Board diversity.

The Company pays remuneration by way of salary, benefits, perquisites and allowances (fixed component) and commission (variable component) to its executive Directors. The notice period and severance fees are as per the policy of the Company.

During the year, the nomination and remuneration committee met 1 time on 10-Nov-2023 at the Registered Office of the Company. Necessary quorum was present for the meeting. The Company secretary acts as the secretary of the committee.

The composition and particulars of meetings attended by the members are given below.

Name of the member	Category	No. of meetings attended
Mr. C. N. Srivatsan - Chairman	Non-Executive - Independent	1
Ms. R. Bhuvaneshwari	Non-Executive - Independent	1
Mr. Arun Selvaraj	Non-Executive - Independent	1

The Company paid a sitting fee of Rs.20,000 per meeting to its non-executive directors for attending meetings of The Board of Directors and the audit committee and Rs. 7,500 per meeting for other committee meetings.

Performance evaluation criteria for Independent Directors

The performance evaluation criteria for independent Directors are determined by the inputs received from the Directors. An indicative list of factors for evaluation includes participation and contribution by a Director, effective deployment of knowledge and expertise towards the growth and betterment of the Company, impact and influence on the growth of the Company.

Details of the remuneration for the financial year ended 31-Mar-2024

The remuneration paid/payable to the executive Directors of the Company for the year ended 31-Mar-2024, are as under:

(₹ in Lakhs)

Name of the director	Salary and Perks	Commission	Total	Service contract
Mr. Ashwin Chandran Chairman and Managing Director	114	6	120.00	01.04.2023 to 31.03.2026
Mr. Prashanth Chandran Vice Chairman and Managing Director	108	12	120.00	01.04.2023 to 31.03.2026
Mr. T. Kumar Executive Director	96	8.02	104.02	01.04.2023 to 31.03.2026

The Company does not pay remuneration to any of its Non-Executive Directors barring sitting fees for attending the meeting(s).

The details of the sitting fees paid during the year and number of shares held by the non-executive Directors are as under:

Name of the director	Sitting fees (₹)	No. of Shares held
Mr. Sumanth Ramamurthi *	62,500	8557
Dr Jairam Varadaraj *	40,000	75
Mr. C N Srivatsan	2,02,500	-
Mrs. R Bhuvaneshwari	1,82,500	-
Mr. P Vijay Raghunath	1,15,000	-
Mr. Arun Selvaraj	1,42,500	150
Dr Vinay Balaji Naidu	2,77,500	2400

* Mr. Sumanth Ramamurthi and Dr. Jairam Varadraj have retired as their second term of Independent Directorship came to an end on 31.05.2023.

There has been no materially relevant pecuniary transaction or relationship between the Company and its non - executive Directors during the year.

Policy for appointment and remuneration of Directors, KMP and senior management

The nomination and remuneration committee (NR Committee) and the Board of Directors have adopted a nomination and remuneration policy, which, inter alia, deals with the criteria for appointment of the Directors, KMP and senior management personnel and their remuneration. The detailed policy is available on the Company's website http://www.precot.com/investors.

Particulars of Senior Management including changes therein since the close of the Previous Financial Year

Name of Senior Management Personnel	Category
Mr. Ravi Kumar Abburu	Operations
Mr. Ravindra Kumar	Chief Financial Officer
Mrs. Kavitha	Company Secretary
Mr. Rajeev Ebenezer	Human Relations
Mr. John	Operations
Mr. Shanmugam	Operations
Mr. Subburaj	Operations
Mr. Ramesh	Operations

C. Stakeholders' relationship committee

The stakeholders' relationship committee is constituted in compliance with Section 178 of the Act and Regulation 20 of the Listing Regulations.

The committee deals in matters relating to transmission of shares, issue of duplicate share certificates, review of dematerialized shares, redressing of investors complaints. The share transmissions are approved/ratified by the committee. The minutes of the committee are placed at the Board meetings from time to time. Chairman of the Stakeholders Relationship Committee had attended the Annual General Meeting of the Company held on 27-Sep-2023.

Terms of reference

a) To resolve the grievances of the security holders of the Company,

b) To approve share transmission, issue duplicate certificates, fresh share certificates by way of split or consolidation of the existing certificates,

c) To specifically look into the various aspects of interest of shareholders, debenture holders and other security holders

d) To review the measures taken for effective exercise of voting rights by shareholders

e) To review the adherence to the service standards adopted by the Company in respect of various services being rendered by the Registrar & Share Transfer Agent

f) To review the various measures and initiatives taken by the Company for reducing the quantum of unclaimed dividends and ensuring timely receipt of dividend warrants/ annual reports/ statutory notices by the shareholders of the Company and

g) Any other matter relating to the security holders or matters assigned/ delegated by the Board.

Thirteen meetings of the stakeholders relationship committee were held during the year under review i.e. 21-Apr-2023, 26-May-2023, 12-Jun-2023,23-Jun-2023, 14-Jul-2023, 5-Aug-2023, 14-Sep-2023, 31-Oct-2023, 21-Nov-2023, 4-Dec-2023, 18-Dec-2023, 5-Jan-2024 and 7-Feb-2024. The necessary quorum was present for all the meetings. Mrs. S. Kavitha, Company Secretary acts as the secretary of the committee and Compliance officer to redress the shareholders grievance.

The composition of the Stakeholders relationship committee and particulars of meetings attended by the members are as follows:

Name of the member	Category	No. of meetings attended
Dr. Vinay Balaji Naidu -Chairman	Non-Executive- Independent	11
Mr. Sumanth Ramamurthi*	Non-Executive- Independent	2
Mr. Ashwin Chandran	Executive - Non Independent	13
Mr. Prashanth Chandran	Executive - Non Independent	12

*Mr. Sumanth Ramamurthi was retired as the second term of Independent Directorship came to an end on 31.05.2023.

Details of complaints received and redressed during the year under review:

Opening balance	Received during the year	Redressed during the year	Closing balance
Nil	Nil	Nil	Nil

D. Other Committees

1. Corporate social responsibility committee

The committee looks into and determines the Company's policy with regard to the CSR activities to be undertaken by the Company. The committee comprises of the following members a) Mr. Ashwin Chandran (Chairman), b) Mr. Prashanth Chandran and c) Mr. Vijay Raghunath.

Terms of reference

a) To formulate and recommend to the Board, a CSR policy which shall indicate the activities to be undertaken by the Company as specified in Schedule VII of the Act,

b) Recommend the amount of expenditure to be incurred on the activities referred in the CSR policy, and

c) Monitor, review and update the CSR policy of the Company from time to time.

2. Finance committee

The committee consists of the following Directors as its members a) Mr. Ashwin Chandran (Chairman) b) Mr. Prashanth Chandran (Member) c) Mr. T. Kumar (Member). The finance committee is responsible for approval of the opening and closing of bank accounts, borrowings, investments and to authorise persons to operate the bank accounts of the Company.

3. Risk Management Committee

Requirement for constitution of Risk Management Committee pursuant to Regulation 21 of SEBI (Listing Obligations and Disclosure Requirements), Regulations, 2015 is not applicable to the Company.

Independent directors' meeting

In accordance with the provisions of schedule IV of the Companies Act, 2013, and Regulation 25(3) of the listing Regulations, a meeting of the independent Directors of the Company was held on 20-Mar-2024 without the attendance of Non-Independent Directors and members of the Management.

Name of the member	Category	No. of meetings attended
Mr. C. N. Srivatsan - Chairman	Independent	1
Mrs. R. Bhuvaneshwari	Independent	1
Mr. P. Vijay Raghunath	Independent	1
Mr. Arun Selvaraj	Independent	1
Dr. Vinay Balaji Naidu	Independent	1

Terms and conditions for appointment of Independent Directors

The terms and conditions for appointment of Independent Directors are placed on Company's website http://www.precot.com/investors.

Familiarisation program for Independent Directors

The details of familiarisation program for the independent Directors are placed on the website of the Company http://www.precot.com/investors.

Compliance officer

S Kavitha
Company Secretary and Compliance Officer
and Nodal Officer - IEPF

Address for Correspondence

Precot Limited,
Regd Office: D Block, 4th Floor,
Hanu Dev Info Park, Nava India Road,
Udaiyampalayam, Coimbatore – 641028
Phone: 0422-4321100; FAX: 0422-4321200
Email: secretary@precot.com; Website: www.precot.com
CIN: L17111TZ1962PLC001183

Management analysis report

The management analysis report forms part of this annual report.

General body meetings

The general body meetings of the Company during the preceding three years are:

Details	Dates and time	Special Resolutions
2021, 59th AGM	17-Sep-2021 at 4.00 pm, held through Video conference	1. Reappointment of Mr. Vijay Raghunath (DIN: 00002963) as Independent Director 2. Revision of remuneration payable to Mr. Ashwin Chandran (DIN: 00001884), Chairman and Managing Director. 3. Revision of remuneration payable to Mr. Prashanth Chandran (DIN: 01909559), Vice Chairman and Managing Director 4. Revision of remuneration payable to Mr. T Kumar (DIN: 07826033), Executive Director
2022, 60th AGM	22-Aug-2022 at 3.00 pm, held through Video conference	1. Increase in Borrowing Limits 2. Creation of Security on the Properties of the Company in favour of the Lenders 3. Appointment of Mr. Arun Selvaraj (DIN: 01829277) as Independent Director 4. Appointment of Dr. Vinay Balaji Naidu (DIN: 09232643) as Independent Director 5. Reappointment of Mr. Ashwin Chandran (DIN:00001884) as Chairman and Managing Director 6. Reappointment of Mr. Prashanth Chandran (DIN :01909559) as Vice Chairman and Managing Director 7. Reappointment of Mr. T. Kumar (DIN: 07826033) as Executive Director
2023, 61st AGM	27-Sep-2023 at 3.00 pm, held through Video conference	Nil

No EGM or court convened meeting of members was held during the year. No special resolution was passed by the Company last year through postal ballot.

Code of conduct

The Board of Directors has laid down a code of conduct for all the Board members and senior management of the Company. The same has been posted on the website of the Company.

All Board members and senior management personnel have affirmed their compliance with the code of conduct for the year under review. A declaration to that effect signed by the chairman is attached and forms part of the annual report of the Company.

Code of conduct for insider trading

As per SEBI (Prohibition of insider trading) Regulations, 2015, the Company has adopted a code of conduct for prevention of insider trading and a code of practices and procedures for fair disclosure of unpublished price sensitive information. All the promoters, Directors, designated persons, employees at senior management level and other employees who could have access to the unpublished price sensitive information of the Company are governed by this code. During the year under review there has been due compliance with the said code.

Means of communication

The quarterly, half-yearly and yearly financial results of the Company are sent to the stock exchange immediately after the approval of the Board. These are widely published in Business Standard (National issue) and Malai Murasu (Tamil daily). These results are simultaneously posted on the website of the Company at http://www.precot.com/investors

The Company follows April - March as the financial year. The tentative dates of Board meetings for consideration of quarterly financial results for the financial year ending 31st March, 2025 are as follows. However these dates are subject to change according to the availability of Directors.

1) First quarter results	-	First week of August, 2024,
2) Second quarter and Half yearly results	-	First week of November, 2024,
3) Third quarter results	-	First week of February, 2025,
4) Fourth and Annual results	-	Last week of May, 2025.

Results and reports of the Company are also available in www.nseindia.com. There were no specific presentations made to institutional investors or to analysts during the year. Official news releases are made whenever it is considered necessary.

General shareholder information

Annual general meeting	:	Tuesday, 20- August -2024 at 3.00 p.m
Venue	:	Virtual Meeting hosted from D Block,4th Floor, Hanudev Info Park, Nava India Road, Coimbatore - 641 028
Financial year	:	1st April 2023 to 31st March, 2024
Date of book closure	:	14-August-2024 to 20-August-2024
Dividend payment date	:	Within thirty days from the date of annual general meeting
Listing on stock exchanges Plaza, C-1, Block G, Bandra Kurla	:	National Stock Exchange of India Limited (NSE), Exchange Complex Bandra (East), Mumbai 400 051
Stock code	:	PRECOT, ISIN : INE283A01014

Market price, date and performance in comparison with S&P Nifty:

Month	Prices (₹)		S & P Nifty	
	Low	High	Low	High
April 2023	175.55	212.00	17,312.75	18,089.15
May 2023	171.65	191.00	18,042.40	18,662.45
June 2023	177.30	198.85	18,464.55	19,201.70
July 2023	148.45	186.65	19,234.40	19,991.85
August 2023	156.90	218.45	19,223.65	19795.60
September 2023	184.00	249.75	19,255.70	20,222.45
October 2023	196.00	238.95	18,837.85	19,849.75
November 2023	207.60	240.55	18,973.70	20,158.70
December 2023	228.40	295.00	20,183.70	21,801.45
January 2024	271.55	340.00	21,137.20	22,124.15
February 2024	297.35	388.00	21,530.20	22,297.50
March 2024	270.75	357.00	21,710.50	22,526.60

Annual listing fee for the financial year 2024-25 was paid to National Stock Exchange of India Limited.

The Company has paid custodial fees for the year 2024-25 to National Securities Depository Limited and Central Depository Services (India) Limited.

Registrar and share transfer agent (for both physical and demat segments)

Branch Office:
M/s Link Intime India Pvt Limited,
Surya, 35 Mayflower avenue, Senthil Nagar,
Sowripalayam Road, Coimbatore- 641028.
Email: coimbatore@linkintime.co.in, Phone: 0422-2314792

Head office:
M/s Link Intime India Pvt Limited,
C-101, 247 Park,
L B S Marg, Vikhroli (West)
Mumbai - 400 083.

Share transfer system:

In terms of Regulation 40(1) of SEBI Listing Regulations, as amended from time to time, transfer, transmission and transposition of securities shall be effected only in dematerialized form. Pursuant to SEBI Circular dated January 25, 2022, the listed companies shall issue the securities in dematerialized form only, for processing any service requests from shareholders viz., issue of duplicate share certificates, endorsement, transmission, transposition, etc. After processing the service request, a letter of confirmation will be issued to the shareholders and shall be valid for a period of 120 days, within which the shareholder shall make a request to the Depository

Participant for dematerializing those shares. If the shareholders fail to submit the dematerialisation request within 120 days, then the Company shall credit those shares in the Suspense Escrow Demat account held by the Company. Shareholders can claim these shares transferred to Suspense Escrow Demat account on submission of necessary documentation.The Stakeholders Relationship Committee generally meets as and when required.

Reconciliation of Share Capital Audit

A qualified practicing Company secretary carried out secretarial audit to reconcile the total admitted capital with NSDL and CDSL with the total issued and listed capital. The secretarial audit report confirms that the total issued / paid-up capital is intact with the total number of shares in physical form and the total number of dematerialized shares held with NSDL and CDSL.

A confirmation certificate under Regulation 74(5) of the SEBI (Depositories and Participants) Regulations, 2018 was received from our Registrar and Share Transfer Agent, M/s Link Intime India Private Limited confirming that the securities received from the depository participants for dematerialization were confirmed (accepted/rejected) to the depositories by our RTA and that securities comprised in the said certificates have been listed on the stock exchanges where the earlier issued securities are listed and that the security certificates received for dematerialisation have been confirmed/rejected and the security certificates received were mutilated and cancelled after due verification by the depository participant and the name of the depositories have been substituted in the register of members as the registered owner within the prescribed timelines.

Share holding pattern as on 31-Mar-2024:

Category	No. of shares held	Percentage of holding
Promoters and Promoters group		
Indian	7380600	61.51
Public		
Mutual funds/UTI	100	0.00
Financial Inst/ Banks	300	0.00
Bodies corporate	447528	3.73
Public and others	4171472	34.76
Total	**12000000**	**100.00**

Distribution of shareholding as on 31-Mar-2024

Shareholding range	No. of holders	Percentage of holders	No. of shares	Percentage of shares
1-500	4987	84.01	612553	5.10
501-1000	438	7.38	324319	2.70
1001-2000	241	4.06	347909	2.90
2001-3000	80	1.35	200971	1.67
3001-4000	44	0.74	154399	1.29
4001-5000	32	0.54	145821	1.22
5001-10000	55	0.93	400536	3.34
10001 & Above	59	0.99	9813492	81.78
Total	**5936**	**100.00**	**12000000**	**100.00**

Dematerialisation status of shares as on 31-Mar-2024:

Particulars	No. of Shares	% to Share capital
National Securities Depository Limited	9716484	80.97
Central Depository Services (India) Limited	2024678	16.87
Total	**11741162**	**97.84**

There are no outstanding GDR/ADR/Warrants or any convertible instruments as on 31st March, 2024.

Plant locations:

1 Kanjikode, Palakkad, Kerala

2 Kodigenahalli, Hindupur, Andhra Pradesh

3 Nanjegoundanpudur,Pollachi, Tamil Nadu

4 & 5 Chandrapuram, Walayar, Kerala

6 Gowribidanur, Kolar, Karnataka

7 Hassan, Karnataka.

Address for correspondence:

Precot Limited,
Secretarial Department,
Regd. Office: D Block, 4th Floor,
Hanudev Info Park, Nava India Road,
Udaiyampalayam, Coimbatore – 641 028
Phone: 0422 - 4321100
Email: secretary@precot.com
Website: www.precot.com
CIN: L17111TZ1962PLC001183

Fees paid to Statutory Auditors

The details of total fees for all services paid by the Company, on a consolidated basis, to the statutory auditor is provided below.

₹ Lakhs

Particulars	2023-24
(a) Auditor	16.00
(b) Taxation Matters	3.40
(c) Other Services – Certification	0.88
(d) For reimbursement of expenses	0.67
	20.95

Significant Changes in Key Financial Ratios and change in Net Worth for the financial year 2022-23 and 2023-24

Significant Changes in Key Financial Ratios and change in Net Worth for the financial year 2022-23 and 2023-24 are disclosed in note no. 59 of notes forming part of the accounts.

Credit ratings

Below are the Credit ratings obtained by the Company for the Non- convertible Debentures issued during the financial year ended 31st March, 2024.

Credit Rating Agency	Rating	Remarks	Date
INDIA Ratings	IND BBB / Negative	Rating revised to BBB/Negative from BBB+/ Negative	23.08.2023

Disclosure of certain type of agreements binding listed entities

There are no agreements impacting management or control of the Company or imposing any restriction or create any liability upon the Company.

Disclosures

The details of total fees for all services paid by the Company, on a consolidated basis, to the statutory auditor is provided below.

1. During the year under review the Company has not made any fresh issue of shares. The paid up capital of the Company stood at Rs.1,200 lakhs as at 31st March,2024.

2. Details of transactions with related parties are provided in note no.52 to notes forming part of the accounts in accordance with the provision of Indian Accounting Standard 24 and also disclosure of transaction of the Company with any person / entity belonging to the promoter / promoter group which holds 10% more shareholding are provided. There is no material significant related party transaction that may have potential conflict with the interest of the Company at large.

3. During the last 3 years, there were no strictures, penalties or material orders passed/imposed on the Company by either stock exchanges or SEBI or any statutory authority for non-compliance on any matter relating to the capital markets or otherwise.

4. The Company has followed the accounting standards Ind AS referred to in Section 133 of the Act. The list of material accounting policies are set out in the notes to the financial statements.

5. Exposure of the Company to commodity and commodity risks faced by the Company during the year are disclosed in note no:43 of the financial statements.

6. The Company has adopted a Whistle Blower Policy and has established the necessary vigil mechanism as defined under Section 177 (9) of the Act, and Regulation 22 of listing Regulations, for Directors and employees to report concerns about unethical behaviour. No person has been denied access to the chairman of the Audit Committee.

7. The Company has complied with all the mandatory requirements of corporate governance norms as enumerated under Regulation 17 to 27 and clause (b) to (i) of Regulations 46 (2) of the Listing Regulations. In addition, the Company has also adopted the following non-mandatory requirements, 1) Company's financial statements are unmodified, 2) The internal auditor of the Company directly reports to the audit committee.

8. The Company has framed polices for determining 'material subsidiaries' and 'related party transaction', which are disclosed on the website at the following link http://www.precot.com/investors.

9. **CEO/CFO certificate:** The Managing Director and Chief Financial Officer of the Company have provided to the Board of Directors of the Company compliance certificate as required under Regulation 17(8) of Listing Regulations read with Part B of Schedule II.

10. The Company has a robust framework and governance mechanism in place to ensure that the organisation is adequately protected from the market volatility in terms of price and availability of raw materials and finished goods.

11. The Company has managed the foreign exchange risk with appropriate hedging activities in accordance with forex policy of the Company. The Company does not enter into any derivative instruments for trading or speculative purposes. The details of foreign exchange exposure as on 31st March, 2024 are disclosed in notes to the financial statements.

12. The Company has prepared a risk management framework to identify, minimize and mitigate business and process related risk at predefined intervals.

13. Business Responsibility Report as per Regulation 34 and Dividend Distribution Policy as per Regulation 43A of the Listing Regulations are not applicable to the Company.

14. The details of unclaimed suspense account are disclosed in the Board's report.

By order of the Board
Ashwin Chandran
Chairman & Managing Director

Coimbatore
23-May-2024

Declaration regarding compliance of Company's code of conduct

All the Board members and senior management personnel affirmed compliance with the code of conduct of the Company for the financial year ended 31st March,2024.

Coimbatore
23-May-2024

Ashwin Chandran
Chairman & Managing Director

Certificate of Corporate Governance

To

The members of PRECOT limited
Coimbatore.

I have examined the compliance of conditions of Corporate Governance by Precot Limited (here in after referred to as “the Company”) for the year ended on 31st March, 2023 as per Regulation 15(2) read with Schedule-V of the SEBI (Listing Obligations and Reporting Requirements) Regulations, 2015 (hereinafter referred to as “the LODR”).

Compliance of conditions of Corporate Governance is the responsibility of the management. My examination was limited to review of the procedures and implementation thereof adopted by the Company for ensuring the compliance with the conditions of the Corporate Governance. It is neither an audit nor an expression of opinion on the financial statements of the Company.

In my opinion and to the best of my information and according to the explanations given to me and the representations made by the Directors and Management I certify that the Company had complied with the conditions of Corporate Governance as per relevant provisions of LODR for the period from 01st April, 2023 to 31st March, 2024.

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

K Duraisami
Company Secretary in Practice
Membership No:6792
C P No: 18308

Place : Coimbatore
Date : 20.05.2024
ICSI UDIN : F006792F000407445

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

To

The Members of Precot Limited.
SF No.559/4,D Block,4th Floor,
Hanudev Infopark, Nava India Road,
Udaiyampalayam, Coimbatore-641028

I have examined the relevant registers, records, forms, returns, disclosures received from the Directors of Precot Limited having CIN : L17111TZ1962PLC001183 and having its Registered Office at SF No.559/4,D Block, 4th Floor, Hanudev Info park , Nava India Road, Udaiampalayam, Coimbatore-641028, herein after referred to as "the Company", produced to me by the Company for the purpose of issuing this certificate in accordance with Regulation 34 (3) read with Schedule V, Para-C, Sub Clause 10(i) of SEBI (Listing Obligations and Disclosure Requirements) Regulations,2015.

In my opinion and to the best of information and according to the verification (including Directors Identification (DIN) status at the website: www.mca.gov.in) as considered necessary and explanations furnished to me by the Company & its Officers, I hereby certify that none of the Directors of the Company as stated below, for the Financial Year ended 31st March,2024, have been debarred or disqualified from being appointed or continuing as Director of Companies by the SEBI, Ministry of Corporate Affairs, Reserve Bank of India and any other Statutory Authority (ies).

S.No	Name of the Director	Designation	DIN	Date of Appointment
1	Mr. Ashwin Chandran	Managing Director	00001884	30.07.2003
2	Mr. Prasanth Chandran	Managing Director	01909559	01.04.2011
3	Mr. Kumar Thillai	Whole time Director	07826033	26.05.2017
4	Mr. Srivatsan	Independent Director	00002194	25.11.2004
5	Mr. P Vijay Raghunath	Independent Director	00002963	01.06.2017
6	Mrs. Vidyasankar Bhuvaneshwari	Independent Director	01628512	30.05.2014
7	Mr. Arun Selvaraj	Independent Director	01829277	01.06.2022
8	Dr Vinay Balaji Naidu	Independent Director	09232643	01.06.2022

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

Place : Coimbatore
Date : 20.05.2024
ICSI UDIN: F00679F0002407467

K Duraisami
Company Secretary in Practice
M. No: FCS- 6792
C P. No.18308

ANNEXURE E

Form AOC 2

(Pursuant to clause (h) of sub-Section (3) of Section 134 of the Companies Act, 2013 and rule 8(2) of the Companies (Accounts) Rules, 2014)

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

1. **Details of contracts or arrangements or transactions not at arm's length basis** - Nil

a) Name(s) of the related party and nature of relationship: Not Applicable

b) Nature of contracts / arrangements / transactions: Not Applicable

c) Duration of the contracts / arrangements / transactions : Not Applicable

d) Salient terms of the contracts or arrangements or transactions including the value, if any: Not Applicable

e) Justification for entering into such contracts or arrangements or transactions: Not Applicable

f) Date(s) of approval by the Board: Not Applicable

g) Amount paid as advances, if any: Not Applicable

h) Date on which the special resolution was passed in general meeting as required under first proviso to Section 188 of the Act : Not Applicable.

2. **Details of material contracts or arrangement or material transactions at arm's length basis:**

a) Name(s) of the related party and nature of relationship: Not Applicable

b) Nature of contracts / arrangements / transactions : Not Applicable

c) Duration of the contracts / arrangements / transactions : Not Applicable

d) Salient terms of the contracts or arrangements or transactions including the value, if any : Not Applicable

e) Date(s) of approval by the Board, if any : Not Applicable

f) Amount paid as advances, if any : None

Coimbatore
23-May-2024

Ashwin Chandran
Chairman and
Managing Director

₹ Lakhs

	2018	2019	2020	2021	2022	2023	2024
	IndAS						
Operating Results							
Total revenue	71,456	79,641	73,677	67,084	99,977	96,106	**98,810**
PBIDT	6,759	6,363	5,897	9,884	19,525	3,501	**7,308**
Interest	4,079	4,053	3,919	3,272	2,898	3,614	**3,935**
PBDT	2,680	2,310	1,978	6,612	16,627	(113)	**3,373**
Depreciation	3,257	3,137	3,274	3,317	3,253	3,340	**2,267**
Exceptional Items	-	-	-	-	-	-	**623**
Income Tax	-	-	357	-	2,280	-	**-**
Other Taxes	-	-	-	-	553	(850)	**51**
PAT	(577)	(827)	(1 652)	3,295	10,542	(2 602)	**1,678**
Dividend	-	-	-	-	-	720	**-**
Retained cash earnings	2,680	2,310	1, 978	6,612	16,627	(833)	**3,996**
Performance Parameters							
Net Fixed Assets (WDV)	50,997	48,986	44,733	42,217	44,042	42,619	**48,039**
Share Capital	1,200	1,200	1,200	1,200	1,200	1,200	**1,200**
Free Reserves	30,809	30,026	27,476	30,622	40,872	37,031	**38,281**
Net worth	32,009	31,226	28,676	31,822	42,072	38,231	**39,481**
Long Term Borrowings	17,934	17,697	13,462	15,712	14,832	37,783	**36,685**
Debt: Equity	0.6	0.6	0.5	0.5	0.4	1.0	**0.9**
Dividend (%)	-	-	-	-	60%	-	**15%**
Earnings per share (Rs.)	(5)	(7)	(14)	27	88	(22)	**13.99**

INDEPENDENT AUDITOR'S REPORT

To the Members of PRECOT LIMITED

Report on the Audit of the Standalone Financial Statements

Opinion

We have audited the accompanying standalone financial statements of **Precot Limited** ("the Company") which comprise the Standalone Balance Sheet as at March 31, 2024, the Standalone Statement of Profit and Loss (including Other Comprehensive Income), the Standalone Statement of Changes in Equity and the Standalone Statement of Cash Flows for the year then ended and notes to the standalone financial statements including a summary of material accounting policies and other explanatory information (hereinafter referred to as "the standalone financial statements").

In our opinion and to the best of our information and according to the explanations given to us, the aforesaid standalone financial statements give the information required by the Companies Act, 2013 ("the Act") in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India including the Indian Accounting Standards prescribed under section 133 of the Act read with the Companies (Indian Accounting Standards) Rules, 2015, as amended ("Ind AS"), of the state of affairs of the Company as at March 31, 2024, its profit including other comprehensive income, changes in equity and its cash flows for the year ended on that date.

Basis for Opinion

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

Emphasis of Matter

Attention is invited to Note no.46 of the Standalone Financial Statements on the write back of liabilities/provisions made in earlier periods in respect of various pending litigation with Andhra Pradesh Gas Power Corporation Limited (APGPCL) and Southern Power Distribution Company Limited (SPDCL).

Our opinion is not modified in respect of this matter.

Key Audit Matters

Key audit matters are those matters that, in our professional judgement, were of most significance in our audit of the standalone financial statements of the current period. This matter was addressed in the context of our audit of the standalone financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on this matter. We have determined the matter described below to be the key audit matter to be communicated in our report.

Key Audit Matter	How our audit addressed the Key Audit Matter
Trade receivables and expected credit loss: The trade receivables as at March 31, 2024 is ₹ 13,085.09 lakhs (net) and provision for expected credit loss as on March 31, 2024 is ₹ 269.55 lakhs. The Company measures expected credit loss on trade receivables based on significant management judgement and estimates. We have considered assessment of expected credit loss for receivables as a key audit matter because of the significant management judgement involved in its estimation.	Our audit procedures included the following: • Assessed the appropriateness of the accounting policy for expected credit loss as per the relevant accounting standards. • Obtained an understanding of and assessed the design, implementation and operating effectiveness of key controls relating to collection monitoring process, credit control process and estimation of expected credit losses. • Tested the controls relating to classification of the receivable balances included in the receivables ageing report. • Reviewed the ageing, tested the validity of the receivables, discussed with the management as to the disputes, if any, with the customers, understood and evaluated the reason for delay in realisation of the receivables and possibility of realisation of the aged receivable. • Assessed the methodology used by management to estimate the expected credit loss provision and its compliance with the relevant accounting standard. • Assessed the reasonableness of estimate of expected credit loss. • Assessed the adequacy of disclosures relating to trade receivables and related credit risk.

Information other than the Standalone Financial Statements and Auditor's Report thereon

The Company's Management and the Board of Directors are responsible for the preparation of the other information. The other information comprises the information included in the Company's annual Report but does not include the standalone / consolidated financial statements and our auditor's report thereon

The other information is expected to be made available to us after the date of this report.

Our opinion on the standalone 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 standalone 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 standalone / consolidated financial statements or our knowledge obtained during the course of our audit or otherwise appears to be materially misstated.

When we read the other information, as stated above, which is expected to be received after the date of our audit 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 applicable laws and regulations.

Management's and Board of Directors' Responsibilities for the Standalone Financial Statements

The Company's Management and the Board of Directors are responsible for the matters stated in section 134(5) of the Act with respect to the preparation of these standalone financial statements that give a true and fair view of the financial position, financial performance including other comprehensive income, statement of changes in equity and cash flows of the Company in accordance with the accounting principles generally accepted in India, including Ind AS specified under section 133 of the Act, read with relevant rules issued there under. This responsibility also includes maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding of the assets of the Company and for preventing and detecting frauds and other irregularities; selection and application of appropriate accounting policies; making judgments and estimates that are reasonable and prudent; and design, implementation and maintenance of adequate internal financial controls, that were operating effectively for ensuring the accuracy and completeness of the accounting records, relevant to the preparation and presentation of the standalone financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error.

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

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

Auditor's Responsibility for the Audit of the Standalone Financial Statements

Our objectives are to obtain reasonable assurance about whether the standalone 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 standalone 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 standalone 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 standalone 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 the Management and Board of Directors.
- Conclude on the appropriateness of the Management and Board of Directors' 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 standalone 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 standalone financial statements, including the disclosures, and whether the standalone financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

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

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

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

From the matters communicated with those charged with governance, we determine those matters that were of most significance in the audit of the standalone financial statements of the current period and are therefore the key audit matters. We describe these matters in our auditor's report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

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 **“Annexure 1”,** a statement on the matters specified in paragraphs 3 and 4 of the Order, to the extent applicable.

2. (A) As required by Section 143(3) of the Act, we report that:

   a. We have sought and obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purposes of our audit;

   b. In our opinion, proper books of account as required by law have been kept by the Company so far as it appears from our examination of those books;

   c. The Standalone Balance Sheet, the Standalone Statement of Profit and Loss (including Other Comprehensive Income), the Standalone Statement of changes in Equity and the Standalone Statement of Cash Flows dealt with by this Report are in agreement with the books of account;

   d. In our opinion, the aforesaid Standalone financial statements comply with the Indian Accounting Standards specified under Section 133 of the Act read with relevant rules issued thereunder;

   e. On the basis of the written representations received from the directors and taken on record by the Board of Directors, none of the directors is disqualified as on March 31, 2024 from being appointed as a director in terms of Section 164 (2) of the Act;

f. With respect to the adequacy of the internal financial controls with reference to standalone financial statements of the Company and the operating effectiveness of such controls, we give our separate report in **"Annexure 2";**

(B) 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, 2021, in our opinion and to the best of our information and according to the explanations given to us:

(i) The Company has disclosed the impact of pending litigations as on 31st March 2024 on its financial position in its standalone financial statements - Refer Note 45 to the standalone financial statements;

(ii) The Company did not have any long-term contracts including derivative contracts for which there were material foreseeable losses;

(iii) There has been no delay in transferring amounts, required to be transferred, to the Investor Education and Protection Fund by the Company during the year ended 31st March 2024;

(iv) (a)The management has represented that, to the best of its knowledge and belief, as disclosed in note no.60(ii)A to the standalone financial statements, no funds (which are material either individually or in the aggregate) have been advanced or loaned or invested (either from borrowed funds or share premium or any other sources or kind of funds) by the Company to or in any other persons or entities, including foreign entities ("Intermediaries"), with the understanding, whether recorded in writing or otherwise, that the Intermediary shall directly or indirectly lend or invest in other persons or entities identified in any manner whatsoever ("Ultimate Beneficiaries") by or on behalf of the Company or provide any guarantee, security or the like on behalf of the Ultimate Beneficiaries.

(b) The management has represented that, to the best of its knowledge and belief, as disclosed in note no.60(ii)B to the standalone financial statements, no funds (which are material either individually or in the aggregate) have been received by the Company from any persons or entities, including foreign entities ("Funding Parties"), with the understanding, whether recorded in writing or otherwise, that the Company shall directly or indirectly lend or invest in other persons or entities identified in any manner whatsoever ("Ultimate Beneficiaries") by or on behalf of the Funding Party or provide any guarantee, security or the like on behalf of the Ultimate Beneficiaries.

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

(v) The Board of Directors of the Company have proposed final dividend for the year which is subject to the approval of the members at the ensuing Annual General Meeting. The amount of dividend proposed is in accordance with Section 123 of the Companies Act 2013 as applicable.

(vi) (a) The Company has used an accounting software for maintaining its books of account which has a feature of recording audit trail (edit log) facility and the same has operated throughout the year for all relevant transactions recorded in the software.

(b) Further, during the course of our audit, we did not come across any instance of audit trail feature being tampered with.

(C) With respect to the matter to be included in the Auditor's Report in accordance with the requirements of Section 197(16) of the Act, as amended;

In our opinion and to the best of our information and according to the explanations given to us, the remuneration paid/provided by the Company to its directors during the current year is in accordance with the provisions of section 197 of the Act. The remuneration paid to any director is not in excess of the limit laid down under Section 197 of the Companies Act.

For VKS Aiyer& Co.,
Chartered Accountants
ICAI Firm Registration No. 000066S

C.S.Sathyanarayanan
Partner
Membership No. 028328
UDIN:24028328BKGSVN8942

Place: Coimbatore
Date: 23rd May, 2024

ANNEXURE 1 TO THE INDEPENDENT AUDITOR'S REPORT

[Referred to in paragraph 1 under 'Report on Other Legal and Regulatory Requirements' in the Independent Auditor's Report of even date to the members of Precot Limited on the Standalone Financial Statements for the year ended March 31, 2024]

In our opinion and to the best of our knowledge and belief, books of account examined by us and according to the information and explanation given to us, we report that:

(I) (a) (A) The Company has maintained proper records showing full particulars, including quantitative details and situation of Property, Plant and Equipment.

(B) The Company has maintained proper records showing full particulars of Intangible assets.

(b) The Company has a regular program of verification of property, plant and equipment, by which all the property, plant and equipment are verified in a phased manner over a period of 2 years. During the year, the property, plant and equipment were verified in accordance with the programme of verification. This periodicity of physical verification is reasonable having regard to the size of the Company and the nature of its assets. No material discrepancies were noticed on such verification.

(c) The title deeds of immovable properties (other than immovable properties where the Company is the lessee and the lease agreements are duly executed in favour of the lessee) disclosed in the standalone financial statements are held in the name of the Company except for the details given below:

Description of property	Held in the name of	Gross Carrying Value as on 31st March 2024 (₹ in Lakhs)	Property held since which date	Reasons for not being held in the name of the Company
Freehold Land	Meridian Spintex Limited	1,422.87	01.09.2006	The title deeds are in the name of Meridian Spintex Limited, erstwhile Company that was merged with the Company under Section 391 to 394 of the Companies Act, 1956 in terms of the approval of the Honourable High Court(s) of judicature at Madras vide order dt. 01.09.2006.
Freehold Land	Suprem Textiles Processing Limited	173.10	18.09.2017	The title deeds are in the name of Suprem Textiles Processing Limited that was merged with the Company vide NCLT, Chennai Order Dt. 18.09.2017.
Freehold Land	Multiflora (Floriculture) Private Limited	613.20	18.09.2017	The title deeds are in the name of Multiflora (Floriculture) Private Limited that was merged with the Company vide NCLT, Chennai Order Dt. 18.09.2017.
Freehold Land	Meridian Industries Limited	51.00	01.09.2006	The title deeds are in the name of Meridian Industries Limited, erstwhile Company that was merged with the Company under Section 391 to 394 of the Companies Act, 1956 in terms of the approval of the Honourable High Court(s) of judicature at Madras vide order dt. 01.09.2006.

(d) The Company has not revalued its Property, Plant and Equipment and intangible assets during the year.

(e) There were no proceedings initiated or pending against the Company for holding any benami property under the Prohibition of Benami Property Transactions Act, 1988 and rules made thereunder.

(ii) (a) The inventories, except for goods-in-transit, has been physically verified by the management during the year. In our opinion, the frequency of verification is reasonable and procedures and coverage as followed by management were appropriate. No discrepancies were noticed on physical verification between the physical stocks and the book records that were 10% or more in the aggregate for each class of inventory.

(b) The Company has been sanctioned working capital limits in excess of five crore rupees, in aggregate, from banks on the basis of security of current assets. The quarterly returns or statements filed by the company with such banks or financials institutions are in agreement with the unaudited books of account of the Company of the respective quarters.

(iii) The Company has not provided any guarantee or security or granted any loans or advances in the nature of loans, secured or unsecured, to companies, firms, Limited Liability Partnerships or any other parties during the year. Accordingly, paragraph 3 (iii) (a) and 3 (iii) (c) to (f) of the Order are not applicable to the Company.

(b) In our opinion, the investments made during the year are, prima facie, not prejudicial to the Company's interest.

(iv) The Company has complied with the provisions of Section 185 and 186 of the Act, wherever applicable.

(v) The Company has not accepted any deposits or amounts which are deemed to be deposits from the public within the provisions of Sections 73 to 76 of the Act and the rules framed there under.

(vi) We have broadly reviewed the books of account maintained by the Company in respect of products where the maintenance of cost records has been specified by the Central Government under sub-section (1) of Section 148 of the Act and the rules framed there under and we are of the opinion that prima facie, the prescribed accounts and records have been made and maintained. However, we have not made a detailed examination of the same.

(vii) a) The Company is generally regular in depositing with appropriate authorities, undisputed statutory dues including Goods and Services Tax, provident fund, employees state insurance, income tax, duty of customs, cess and any other material statutory dues applicable to it, however, there have been a slight delay in few cases/delays in deposit which have not been serious.

There were no undisputed amounts payable in respect of Goods and Services tax, provident fund, employees state insurance, income tax, duty of customs, cess and other material statutory dues applicable to it, were outstanding, at the year end, for a period of more than six months from the date they became payable.

b) The details of statutory dues referred to in sub-clause (a) above which have not been deposited on account of any dispute, are as follows:

Name of the Statute	Nature of dues	Amount (₹ in lakhs)	Period to which the amount relates	Forum where dispute is pending
Andhra Pradesh Value Added Tax Act, 2005	Sales tax and penalties	1.77	1999 - 2000	High Court
Andhra Pradesh Value Added Tax Act, 2005	Sales tax	3.74	2015-16	Appellate Tribunal
Central Excise Act, 1944	CENVAT credit	36.58	2014 -15	Commissioner of GST and Central Excise (Appeals), Coimbatore
		37.06	2014 -15	
		38.21	2014-15 & 2015 -16	
		40.92	2015 -16	
		36.60	2015-16 & 2016-17	
Income Tax Act, 1961	Income tax	4.43	AY 2013 -14	Order pending with Assessing Officer, Coimbatore
Income Tax Act, 1961	Income tax	19.74	AY 2014 -15	High Court, Madras

Name of the Statute	Nature of dues	Amount (₹ in lakhs)	Period to which the amount relates	Forum where dispute is pending
Income Tax Act, 1961	Income tax	82.25	AY 2022 - 23	National Faceless Appeal Centre – For Tax Deputy Commissioner of Income Tax, Corp Circle I – For Penalty
Central Goods and Services Tax Act, 2017	Transitional Cenvat credit	50.26	April 2017 to June 2017	The Principal Commissioner of GST & Customs (Appeals)
Central Goods and Services Tax Act, 2017	GST	54.65	July 2017 to March 2020	Commissioner of GST and Central Excise (Appeals)
Central Goods and Services Tax Act, 2017	GST	117.57	January 2018 to July 2020	Deputy Commissioner of GST and Central Excise, III Division, Coimbatore

(viii) The Company has not surrendered or disclosed any transactions, previously unrecorded as income in the books of account, in the tax assessments under the Income-tax Act, 1961 as income during the year.

(ix) (a) The Company has not defaulted in repayment of loans or other borrowings or in the payment of interest thereon to any lender during the year.

(b) The Company has not been declared a wilful defaulter by any bank or financial institution or government or any government authority.

(c) The Company has utilized the money raised by way of term loans during the year for the purposes for which they were raised.

(d) The funds raised on short-term basis have, prima facie, not been used during the year for long- term purposes by the Company.

(e) On an overall examination of the financial statements of the Company, the Company has not taken any funds from any entity or person on account of or to meet the obligations of its subsidiaries.

(f) The Company has not raised loans during the year on the pledge of securities held in its subsidiaries. The Company does not hold any investment in any associate companies or joint venture as defined under the Companies Act, 2013.

(x) (a) The Company did not raise any money by way of initial public offer or further public offer including debt instruments during the year and hence reporting under clause (x)(a) of the Order is not applicable.

(b) The Company has not made any preferential allotment or private placement of shares or convertible debentures (fully or partly or optionally) during the year under review and hence reporting under clause (x)(b) of the Order is not applicable.

(xi) (a) We have neither come across any instance of fraud by the Company or any fraud on the Company, noticed or reported during the year, nor have we been informed of any such instance by the management.

(b) No report under section 143(12) of the Companies Act has been filed by Auditors in Form ADT-4 as prescribed under Rule13 of Companies (Audit and Auditors) Rules, 2014 with the Central Government.

(c) There were no whistle blower complaints received by the Company during the year.

(xii) The Company is not a Nidhi Company and hence reporting under clause 3(xii) of the Order is not applicable.

(xiii) All transactions entered into by the Company with the related parties are in compliance with Sections 177 and 188 of Act, where applicable and the details have been disclosed in the Standalone financial statements etc., as required by the applicable accounting standards.

(xiv) (a) The Company has an adequate internal audit system commensurate with the size and nature of its business.

(b) We have considered the internal audit reports of the Company issued till date for the period under audit.

(xv) The Company has not entered into any non-cash transactions with directors or persons connected with him during the year.

(xvi) (a) The Company is not required to be registered under Section 45-IA of the Reserve Bank of India Act, 1934. Hence, reporting under clause 3(xvi)(a) and (b) of the Order is not applicable.

(c) The Company is not a Core Investment Company (CIC) as defined in the regulations made by the Reserve Bank of India. Hence, reporting under clause 3(xvi)(c) of the Order is not applicable.

(d) According to the information and explanation given to us, there is no Core Investment Company (CIC) within the Group. Accordingly, the requirements of clause 3(xvi)(d) of the Order is not applicable.

(xvii) The Company has not incurred cash losses during the financial year covered by our audit and the immediately preceding financial year.

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

(xix) On the basis of the financial ratios, ageing and expected dates of realisation of financial assets and payment of financial liabilities, other information accompanying the financial statements, 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 the 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) There is no unspent amount under Section 135(5) of the Companies Act, 2013 pursuant to any project under CSR. Accordingly, clauses 3(xx)(a) and 3(xx)(b) of the Order are not applicable.

For VKS Aiyer& Co.,
Chartered Accountants
ICAI Firm Registration No. 000066S

C.S.Sathyanarayanan
Partner
Membership No. 028328
UDIN: 24028328BKGSVN8942

Place: Coimbatore
Date: 23rd May, 2024

ANNEXURE 2 TO THE INDEPENDENT AUDITOR'S REPORT

Report on the internal financial controls with reference to the standalone financial statements under Clause (i) of Sub-section 3 of Section 143 of the Companies Act, 2013 ("the Act")

[Referred to in paragraph 2 under 'Report on Other Legal and Regulatory Requirements' in the Independent Auditor's Report of even date to the members of **Precot Limited** on the Standalone Financial Statements for the year ended March 31, 2024]

We have audited the internal financial controls with reference to standalone financial statements of **Precot Limited** ("the Company") as of March 31, 2024 in conjunction with our audit of the standalone financial statements of the Company for the year ended on that date.

Opinion

In our opinion, the Company has, in all material respects, adequate internal financial controls with reference to standalone financial statements and such internal financial controls were operating effectively as at March 31, 2024, based on the internal financial controls with reference to standalone financial statements criteria established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting issued by the ICAI.

Management's Responsibility for Internal Financial Controls

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

Auditor's Responsibility

Our responsibility is to express an opinion on the Company's internal financial controls with reference to standalone 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") issued by the ICAI and the Standards on Auditing specified under section 143(10) of the Act to the extent applicable to an audit of internal financial controls with reference to standalone financial statements. 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 standalone financial statements were established and maintained and whether 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 standalone financial statements and their operating effectiveness.

Our audit of internal financial controls with reference to standalone financial statements included obtaining an understanding of such internal financial controls 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 standalone financial statements, whether due to fraud or error.

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

Meaning of Internal Financial Controls with reference to Standalone Financial Statements

A company's internal financial controls with reference to standalone financial statements is a process designed to provide reasonable assurance regarding the reliability of financial reporting and the preparation of standalone financial statements for external purposes in accordance with generally accepted accounting principles. A company's internal financial controls with reference to standalone 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 standalone 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 unauthorised acquisition, use, or disposition of the company's assets that could have a material effect on the standalone financial statements.

Inherent Limitations of Internal Financial Controls with reference to Standalone Financial Statements

Because of the inherent limitations of internal financial controls with reference to standalone 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 standalone financial statements to future periods are subject to the risk that the internal financial controls with reference to standalone financial statements may become inadequate because of changes in conditions, or that the degree of compliance with the policies or procedures may deteriorate.

For VKS Aiyer& Co.,
Chartered Accountants
ICAI Firm Registration No. 000066S

C.S.Sathyanarayanan
Partner
Membership No. 028328
UDIN:24028328BKGSVN8942

Place: Coimbatore
Date: 23rd May, 2024

₹ Lakhs

	Particulars	Note No.	As at 31.03.2024	As at 31.03.2023
ASSETS				
(1)	**Non - Current assets**			
	(a) Property, Plant and Equipment	2	**41,741.70**	41,944.82
	(b) Right of use Asset	3 (a)	**668.93**	337.55
	(c) Capital work-in-progress	3 (b)	**5,599.31**	296.74
	(d) Intangible assets	3 (c)	**29.33**	30.84
	(e) Intangible assets under development	3 (d)	**-**	9.33
	(f) Financial Assets			
	(i) Investments	4	**345.47**	777.81
	(ii) Other Financial Assets	5	**1,119.61**	985.19
	(g) Deferred tax assets (net)	6	**181.25**	569.33
	(h) Other non-current assets	7	**1,163.11**	2,448.54
	Total Non Current Assets		**50,848.71**	**47,400.15**
(2)	**Current assets**			
	(a) Inventories	8	**23,227.19**	24,200.89
	(b) Financial Assets			
	(i) Investments	9	**1,277.66**	198.68
	(ii) Trade receivables	10	**13,085.09**	11,870.95
	(iii) Cash and cash equivalents	11	**52.69**	61.22
	(iv) Bank balances other than (iii) above	12	**722.24**	585.33
	(v) Loans	13	**92.93**	72.40
	(vi) Other financial assets	14	**65.76**	39.91
	(c) Other current assets	15	**3,698.64**	3,888.33
	Total Current Assets		**42,222.20**	**40,917.71**
	TOTAL ASSETS		**93,070.91**	**88,317.86**
	EQUITY AND LIABILITIES			
	EQUITY			
	(a) Equity Share capital	16	**1,200.00**	1,200.00
	(b) Other Equity	17	**38,281.26**	37,031.25
	Total Equity		**39,481.26**	**38,231.25**
	LIABILITIES			
(1)	**Non-current liabilities**			
	(a) Financial Liabilities			
	(i) Borrowings	18	**14,430.35**	14,497.10
	(ii) Lease Liability	19	**346.38**	-
	(b) Provisions	20	**1,443.50**	2,262.55
	(c) Other non-current liabilities	21	**70.86**	43.06
	Total Non Current Liabilities		**16,291.09**	**16,802.71**
(2)	**Current liabilities**			
	(a) Financial Liabilities			
	(i) Borrowings	22	**22,455.11**	23,285.47
	(ii) Lease Liability	23	**91.57**	90.32
	(iii) Trade payables	24		
	- Outstanding dues of Micro & Small Enterprises		**168.58**	120.00
	- Outstanding dues of Creditors other than Micro & Small Enterprises		**10,129.80**	6,190.09
	(iv) Other Financial Liabilities	25	**3,606.09**	2,906.45
	(b) Other current liabilities	26	**524.24**	380.42
	(c) Provisions	27	**323.17**	311.15
	Total Current Liabilities		**37,298.56**	**33,283.90**
	TOTAL LIABILITIES		**53,589.65**	**50,086.61**
	TOTAL EQUITY AND LIABILITIES		**93,070.91**	**88,317.86**

Summary of Material accounting policies and notes form an integral part of the financial statements

Vide our report of even date attached
For VKS Aiyer & Co
Chartered Accountants
ICAI Firm Reg.No.: 000066S
C.S.Sathyanarayanan
Partner
M.No. : 028328
Place : Coimbatore
Date : 23-May-2024

For and on behalf of the Board of Directors

Ashwin Chandran
Chairman and Managing Director
(DIN : 00001884)

M K Ravindra Kumar
Chief Financial Officer

Prashanth Chandran
Vice Chairman and Managing Director
(DIN : 01909559)

S Kavitha
Company Secretary
(FCS No. 8710)

₹ Lakhs

	Particulars	Note No.	For the year ended 31st March 2024	For the year ended 31st March 2023
I	Revenue From Operations	28	**97,775.60**	95,382.31
II	Other income	29	**1,034.10**	723.77
III	**Total Income (I+II)**		**98,809.70**	**96,106.08**
IV	**Expenses**			
	Cost of materials consumed	30	**56,765.89**	64,797.86
	Purchase of Stock-in-Trade	31	**-**	2.90
	Changes in inventories of finished goods, stock in trade and work-in-progress	32	**5,134.45**	(2471.80)
	Employee benefits expense	33	**9,148.67**	8,463.01
	Finance costs	34	**3,935.46**	3,613.55
	Depreciation and amortization expenses	35	**2,267.36**	3,339.74
	Other expenses	36	**20,451.54**	21,813.12
	Total Expenses (IV)		**97,703.37**	**99,558.38**
V	**Profit/(Loss) before exceptional items and Tax (III - IV)**		**1,106.33**	**(3,452.30)**
VI	**Exceptional items (Refer Note no.46)**		**623.15**	**-**
VII	**Profit/(Loss) before tax (V - VI)**		**1,729.48**	**3,452.30**
VIII	**Tax expense:**			
	(1) Current tax		**-**	-
	(2) Deferred tax	37	**532.10**	850.03
	(3) Tax credit for earlier years		**(480.86)**	-
IX	**Profit/(Loss) after Tax (VII - VIII)**		**1,678.24**	**(2,602.27)**
X	**Other Comprehensive Income (OCI)**			
	Items that will not be reclassified to profit or loss			
	a) Remeasurement of the defined benefit plans		**(54.63)**	(60.63)
	b) Gains / (Losses) on fair value of Equity instruments measured at fair value through OCI		**(517.62)**	(632.62)
	c) Income tax relating to items that will not be reclassified to profit or loss		**144.02**	174.48
	Total Other Comprehensive Income		**(428.23)**	**(518.77)**
XI	**Total Comprehensive Income for the year (IX + X)**		**1,250.01**	**(3,121.04)**
XII	Earnings per equity share of face value of ₹ 10/- each			
	- Basic and Diluted (in ₹)	38	**13.99**	(21.69)

Summary of Material accounting policies and notes form an integral part of the financial statements

Vide our report of even date attached

For VKS Aiyer & Co
Chartered Accountants
ICAI Firm Reg.No.: 000066S
C.S.Sathyanarayanan
Partner
M.No. : 028328
Place : Coimbatore
Date : 23-May-2024

For and on behalf of the Board of Directors

Ashwin Chandran
Chairman and Managing Director
(DIN : 00001884)

M K Ravindra Kumar
Chief Financial Officer

Prashanth Chandran
Vice Chairman and Managing Director
(DIN : 01909559)

S Kavitha
Company Secretary
(FCS No. 8710)

Standalone Statement of changes in equity for the year ended 31st March 2024

A. EQUITY SHARE CAPITAL

₹ Lakhs

Balance as at April 1, 2023	Changes in equity share capital due to prior period errors	Restated balance as at April 1, 2023	Changes in equity share capital during the year	Balance as at March 31, 2024
1,200.00	-	1,200.00	-	1,200.00

₹ Lakhs

Balance as at April 1, 2022	Changes in equity share capital due to prior period errors	Restated balance as at April 1, 2022	Changes in equity share capital during the year	Balance as at March 31, 2023
1,200.00	-	1,200.00	-	1,200.00

B. OTHER EQUITY

₹ Lakhs

Particulars	Reserves and Surplus					Items of other comprehensive Income		Total
	Capital Reserve	Capital Redemption Reserve	Securities Premium	General Reserve	Retained Earnings	Equity instruments through other Comprehensive Income	Re-measurement of the defined benefit plans	
Balance as at 01st April, 2023	48.19	355.00	2,736.46	11,796.41	21,096.97	1,689.62	(691.40)	**37,031.25**
Profit/ (Loss) for the year					1,678.24			**1,678.24**
Other Comprehensive Income for the year (net of tax)						(387.35)	(40.88)	**(428.23)**
Balance as at 31st Mar, 2024	**48.19**	**355.00**	**2,736.46**	**11,796.41**	**22,775.21**	**1,302.27**	**(732.28)**	**38,281.26**
Balance as at 01st April, 2022	48.19	355.00	2,736.46	11,796.41	24,419.24	2,163.02	(646.03)	**40,872.29**
Profit/ (Loss) for the year					(2,602.27)			**(2,602.27)**
Other Comprehensive Income for the year (net of tax)						(473.40)	(45.37)	**(518.77)**
Dividend Paid					(720)			**(720.00)**
Balance as at 31st Mar, 2023	**48.19**	**355.00**	**2,736.46**	**11,796.41**	**21,096.97**	**1,689.62**	**(691.40)**	**37,031.25**

Summary of Material accounting policies & Notes form an integral part of the financial statements

Vide our report of even date attached
For VKS Aiyer & Co
Chartered Accountants
ICAI Firm Reg.No.: 000066S
C.S.Sathyanarayanan
Partner
M.No. : 028328
Place : Coimbatore
Date : 23-May-2024

For and on behalf of the Board of Directors

Ashwin Chandran
Chairman and Managing Director
(DIN : 00001884)

M K Ravindra Kumar
Chief Financial Officer

Prashanth Chandran
Vice Chairman and Managing Director
(DIN : 01909559)

S Kavitha
Company Secretary
(FCS No. 8710)

Standalone Statement of Cash Flows

Particulars		For the year ended 31.03.2024		₹ Lakhs For the year ended 31.03.2023
A. CASH FLOW FROM OPERATING ACTIVITIES				
Net Profit/(Loss) before exceptional items and tax		**1,106.33**		**(3,452.30)**
Adjustments for :				
Depreciation and amortization expenses	**2,267.36**		3,339.74	
Interest income	**(242.70)**		(94.47)	
(Gain)/Loss on fair valuation of financial assets at fair value through Profit and Loss (FVTPL)	**9.37**		(4.90)	
Dividend from Financial assets at fair value through Profit and Loss	**(1.37)**		(0.10)	
(Profit)/Loss on sale of Property,Plant and Equipment (net)	**(57.58)**		(239.00)	
Unrealised foreign exchange loss/(gain)	**(19.36)**		(45.22)	
Liabilities no more payable	**(313.50)**		(102.45)	
Finance cost (including fair value change in financial instruments)	**3,935.46**		3,613.55	
Allowance for credit loss (net)	**(9.99)**		141.82	
Bad debts / advances written off	**39.36**		20.89	
Other adjustments	**(20.80)**		67.09	
(Profit)/Loss on Sale of Investments (net)	**(8.91)**		-	
		5,577.34		**6,696.95**
Operating Profit before working capital changes		**6,683.67**		**3,244.65**
Adjustments for :				
(Increase) / Decrease in Inventories	**973.70**		(59.87)	
(Increase) / Decrease in Trade Receivables	**(1,152.50)**		1,987.38	
(Increase) / Decrease in Loans and Other Financial Assets	**(154.95)**		(183.62)	
(Increase) / Decrease in Other Assets	**186.59**		607.86	
Increase / (Decrease) in Trade Payable	**3,977.84**		2,593.26	
Increase / (Decrease) in Other Financial Liabilities	**735.43**		(2,694.44)	
Increase / (Decrease) in Other Liabilities and Provisions	**437.31**		31.33	
		5,003.42		**2,281.90**
Cash generated from Operations		**11,687.09**		5,526.55
Direct Taxes		**419.45**		(603.28)
Net Cash flow used in investing activities		**12,106.54**		**4,923.27**
B. CASH FLOW FROM INVESTING ACTIVITIES				
Purchase of Property, Plant and Equipment (Including CWIP)	**(7,456.53)**		(2,079.87)	
Advance settled for purchase of Property, Plant and Equipment	**1,349.94**		(1,110.65)	
Sale of Property, Plant and Equipment	**102.97**		401.79	
Purchase of Non - Current Investments	**(264.00)**		(110.90)	
Purchase of current investments	**(1,804.27)**		(206.44)	
Sale of non current investments	**110.91**		-	
Sale of current investments	**802.41**		-	
Other Investing activities	**(0.91)**		6.85	
Interest Received	**221.23**		93.63	
Dividend received	**1.37**		0.10	
Net Cash flow used in investing activities		**(6,936.88)**		**(3,005.49)**
C. CASH FLOW FROM FINANCING ACTIVITIES:-				
Interest Paid	**(3,942.85)**		(3,376.06)	
Dividend/Unclaimed Dividend paid	**(0.83)**		(712.12)	
Proceeds / (Repayment) of Long Term Borrowings	**433.52**		2,588.57	
Repayment of lease liability	**(126.51)**		116.65)	
Proceeds / (Repayments) of Unsecured Loan	**-**		(1,000.82)	
Proceeds / (Repayments) of loans repayable on demand	**(1,404.61)**		281.16	
Net Cash Flow used in financing activities		**5,041.28**		**(2,335.92)**

Particulars	For the year ended 31.03.2024	₹ Lakhs For the year ended 31.03.2023
Net Increase/(Decrease) in Cash and Cash Equivalent	**128.38**	(418.14)
Cash and Bank Balances as at		
01.04.2023 and 01.04.2022 (Opening balance)	**646.55**	1,064.69 9
Less: Bank balances not considered as Cash and Cash Equivalents		
as per Indian Accounting Standard 7	**722.24**	585.33
Cash and Cash Equivalents as at		
31.03.2024 and 31.03.2023 (Closing balance) (Refer note no. 11)	**52.69**	**61.22**

Changes in liability arising from financing activities, disclosing changes arising from Cash and Non Cash Flow

Particulars	Non Current Borrowings (including current maturities)	Current Borrowings	Lease Liability
As on 31.03.2024			
Opening Balance as at 01st April, 2023	**17,557.65**	**20,224.92**	**90.32**
Cash Flows (Net) - Proceeds/(Repayment)	433.52	(1,404.61)	(126.51)
Additions during the year - Impact on account of Ind AS 116	-	-	474.14
Other adjustments	(0.33)	54.00	-
Amortisation of loan origination cost	20.32	-	-
Closing Balance as at 31st March, 2024	**18,011.16**	**18,874.31**	**437.95**
As on 31.03.2023			
Opening Balance as at 01st April, 2022	**14,832.17**	**20,945.10**	**193.63**
Cash Flows (Net) - Proceeds/(Repayment)	2,588.57	(719.66)	(116.65)
Additions during the year - Impact on account of Ind AS 116	-	-	13.34
Other adjustments	(78.81)	(0.50)	-
Amortisation of loan origination cost	17.82	-	-
De-recognition of unamortised portion of finance charges	197.90	-	-
Closing Balance as at 31st March, 2023	**17,557.65**	**20,224.94**	**90.32**

Summary of Material accounting policies & Notes form an integral part of the financial statements

Vide our report of even date attached

For and on behalf of the Board of Directors

For VKS Aiyer & Co
Chartered Accountants
ICAI Firm Reg.No.: 000066S

Ashwin Chandran
Chairman and Managing Director
(DIN : 00001884)

M K Ravindra Kumar
Chief Financial Officer

C.S.Sathyanarayanan
Partner
M. No: 028328
Place : Coimbatore
Date : 23-May-2024

Prashanth Chandran
Vice Chairman and Managing Director
(DIN : 01909559)

S Kavitha
Company Secretary
(FCS No. 8710)

NOTES TO THE STANDALONE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH 2024

Note 1

a. Corporate Information:

Precot Limited has been in the textile industry since 1962 and is engaged in manufacturing of yarn and technical textile product. It started its first production in 1964 with an initial capacity of 12,096 spindles at Kanjikode, Kerala. At present it has units in the four southern states of India viz., Tamil Nadu, Kerala, Andhra Pradesh and Karnataka with a total spinning capacity of 1,63,000 spindles. In 2013, the company has set up a Greenfield technical textile at Hassan in the State of Karnataka. The Equity shares are listed on the National Stock Exchange of India Limited.

b. Summary of material accounting policies:

I. General Information and Statement of Compliance

These Standalone financial statements have been prepared in accordance with the Indian Accounting Standards (hereinafter referred to as the 'Ind AS') as notified by Ministry of Corporate Affairs ('MCA') under Section 133 of the Companies Act, 2013 ('the Act') read with the Companies (Indian Accounting Standards) Rules, 2015, as amended and other relevant provisions of the Act.

The Standalone financial statements were authorized and approved for issue by the Board of Directors on 23rd May 2024.

II. Basis of Preparation and Presentation

The Standalone financial statements have been prepared on going concern basis in accordance with accounting principles generally accepted in India. The presentation of financial statement is based on Ind AS Schedule III of the Companies Act, 2013. The Standalone financial statements are presented in Indian Rupee (₹) which is also the functional and presentation currency of the Company.

The Financial Statements have been prepared & presented on the historical convention and on accrual basis, except for the following material items in the Balance Sheet:

- Certain financial assets and liabilities are measured at fair value;
- Derivative instruments are measured at their fair values;
- Employee defined benefit assets/ liabilities are recognised as the net total of fair value of plan assets, adjusted for actuarial gains/losses and the present value of defined benefit obligations;
- Long term borrowings are measured at amortised cost using the effective interest rate method;
- Assets held for sale are measured at fair value less cost to sell;
- Right-of-use of Assets are recognised at the present value of lease payments that are not paid as on that date. This amount is adjusted for any lease payments made at or before the commencement of the lease and initial direct cost incurred, if any.

III. Revenue recognition

Revenue is measured at the fair value of the consideration received or receivable. Amounts disclosed as revenue are net of returns, trade allowances, rebates, goods and services taxes plus amount collected on behalf of third parties.

Revenue from contracts with customers is recognized when control of the goods and services are transferred to the customer at an amount that reflects the consideration which the company expects to be entitled in exchange for those goods or services.

Revenue from sale of goods is recognized at the point of time when the control of the goods is transferred to the customer.

The company considers any other promises in the contract that are separate performance obligations to which a portion of the transaction price needs to be allocated. In determining transaction price for the goods, the company consider the effect of variable consideration, the existence significant financing components, non-cash consideration and consideration payable to the customer, if any.

Revenue is recognised when the performance obligation is satisfied either over time or at a point of time. The Indian accounting standards read with international terms and conditions is being appropriately factored in recognising revenue.

Other Operating Revenues comprise of income from ancillary activities incidental to the operations of the Company and is recognised when the right to receive the income is established as per the terms of the contract.

Dividend income from investments is recognised when the Company's right to receive payment has been established.

Interest Income from a financial asset is recognised when it is probable that the economic benefits will flow to the Company and the amount of income can be measured reliably. Interest income is accrued on a time basis, by reference to the principal outstanding and at the effective interest rate applicable, which is the rate that exactly discounts estimated future cash receipts through the expected life of the financial asset or shorter period, where appropriate to the gross carrying amount of the financial asset or to the amortized cost of a financial asset.

When calculating the effective interest rate, the company estimates the expected cash flows by considering all the contractual terms of the financial instrument but does not consider the expected credit losses. Interest income is included in other income in the statement of profit and loss. The expected cash flows are reassessed on a yearly basis and changes, if any, are accounted prospectively.

IV. Property, Plant and Equipment

Property, Plant and Equipment (PPE), being fixed assets are tangible items that are held for use in the production or supply of goods or services, for rental to others, or for administrative purposes and are expected to be used for more than a period of twelve months.

Items of PPE are measured at cost, which includes capitalised borrowing costs, less accumulated depreciation and accumulated impairment losses, if any. Financing costs (if any) relating to acquisition of assets which take substantial period of time to get ready for intended use are also included to the extent they relate to the period up to such assets are ready for their intended use.

Initial Cost of an item of PPE comprises its purchase price, including import duties and non-refundable purchase taxes, after deducting trade discounts and rebates, any directly attributable cost of bringing the item to its location and working condition necessary for it to be capable of operating in the manner intended by the Management and estimated costs of dismantling and removing the item and restoring the site on which it is located.

Items such as spare parts, stand-by equipment and servicing equipment are capitalized when they meet the definition of property, plant and equipment.

If significant parts of an item of PPE have different useful lives, then they are accounted for as separate items (major components) of PPE.

Subsequent costs and disposal: Subsequent expenditure related to an item of PPE is added to its book value only if it increases the future economic benefits from the existing asset beyond its previously assessed standard of performance/life.

All other expenses on existing PPE, including day-to-day repair and maintenance expenditure and cost of replacing parts re charged to the statement of profit and loss for the period during which such expenses are incurred.

Derecognition: The carrying amount of an item of PPE is derecognised on disposal or when no future economic benefits are expected from its use or disposal.

Gains or losses arising from derecognition of PPE are measured as the difference between the net disposal proceeds and the carrying amount of the assets and are recognized in the statement of profit and loss when the asset is derecognized.

Capital-work-in-progress: Assets in the course of construction are capitalized in capital work in progress account. At the point when an asset is capable of operating in the manner intended by management, the cost of construction is transferred to the appropriate category of property, plant and equipment. Costs (net of income) associated with the commissioning of an asset are capitalised until the period of commissioning has been completed and the asset is ready for its intended use.

Depreciation: Depreciation on PPE is provided under straight line method as per the useful lives and manner prescribed under Schedule II to the Companies Act, 2013, except for plant & equipments where the useful life is estimated to be 20 years (10 years based on triple shift basis), based on technical evaluation.

The Management believes that the estimated useful lives as per the provisions of Schedule II to the Companies Act, 2013, wherever adopted, are realistic and reflect fair approximation of the period over which the assets are likely to be used.

The estimated useful lives, residual values and depreciation method are reviewed at the end of each reporting period, if there has been a significant change in the expected pattern of consumption of future economic benefits embodied in the asset, depreciation is charged prospectively to reflect the changed pattern.

The Company has used the following useful lives to provide depreciation on its Property, Plant and Equipment:

Class of Assets	Useful Lives
Factory Buildings	30 Years
Non- Factory Buildings	60 Years
Improvements to Lease hold Buildings	Term of Lease or estimated useful life whichever is earlier
Plant and Equipment	10 Years (on triple shift basis)
Solar Power Plant	22 Years
Vehicles – Two wheeler	10 Years
Vehicles – Four wheeler	8 years
Furniture and Fixtures	10 Years
Office equipments	5 years

V. Impairment of Non Financial assets:

The Company periodically assesses whether there is any indication that an asset or a group of assets comprising a cash generating unit may be impaired. If any such indication exists, the Company estimates the recoverable amount of the asset. For an asset or group of assets that does not generate largely independent cash inflows, the recoverable amount is determined for the cash- generating unit to which the asset belongs. If such recoverable amount of the asset or the recoverable amount of the cash generating unit to which the asset belongs is less than its carrying amount, the carrying amount is reduced to its recoverable amount. The reduction is treated as an impairment loss and is recognized in the statement of profit and loss. If at the balance sheet date there is an indication that if a previously assessed impairment loss no longer exists, the recoverable amount is reassessed and the asset is reflected at the recoverable amount subject to a maximum of depreciable historical cost. An impairment loss is reversed only to the extent that the amount of asset does not exceed the net book value that would have been determined if no impairment loss had been recognized.

VI. Borrowings:

Borrowing cost includes interest expense as per Effective Interest Rate (EIR) and exchange differences arising from foreign currency borrowings to the extent they are regarded as an adjustment to the interest cost.

Borrowing costs directly attributable to the acquisition, construction or production of qualifying assets, which are assets that necessarily take a substantial period of time to get ready for their intended use or sale, are added to the cost of those assets, until such time as the assets are substantially ready for their intended use or sale.

All other borrowing costs are recognised in the statement of profit and loss in the period in which they are incurred.

VII. Inventories:

Inventories are stated at the lower of cost and net realisable value.

Cost of raw materials includes cost of purchase and other costs incurred in bringing the inventories to their present location and condition.

Cost of finished goods and work in progress include cost of direct materials and labour and a proportion of manufacturing overheads based on the normal operating capacity but excluding borrowing costs.

Costs of inventories are determined on weighted average basis. Net realisable value represents the estimated selling price for inventories less all estimated costs of completion and costs necessary to make the sale.

The Net realisable value of work-in-progress is determined with reference to the selling prices of related finished products.

Raw Material, components and other supplies held for use in the production of finished products are not written down below cost except in cases where material prices have declined and it is estimated that the cost of the finished products will exceed their net realisable value. The comparison of cost and net realisable value is made on item-by-item basis.

Stores & Spares which do not meet the definition of PPE are accounted as inventories.

VIII. Employee Benefits

Retirement benefit costs and termination benefits:

i. **Defined Contribution Plan:** A defined contribution plan is a post-employment benefit plan under which the Company pays specified contributions to a separate entity. The Company makes specified monthly contributions towards Provident Fund and Employee State Insurance. The Company's contribution is recognized as an expense in the Statement of Profit and Loss during the period in which the employee renders the related service. Payments to defined contribution retirement benefit plans are recognised as an expense when employees have rendered service entitling them to the contributions.

ii. **Defined Benefit Plan:** The cost of providing benefits is determined using the projected unit credit method, with actuarial valuations being carried out at the end of each annual reporting period. Re-measurement, comprising actuarial gains and losses, the effect of the changes to the asset ceiling (if applicable) and the return on plan assets (excluding interest), is reflected immediately in the statement of financial position with a charge or credit recognised in other comprehensive income in the period in which they occur. Re-measurement recognised in other comprehensive income is reflected immediately in retained earnings and will not be reclassified to profit or loss. Past service cost is recognised in profit or loss in the period of a plan amendment.

Net interest is calculated by applying the discount rate at the beginning of the period to the net defined benefit liability or asset. Defined benefit costs are categorised as follows:

a. service cost (including current service cost, past service cost, as well as gains and losses on curtailments and settlements);

b. net interest expense or income; and

c. re-measurement

The Company presents the first two components of defined benefit costs in profit or loss in the line item 'Employee benefits expenses'. Curtailment gains and losses are accounted for as past service costs. The retirement benefit obligation recognised in the statement of financial position represents the actual deficit or surplus in the Company's defined benefit plans. The Company presents the above liability/(asset) as current and non-current in the Balance Sheet as per actuarial valuation by the independent actuary and also considering whether the Company will contribute this amount to the gratuity fund within the next twelve months.

A liability for a termination benefit is recognised at the earlier of when the entity can no longer withdraw the offer of the termination benefit and when the entity recognises any related restructuring costs.

Short-term and other long-term employee benefits:

A liability is recognised for benefits accruing to employees in respect of wages and salaries, annual leave and sick leave in the period the related service is rendered at the undiscounted amount of the benefits expected to be paid in exchange for that service. Liabilities recognised in respect of short-term employee benefits are measured at the undiscounted amount of the benefits expected to be paid in exchange for the related service.

Liabilities recognised in respect of other long-term employee benefits are measured at the present value of the estimated future cash outflows expected to be made by the Company in respect of services provided by employees up to the reporting date.

IX. Provisions and contingent liabilities

Provisions are recognised when the Company has a present obligation (legal or constructive), as a result of past events, and it is probable that an outflow of resources, that can be reliably estimated, will be required to settle such an obligation.

The amount recognised as a provision is the best estimate of the consideration required to settle the present obligation at the balance sheet date, taking into account the risks and uncertainties surrounding the obligation. When a provision is measured using the cash flows estimated to settle the present obligation, its carrying amount is the present value of those cash flows (when the effect of the time value of money is material).

When some or all of the economic benefits required to settle a provision are expected to be recovered from a third party, a receivable is recognized as an asset if it is virtually certain that reimbursement will be received and the amount of the receivable can be measured reliably.

A disclosure for a contingent liability is made when there is a possible obligation or a present obligation that may, but probably will not, require an outflow of resources. When there is a possible obligation that the likelihood of outflow of resources is remote, no provision or disclosure is made.

X. Financial Instruments

Financial assets and financial liabilities are recognised when the Company becomes a party to the contractual provisions of the instruments.

Financial assets and financial liabilities are initially measured at fair value. Transaction costs that are directly attributable to the acquisition or issue of financial assets and financial liabilities (other than financial assets and financial liabilities at fair value through Statement of Profit and Loss (FVTPL)) are added to or deducted from the fair value of the financial assets or financial liabilities, as appropriate, on initial recognition. Transaction costs directly attributable to the acquisition of financial assets or financial liabilities at fair value through profit and loss are recognised immediately in Statement of Profit and Loss.

A. Financial Assets:

(i) Recognition and initial Measurement: The Company initially recognises loans and advances, deposits, debt securities issues and subordinated liabilities on the date on which they originate. All other financial instruments (including regular way purchases and sales of financial assets) are recognised on the trade date, which is the date on which the Company becomes a party to the contractual provisions of the instrument. A financial asset or liability is initially measured at fair value plus, for an item not at FVTPL, transaction costs that are directly attributable to its acquisition or issue. However, trade receivables that do not contain significant financing components are measured at transaction cost.

(ii) Classification of financial assets: On initial recognition, a financial asset is classified to be measured at amortised cost, fair value through other comprehensive income (FVTOCI) or FVTPL.

A financial asset is measured at amortised cost if it meets both of the following conditions and is not designated at FVTPL:

- The asset is held within a business model whose objective is to hold assets to collect contractual cash flows; and
- The contractual terms of the financial asset give rise on specified dates to cash fiows that are solely payments of principal and interest on the principal amount outstanding.

A debt instrument is classified as FVTOCI only if it meets both of the following conditions and is not recognised at FVTPL;

i) The asset is held within a business model whose objective is achieved by both collecting contractual cash flows and selling financial assets; and

ii) The contractual terms of the financial asset give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding.

Debt instruments included within the FVTOCI category are measured initially as well as at each reporting date at fair value. Fair value movements are recognized in the Other Comprehensive Income (OCI). However, the Company recognizes interest income, impairment losses & reversals and foreign exchange gain or loss in the Statement of Profit and Loss. On derecognition of the asset, cumulative gain or loss previously recognised in OCI is reclassified from the equity to Statement of Profit and Loss. Interest earned whilst holding FVTOCI debt instrument is reported as interest income using the EIR method.

Equity investments (other than investments in subsidiaries and joint ventures):

All equity investments within the scope of Ind AS 109, 'Financial Instruments' are measured at fair value. Equity instruments which are held for trading and contingent consideration recognised by an acquirer in a business combination to which Ind AS 103 applies are classified as at FVTPL. For all other equity instruments, the Company may make an irrevocable election to present in other comprehensive income subsequent changes in the fair value. The Company makes such election on an instrument-by instrument basis. The classification is made on initial recognition and is irrevocable. If the Company decides to classify an equity instrument as at FVTOCI, then all fair value changes on the instrument, excluding dividends, are recognized in the OCI. There is no recycling of the amounts from OCI to Statement of Profit and Loss, even on sale of investment. However, the Company may transfer the cumulative gain or loss within equity.

Equity instruments included within the FVTPL category are measured at fair value with all changes recognized in the Statement of Profit and Loss.

All other financial assets are classified as measured at FVTPL. In addition, on initial recognition, the Company may irrevocably designate a financial asset that otherwise meets the requirements to be measured at amortised cost or at FVTOCI or at FVTPL if doing so eliminates or significantly reduces an accounting mismatch that would otherwise arise.

Financial assets at FVTPL are measured at fair value at the end of each reporting period, with any gains and losses arising on remeasurement recognized in statement of profit or loss. The net gain or loss recognized in statement of profit or loss incorporates any dividend or interest earned on the financial asset and is included in the 'other income' line item. Dividend on financial assets at FVTPL is recognized when:

a. The Company's right to receive the dividends is established,

b. It is probable that the economic benefits associated with the dividends will flow to the entity,

The dividend does not represent a recovery of part of cost of the investment and the amount of dividend can be measured reliably.

iii) Impairment: The Company assesses at each reporting date whether a financial asset (or a group of financial assets) is impaired based on evidence or information that is available without undue cost or effort. Expected credit losses are assessed and loss allowances recognised if the credit quality of the financial asset has deteriorated significantly since initial recognition.

Ind AS 109 requires expected credit losses to be measured through a loss allowance. The Company recognizes lifetime expected losses for all contract assets and / or all trade receivables that do not constitute a financing transaction. For all other financial assets, expected credit losses are measured at an amount equal to the 12-month expected credit losses or at an amount equal to the life time expected credit losses, if the credit risk on the financial asset has increased significantly since initial recognition.

B. Financial liabilities and equity instruments

Financial liabilities are classified as at FVTPL when the financial liability is either held for trading or it is designated as at FVTPL.

(i) Recognition and initial Measurement:

A financial liability is classified as held for trading if:

i) It has been incurred principally for the purpose of repurchasing it in the near term; or

ii) on initial recognition it is part of a portfolio of identified financial instruments that the Company manages together and has a recent actual pattern of short-term profit-taking; or

iii) it is a derivative that is not designated and effective as a hedging instrument.

A financial liability other than a financial liability held for trading may be designated as at FVTPL upon initial recognition if:

i) such designation eliminates or significantly reduces a measurement or recognition inconsistency that would otherwise arise;

ii) the financial liability forms part of a group of financial assets or financial liabilities or both, which is managed and its performance is evaluated on a fair value basis, in accordance with the Company's documented risk management or investment strategy, and information about the grouping is provided internally on that basis; or

iii) it forms part of a contract containing one or more embedded derivatives, and Ind AS 109 permits the entire combined contract to be designated as at FVTPL in accordance with Ind AS 109.

Financial liabilities at FVTPL are stated at fair value, with any gains or losses arising on remeasurement recognised in Statement of Profit and Loss. The net gain or loss recognised in Statement of Profit and Loss incorporates any interest paid on the financial liability and is included in the 'other gains and losses' line item in the Statement of Profit and Loss. The Company derecognises financial liabilities when, and only when, the Company's obligations are discharged, cancelled or they expire. The difference between the carrying amount of the financial liability derecognised and the consideration paid and payable is recognised in Statement of Profit and Loss.

(ii) Subsequent measurement

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

a. Loans and borrowings

After initial recognition, interest-bearing loans and borrowings are subsequently measured at amortized cost using the Effective Interest Rate (EIR) method. Gains and losses are recognized in profit or loss when the liabilities are de-recognized as well as through the EIR amortization process. Amortized cost is calculated by taking into account any discount or premium on acquisition and fees or costs that are an integral part of the EIR. The EIR amortization is included as finance costs in the statement of profit and loss.

b. Trade and other payables

These amounts represent liabilities for goods or services provided to the Company which are unpaid at the end of the reporting period. Trade and other payables are presented as current liabilities when the payment is due within a period of 12 months from the end of the reporting period.

For all trade and other payables classified as current, the carrying amounts approximate fair value due to the short maturity of these instruments. Other payables falling due after 12 months from the end of the reporting period are presented as non-current liabilities and are measured at amortized cost unless designated as fair value through profit and loss at the inception.

c. Other financial liabilities at fair value through profit or loss:

Financial liabilities at fair value through profit or loss include financial liabilities held for trading and financial liabilities designated upon initial recognition as at fair value through profit or loss. Gains or losses on liabilities held for trading are recognized in the statement of profit and loss.

Other financial liabilities: Other financial liabilities (including borrowings and trade and other payables) are subsequently measured at amortised cost using the effective interest method.

(iii) Derecognition of financial liabilities: The Company derecognises financial liabilities when, and only when, the Company's obligations are discharged, cancelled or have expired. An exchange between with a lender of debt instruments with substantially different terms is accounted for as an extinguishment of the original financial liability and the recognition of a new financial liability. Similarly, a substantial modification of the terms of an existing financial liability (whether or not attributable to the financial difficulty of the debtor) is accounted for as an extinguishment of the original financial liability and the recognition of a new financial liability. The difference between the carrying amount of the financial liability derecognised and the consideration paid and payable is recognised in the statement of profit and loss.

Significant accounting judgements, estimates and assumptions:

The preparation of financial statements in conformity with the recognition and measurement principles of Ind AS requires management to make judgments, estimates and assumptions that affect the reported balances of revenues, expenses, assets and liabilities and the accompanying disclosures, and the disclosure of contingent liabilities. Uncertainty about these assumptions and estimates could result in outcomes that require a material adjustment to the carrying amount of assets or liabilities affected in future periods.

The estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognized in the period in which the estimate is revised if the revision affects only that period, or in the period of the revision and future period, if the revision affects current and future period.

The following are the areas of estimation uncertainty and critical judgments that the management has made in the process of applying the Company's accounting policies:

i. **Useful Lives of Property, Plant and Equipment:** Management reviews the useful lives of property, plant and equipment at least once a year. Such lives are dependent upon an assessment of both the technical lives of the assets and also their likely economic lives based on various internal and external factors including relative efficiency and operating costs. Accordingly, depreciable lives are reviewed annually using the best information available to the Management.

ii. **Impairment:** Determining whether the assets are impaired requires an estimate in the value in use of the assets. The value in use calculation requires the Management to estimate the future cash flows expected to arise from the asset and a suitable discount rate in order to calculate present value. When the actual cash flows are less than expected, a material impairment loss may arise.

iii. **Provisions and Contingencies:** Provisions and liabilities are recognized in the period when it becomes probable that there will be a future outflow of funds resulting from past operations or events that can reasonably be estimated. The timing of recognition requires application of judgement to existing facts and circumstances which may be subject to change. The amounts are determined by discounting the expected future cash flows at a pre-tax rate that reflects current market assessments of the time value of money and the risks specific to the liability.

iv. **Taxes:** Deferred tax assets are recognized for unused tax losses to the extent that it is probable that taxable profit will be available against which the losses can be utilized. Significant management judgement is required to determine the amount of deferred tax assets that can be recognised, based upon the likely timing and the level of future taxable profits together with future tax planning strategies.

v. **Defined Benefit Obligation:** The costs of providing Gratuity and other post-employment benefits are charged to the Statement of Profit and Loss in accordance with Ind AS 19 'Employee benefits' over the period during which benefit is derived from the employees' services. The costs are assessed on the basis of assumptions selected by the management. These assumptions include salary escalation rate, discount rates, expected rate of return on assets and mortality rates. The same is disclosed in Note 35, 'Employee benefits '.

vi. **Inventories:** An inventory provision is recognised for cases where the realisable value is estimated to be lower than the inventory carrying value. The inventory provision is estimated taking into account various factors, including prevailing sales prices of inventory item and losses associated with obsolete / slow-moving / redundant inventory items. The Company has, based on these assessments, made adequate provision in the books

vii.**Leases :** Significant judgments are required in the assumption and estimates in order to determine the ROU Asset and lease liability. The assumption and estimates include application of practical expedients, selection of accounting policy choices, assessment of lease terms, applicable incremental borrowing rate, among others.

Recent accounting pronouncements

The Ministry of Corporate Affairs (MCA) notifies new standards or amendments to the existing standards under Companies (Indian Accounting Standards) Rules as issued from time to time. There is no such notification which would have been applicable from 1st April, 2024.

₹ Lakhs

2. PROPERTY, PLANT AND EQUIPMENT

Particulars	Land	Building	Plant and equipment	Furnitures including office Equipments	Vehicles	Computer	Total
Gross Carrying Value							
As at 31st March 2022	**23,788.22**	**6,850.23**	**27,642.53**	**206.57**	**427.05**	**225.43**	**59,140.03**
Additions / Adjustments	-	24.12	4,763.49	7.49	112.87	26.10	4,934.07
Deductions	-	-	281.63	-	8.70	11.57	301.90
As at 31st March 2023	**23,788.22**	**6,874.35**	**32,124.39**	**214.06**	**531.22**	**239.96**	**63,772.20**
Additions	-	138.04	1,986.01	10.62	1.50	14.84	2,151.01
Deductions	183.60	0.13	85.07	1.08	0.10	0.71	270.69
As at 31st March 2024	**23,604.62**	**7,012.27**	**34,025.32**	**223.60**	**532.62**	**254.09**	**65,652.52**
Accumulated depreciation and impairment							
As at 31st March 2022	**-**	**2,054.62**	**16,316.76**	**139.29**	**139.25**	**116.26**	**18,766.18**
Depreciation / Adjustments	-	334.23	2,761.03	22.37	53.84	28.85	3,200.32
Deductions	-	-	124.25	-	7.02	7.85	139.12
As at 31st March 2023	**-**	**2,388.85**	**18,953.54**	**161.66**	**186.07**	**137.26**	**21,827.38**
Depreciation	-	334.34	1,692.12	11.27	56.98	30.43	2,125.14
Deductions	-	0.09	40.23	0.92	0.08	0.38	41.70
As at 31st March 2024	**-**	**2,723.09**	**20,605.43**	**172.02**	**242.97**	**167.31**	**23,910.82**
Net Carrying Value							
As at 31st March 2023	23,788.22	4,485.50	13,170.85	52.40	345.15	102.70	41,944.82
As at 31st March 2024	**23,604.62**	**4,289.18**	**13,419.89**	**51.58**	**289.65**	**86.78**	**41,741.70**

Certain Property, Plant and Equipment has been given as security against borrowings availed by the company- (Refer note no:18 & 22)

Details of title deeds not held in the name of the Company:

₹ Lakhs

Relevant line item in the balance sheet	Description of item of property	Gross value of property	Title deed held in the name of	Whether title deed holder is a promoter, director or relative of promoter/director or employee of promoter/director	Property held since which date	Reason for not being held in the name of the Company
PPE	Freehold Land	1422.87	Meridian Spintex Limited	No	01.09.2006	The title deeds are in the name of Meridian Spintex Limited, erstwhile Company that was merged with the Company under Section 391 to 394 of the Companies Act, 1956 in terms of the approval of the Honourable High Court(s) of judicature at Madras vide order dt. 01.09.2006.
PPE	Freehold Land	173.10	Suprem Textiles Processing Limited	No	18.09.2017	The title deeds are in the name of Suprem Textiles Processing Limited that was merged with the Company vide NCLT, Chennai Order Dt. 18.09.2017.
PPE	Freehold Land	613.20	Multiflora (Floriculture) Private Limited	No	18.09.2017	The title deeds are in the name of Multiflora (Floriculture) Private Limited currently known as Multiflora Processing Coimbatore Limited that was merged with the Company vide NCLT, Chennai Order Dt. 18.09.2017.
PPE	Freehold Land	51.00	Meridian Industries Limited	No	01.09.2006	The title deeds are in the name of Meridian Industries Limited, erstwhile Company that was merged with the Company under Section 391 to 394 of the Companies Act, 1956 in terms of the approval of the Honourable High Court(s) of judicature, at Madras vide order dt. 01.09.2006.

3 (a) RIGHT OF USE ASSET:

₹ Lakhs

Particulars	Land	Building	Total
Gross Carrying Value			
As at 31st March 2022	**390.60**	**383.30**	**773.90**
Additions	-	-	-
Deductions	-	-	-
As at 31st March 2023	**390.60**	**383.30**	**773.90**
Additions	-	459.80	459.80
Deductions	-	-	-
As at 31st March 2024	**390.60**	**843.10**	**1,233.70**
Accumulated Amortization and Impairment			
As at 31st March 2022	**91.50**	**218.67**	**310.17**
Amortization	30.50	95.68	126.18
Deductions	-	-	-
As at 31st March 2023	**122.00**	**314.35**	**436.35**
Amortization	30.50	97.92	128.42
Deductions	-	-	-
As at 31st March 2024	**152.50**	**412.27**	**564.77**
Net Carrying Value			
As at 31st March 2023	268.60	68.95	337.55
As at 31st March 2024	**238.10**	**430.83**	**668.93**

3(b) CAPITAL WORK IN PROGRESS

	₹ Lakhs
As at 31st March 2023	296.74
As at 31st March 2024	**5,599.31**

Capital Work-in-progress (CWIP) ageing schedule as on 31st March 2024 :

₹ Lakhs

Particulars	Amount in CWIP for a period of				Total
	Less than 1 year	1-2 years	2-3 years	More than 3 years	
Projects in progress	5,568.51	30.80	-	-	5,599.31
Projects temporarily suspended	-	-	-	-	-

Capital Work-in-progress (CWIP) ageing schedule as on 31st March 2023:

₹ Lakhs

Particulars	Amount in CWIP for a period of				Total
	Less than 1 year	1-2 years	2-3 years	More than 3 years	
Projects in progress	296.13	0.61	-	-	296.74
Projects temporarily suspended	-	-	-	-	-

The projects mentioned above are expected to be completed as per plan and there are no projects which are overdue or exceeded its cost compared to its original plan.

3(c) INTANGIBLE ASSETS

₹ Lakhs

Particulars	Amount
Gross Carrying Value	
As at 31st March 2022	**147.12**
Additions	-
Deductions	-
As at 31st March 2023	**147.12**
Additions	12.29
Deductions	-
As at 31st March 2024	**159.41**
Accumulated Amortization and Impairment	
As at 31st March 2022	**103.04**
Amortization	13.24
Deductions	-
As at 31st March 2023	**116.28**
Amortization	13.80
Deductions	-
As at 31st March 2024	**130.08**

Net Carrying Value	
As at 31st March 2023	30.84
As at 31st March 2024	**29.33**

3 (d) INTANGIBLE ASSETS UNDER DEVELOPMENT

₹ Lakhs

As at 31st March 2023	9.33
As at 31st March 2024	**-**

Intangible assets under development (IAUD) ageing schedule as on 31st March 2024

₹ Lakhs

Particulars	Amount in CWIP for a period of				Total
	Less than 1 year	1-2 years	2-3 years	More than 3 years	
Projects in progress	-	-	-	-	-
Projects temporarily suspended	-	-	-	-	-

Intangible assets under development (IAUD) ageing schedule as on 31st March 2023

₹ Lakhs

Particulars	Amount in CWIP for a period of				Total
	Less than 1 year	1-2 years	2-3 years	More than 3 years	
Projects in progress	9.33	-	-	-	9.33
Projects temporarily suspended	-	-	-	-	-

There is no IAUD whose completion is overdue or has exceeded its cost compared to its initial plan.

4. INVESTMENTS

₹ Lakhs

Particulars		31.03.2024	31.03.2023
Investment in Partnership Firm - at Amortized cost			
Investment in Partnership Firm - Suprem Associates *		**81.47**	81.47
Investment in equity shares at fair value through other comprehensive income			
Trade Investments - Unquoted, fully paid up			
12,06,000 shares	A.P. Gas Power Corporation Limited of ₹ 10 each (as on 31.03.22- 12,06,000 shares)	-	517.62
2,25,000 shares	Sai Regency Power Corporation Private limited of ₹ 10 each (as on 31.03.23 - 2,25,000 shares)	-	-
14,000 shares	OPG Energy Private Limited of ₹ 10 each (as on 31.03.23 - 14,000 shares)	-	-
1,08,870 shares	Nagai Power Private Limited of ₹ 10 each (as on 31.03.23 - 1,08,870 shares)	-	-
83,004 shares	Ind-Bharath Power Gencom Limited of ₹ 10 each (as on 31.03.23 - 83,004 shares)	-	-
1,94,265 shares	Vishnupriya Farms Private Limited of ₹ 10 each (as on 31.03.23 - 1,94,265 shares)	-	178.72
12,35,810 shares	FEPL Phoenix Private Limited of ₹ 10 each (as on 31.03.23 - Nil)	264.00	-
	Total Trade Investments	**264.00**	**696.34**
	TOTAL INVESTMENTS	**345.47**	**777.81**
Aggregate amount of Quoted Investments and Market Value thereof		-	-
Aggregate amount of Unquoted Investments		**345.47**	**777.81**
Category-wise Non current investment			
Financial assets carried at amortized cost		**81.47**	**81.47**
Financial assets measured at fair value through other comprehensive income		**264.00**	**696.34**
	Total Non current investment	**345.47**	**777.81**

₹ Lakhs

*** The particulars of partners of the partnership firm, the profit sharing ratio and the capital account balances are as follows:**

Particulars	Profit Sharing ratio	Capital as at 31st March 2024	Capital as at 31st March 2023
Precot Ltd	**99.88%**	**81.47**	81.47
Ashwin Chandran	**0.12%**	**0.10**	0.10

The other investments included in investments are valued at cost approach to arrive at the fair value as there is a wide range of possible fair value measurements and the cost represents estimate of fair value within that range considering the purpose of the investments.

5. OTHER FINANCIAL ASSETS

₹ Lakhs

Particulars	31.03.2024	31.03.2023
Unsecured, considered good		
Security Deposits	**1,001.51**	985.19
Margin money*	**118.10**	-
	1,119.61	**985.19**

* Margin money with banks is towards issue of letter of credit for Imports and bank guarantee.

6. DEFERRED TAX ASSETS/(LIABILITIES) (NET)

₹ Lakhs

Particulars		31.03.2024	31.03.2023
A. Deferred Tax Assets			
- On disallowances under the income tax act		**90.69**	96.01
- On unused tax losses and benefits		**360.56**	899.29
- On employee benefit expense		**570.42**	378.00
- On fair value adjustment of financial instruments		**490.58**	374.97
- On lease liability		**107.56**	21.97
	TOTAL (A)	**1,619.81**	**1,770.24**
B. Deferred Tax Liability			
-On PPE and intangible assets		**1,438.56**	1,200.91
	TOTAL (B)	**1,438.56**	**1,200.91**
Deferred tax Asset/ (liabilities) (Net) (Refer note no.37)	**(A-B)**	**181.25**	**569.33**

7. OTHER NON-CURRENT ASSETS

₹ Lakhs

Particulars	31.03.2024	31.03.2023
Capital advances	**577.58**	1,927.52
Advance Tax (net)	**551.50**	490.09
Prepayments	**34.03**	30.93
	1,163.11	**2,448.54**

8. INVENTORIES

₹ Lakhs

Particulars		31.03.2024	31.03.2023
Raw Materials		**16,783.53**	12,465.34
Work-in-progress		**1,321.67**	1,702.44
Finished goods		**3,504.41**	8,135.03
Stock in trade		**2.81**	2.90
Stores and spares		**1,535.93**	1,693.36
Waste Cotton		**78.84**	201.82
		23,227.19	**24,200.89**
Details of stock in transit			
Raw Materials		**1,548.12**	1,500.29
Stores and spares		**64.23**	87.50
	TOTAL	**1,612.35**	**1,587.79**

(i) For method of valuation of inventories, refer note no.1.

(ii) Inventory held at net realizable value amounting to ₹ 554.34 lakhs. (PY ₹ 4,428.34 Lakhs)

The amount of write down of inventory recognised as an expense during the current year is ₹ 14.38 Lakhs (PY ₹ 309.82 Lakhs)

(iii) There has been no reversal of such write down in current and previous years.

(iv) Inventories have been given as security against certain bank borrowings of the Company - (Refer note nos. 18 & 22)

(v) Cost of inventory recognised as an expense:

₹ Lakhs

Particulars	31.03.2024	31.03.2023
Cost of materials consumed	**56,765.89**	64,797.86
Cost of traded goods sold	**-**	2.90
Consumption of Stores & Spare parts	**4,039.52**	4,332.53
Consumption of Fuel	**865.37**	946.04

9. INVESTMENTS - At Fair Value through Profit and Loss

₹ Lakhs

Particulars	31.03.2024	31.03.2023
Investments under Portfolio Management Scheme	**1,277.66**	198.68
Total	**1,277.66**	**198.68**
Aggregate value of Quoted Investments and Market Value thereof	**1,277.66**	198.68
Aggregate value of Unquoted Investments	**-**	-

10. TRADE RECEIVABLES

₹ Lakhs

Particulars	31.03.2024	31.03.2023
Trade Receivable considered good - Unsecured	**13,354.64**	12,150.48
Less: Allowance for expected credit loss	**269.55**	279.53
	13,085.09	**11,870.95**

Ageing as on 31st March 2024

₹ Lakhs

Particulars	Outstanding for the following period from due date of payment						Total
	Not due	Less than 6 months	6 months - 1 year	1-2 years	2-3 years	More than 3 years	
(i) Undisputed Trade Receivables - considered good	9,782.11	3,334.99	52.18	75.42	54.00	30.66	13,329.36
(ii) Undisputed Trade Receivables which have significant increase in credit risk	-	-	-	-	-	-	-
(iii) Undisputed Trade Receivables - credit impaired	-	-	-	-	-	-	-
(iv) Disputed Trade Receivables - considered good	-	-	-	-	-	-	-
(v) Disputed Trade Receivables - which have significant increase in credit risk	-	-	-	25.27	-	-	25.27
(vi) Disputed Trade Receivables - credit impaired	-	-	-	-	-	-	-
Sub total	**9,782.11**	**3,334.99**	**52.18**	**100.69**	**54.00**	**30.66**	**13,354.63**
Less: Allowance for Expected Credit Loss	-	-	-	-	-	-	(269.55)
Total	**9,782.11**	**3,334.99**	**52.18**	**100.69**	**54.00**	**30.66**	**13,085.09**

Ageing as on 31st March 2023

₹ Lakhs

Particulars	Outstanding for the following period from due date of payment						Total
	Not due	Less than 6 months	6 months - 1 year	1-2 years	2-3 years	More than 3 years	
(i) Undisputed Trade Receivables - considered good	8,303.41	3,099.07	610.78	82.16	29.05	0.73	12,125.21
(ii) Undisputed Trade Receivables which have significant increase in credit risk	-	-	-	-	-	-	-
(iii) Undisputed Trade Receivables - credit impaired	-	-	-	-	-	-	-
(iv) Disputed Trade Receivables - - considered good	-	-	-	-	-	-	-
(v) Disputed Trade Receivables - which have significant increase in credit risk	-	2.88	22.39	-	-	-	25.27
(vi) Disputed Trade Receivables - credit impaired	-	-	-	-	-	-	-
Sub total	**8,303.41**	**3,101.95**	**633.17**	**82.16**	**29.05**	**0.73**	**12,150.48**
Less: Allowance for Expected Credit Loss	-	-	-	-	-	-	(279.53)
Total	**8,303.41**	**3,101.95**	**633.17**	**82.16**	**29.05**	**0.73**	**11,870.95**

Movement in Allowance for expected credit loss is as follows:

₹ Lakhs

Particulars	31.03.2024	31.03.2023
Opening	**279.53**	118.43
Additions	**20.00**	161.10
Reversal	**29.98**	-
Closing	**269.55**	**279.53**

The credit period on sales of goods ranges from 21 to 60 days without security. No interest is charged on trade receivables upto the end of the credit period.

Trade receivables have been given as collateral towards borrowings (Refer security note below Note nos. 18 & 22).

The Company's exposure to credit and currency risk related to trade receivables are given in Note no.43.

Expected credit losses are estimated after taking into account historical credit loss experiences of the Company.

11. CASH AND CASH EQUIVALENTS

₹ Lakhs

Particulars	31.03.2024	31.03.2023
Balances with Banks		
Current accounts	**52.33**	60.26
Cash on hand	**0.36**	0.96
	52.69	**61.22**

12. BANK BALANCE OTHER THAN CASH AND CASH EQUIVALENTS

₹ Lakhs

Particulars	31.03.2024	31.03.2023
Earmarked balances		
In Unclaimed dividend accounts	**7.05**	7.88
In margin money *	**715.19**	577.45
	722.24	**585.33**

* Margin money with banks is towards issue of letter of credit for Imports and bank guarantee.

13. LOANS

₹ Lakhs

Particulars	31.03.2024	31.03.2023
Unsecured, considered good		
Employee Loan / advances	**92.93**	72.40
	92.93	**72.40**

14. OTHERS FINANCIAL ASSETS

₹ Lakhs

Particulars	31.03.2024	31.03.2023
Unsecured, considered good		
Income accrued	**65.76**	39.91
	65.76	**39.91**

15. OTHER CURRENT ASSETS

₹ Lakhs

Particulars	31.03.2024	31.03.2023
Advance to Suppliers & others	**709.19**	1,356.52
Export incentives receivable	**655.74**	298.33
Indirect tax balances/ recoverable /credits	**2,033.83**	1,837.91
Compensation receivable	**-**	160.00
Others		
Prepayments	**299.88**	235.57
	3,698.64	**3,888.33**

16. EQUITY SHARE CAPITAL

₹ Lakhs

Particulars	31.03.2024	31.03.2023
Authorised		
2,13,00,000 Equity Shares of ₹ 10 each	**2,130.00**	2,130.00
(31-03-24 and 31-03-23 - 2,13,00,000 Equity Shares of ₹ 10 each)		
Issued, Subscribed & fully Paid up		
1,20,00,000 Equity Shares of ₹ 10 each fully paid up (31-03-24 and 31-03-23 - 1,20,00,000 Equity Shares of ₹ 10 each)	**1,200.00**	1,200.00
	1,200.00	**1,200.00**

(i) The reconciliation of the numbers of shares outstanding is set out below:

Particulars	31.03.2024		31.03.2023	
	Number	₹ Lakhs	Number	₹ Lakhs
At the beginning/end of the year	**1,20,00,000**	**1,200.00**	1,20,00,000	1,200.00

(ii) Terms / rights attached to equity shares :

a. The company has only one class of issued shares referred to as equity shares having a par value of Rs. 10 each. Each holder of equity shares is entitled to one vote per share.

b. The dividend (except in case of interim dividend) proposed by the Board of Directors, if any, is subject to the approval of shareholders in the ensuing Annual General Meeting.

c. In the event of liquidation of the Company, the holders of the equity shares will be entitled to receive remaining assets of the Company, after distribution of all preferential amount. The distribution will be in proportion to the number of equity shares held by the share holders.

(iii) Shareholding of promoter and promoter group as on 31st March 2024 and 31st March 2023:

S. No.	Promoter name	No. of Shares	% of total shares	% change during the year
1	D Sarath Chandran (Ind)	16,42,845	13.69%	-
2	D Sarath Chandran (HUF)	12,16,251	10.14%	-
3	Ashwin Chandran	23,22,801	19.36%	-
4	Prashanth Chandran	19,87,022	16.56%	-
5	Divya Chandran	1,91,250	1.59%	-
6	Viren Mohan	14,319	0.12%	-
7	Vijay Mohan	1,950	0.02%	-
8	Vikram Mohan	1,875	0.02%	-
9	Vanitha Mohan	1,275	0.01%	-
10	Madhura Mohan	1,012	0.01%	-

(iv) Details of shareholders's holding more than 5% of shares

S. No.	Particulars	Equity Shares			
		As at 31.03.2024		As at 31.03.2023	
		No. of Shares held	% of holding	No. of Shares held	% of holding
1	D Sarath Chandran (Ind)	**16,42,845**	**13.69%**	16,42,845	13.69%
2	D Sarath Chandran (HUF)	**12,16,251**	**10.14%**	12,16,251	10.14%
3	Ashwin Chandran	**23,22,801**	**19.36%**	23,22,801	19.36%
4	Prashanth Chandran	**19,87,022**	**16.56%**	19,87,022	16.56%

v) Shares allotted for consideration other than cash -Nil.

vi) There are no Shares held by Holding Company / Subsidiaries of ultimate Holding Company as on 31st March 2024.

17. OTHER EQUITY

₹ Lakhs

Particulars		31.03.2024	31.03.2023
General reserve		**11,796.41**	11,796.41
Capital Reserve		**48.19**	48.19
Capital Redemption Reserve		**355.00**	355.00
Securities Premium		**2,736.46**	2,736.46
	(A)	**14,936.06**	**14,936.06**
Retained earnings			
Opening balance		**21,096.97**	24,419.24
Add/ (Less): Profit/ (loss) for the year		**1,678.24**	(2,602.27)
Less: Dividend for the year		**-**	(720.00)
	(B)	**22,775.21**	**21,096.97**
Other Comprehensive Income:			
Opening balance		**998.22**	1,516.99
Add: Additions during the year		**(428.23)**	(518.77)
	(C)	**569.99**	**998.22**
	(A+B+C)	**38,281.26**	**37,031.25**

a. General reserve:

Under the erstwhile Companies Act 1956, general reserve was created through an annual transfer of net income at a specified percentage in accordance with applicable regulations.

Consequent to introduction of Companies Act 2013, the requirement to mandatorily transfer a specified percentage of the net profit to general reserve has been withdrawn.

b. Capital Redemption Reserve:

i) An amount of ₹ 55 Lacs was transferred to capital redemption reserve consequent to the buy back of 5,50,000 equity shares in July '2002 as per the statutory requirement and

ii) ₹ 300 Lacs has been transferred from Meridian Industries Limited in 2006-07 to the Company in the course of business combination and can be utilized in accordance with the provisions of the Companies Act, 2013.

C. Securities Premium:

Security premium has been created consequent to issue of shares at premium. The reserve shall be utilized in accordance with the provisions of the Companies Act,2013.

18. BORROWINGS

₹ Lakhs

Particulars		31.03.2024		31.03.2023	
		Non Current	Current	Non Current	Current
Secured Loans - at amortised cost					
Term loans from Banks		**9,487.20**	**2,512.37**	8,504.12	1,999.04
Less: Unamortised upfront fees on borrowings		**33.12**	**5.51**	28.49	3.77
Less: Amount disclosed under current maturities		**-**	**2,506.86**	-	1,995.27
	(A)	**9,454.08**	**-**	**8,475.63**	**-**
Loans from Others		**53.05**	**30.81**	83.86	30.81
Less: Unmatured finance charges		**4.15**	**4.94**	9.09	6.87
Less: Amount disclosed under current maturities		**-**	**25.87**	-	23.94
	(B)	**48.90**	**-**	**74.77**	**-**
12% 700 Non-Convertible Debentures of ₹ 10,00,000/- each		**4,936.42**	**1,061.70**	5,969.37	1,056.44
Less: Unamortised upfront fees on borrowings		**9.05**	**13.63**	22.67	15.10
Less: Amount disclosed under current maturities		**-**	**1,048.07**	-	1,041.34
	(C)	**4,927.37**	**-**	**5,946.70**	**-**
	Total (A+B+C)	**14,430.35**	**-**	**14,497.10**	**-**

I Term loans from Banks:
a. Repayment Terms

₹ Lakhs

Note	Terms of Loans	Bank	31.03.2024	31.03.2023	Description
-	-	ICICI Bank	**-**	814.63	GECL 2.0 Scheme
-	-	ICICI Bank	**-**	131.00	GECL 3.0 Scheme
-	-	ICICI Bank	**-**	514.00	GECL 3.0 Scheme
1	Repayable in 36 monthly instalments aggregating to ₹ 557.37 lakhs. The interest is payable on monthly basis and the rate of interest is 9.25% per annum.	Union Bank of India	**557.37**	-	GECL 3.0 Scheme
1	Repayable in 39 monthly instalments aggregating to ₹ 526.33 lakhs. The interest is payable on monthly basis and the rate of interest is 9.25% per annum.	Union Bank of India	**526.33**	-	GECL 3.0 Scheme
-	-	IndusInd Bank	**-**	1,408.87	GECL 2.0 Scheme
-	-	IndusInd Bank	**-**	1,247.94	GECL 2.0 Scheme
2	Repayable in 22 monthly instalments aggregating to ₹ 911.62 lakhs. The interest is payable on monthly basis and the rate of interest is 9.25% per annum.	Indian Overseas Bank	**911.62**	-	GECL 2.0 Scheme
2	Repayable in 29 monthly instalments aggregating to ₹ 882.69 lakhs. The interest is payable on monthly basis and the rate of interest is 9.25% per annum.	Indian Overseas Bank	**882.69**	-	GECL 2.0 Scheme
3	Repayable in 21 monthly instalments aggregating to ₹ 208.62 lakhs. The interest is payable on monthly basis and the rate of interest is 9.25% per annum.	State Bank of India	**208.62**	327.90	GECL 2.0 Scheme
4	Repayable in 44 monthly instalments aggregating to ₹ 385 lakhs. The interest is payable on monthly basis and the rate of interest is 9.25% per annum.	State Bank of India	**385.00**	420.00	GECL 3.0 Scheme
5	Repayable in 51 quarterly instalments aggregating to ₹ 1,098 lakhs. The interest is payable on monthly basis and the rate of interest is 9.65% per annum.	State Bank of India	**1,098.00**	1,186.00	Term loan - Solar Power Plant
6	Repayable in 53 quarterly instalments aggregating to ₹ 1,442.62 lakhs. The interest is payable on monthly basis and the rate of interest is 9.65% per annum.	State Bank of India	**1,442.62**	1,524.36	Term loan - Solar Power Plant
7	Repayable in 46 monthly instalments aggregating to ₹ 1,712.54 lakhs. The interest is payable on monthly basis and the rate of interest is 9.25% per annum.	Union Bank of India	**1,712.54**	1,787.00	GECL 3.0 Scheme
8	Repayable in 22 monthly instalments aggregating to ₹ 435.20 lakhs. The interest is payable on monthly basis and the rate of interest is 8.80% per annum.	IDBI Bank	**435.20**	672.80	Working Capital Term Loan under GECL 2.0 Scheme
9	Repayable in 34 monthly instalments aggregating to ₹ 343.62 lakhs. The interest is payable on monthly basis and the rate of interest is 8.60% per annum.	IDBI Bank	**343.62**	468.66	Working Capital Term Loan under GECL 2.0 Scheme
10	Repayable in 66 monthly instalments aggregating to ₹ 1,406.80 lakhs commencing from April 2025. The interest is payable on monthly basis and the rate of interest is 9.75% per annum.	Union Bank of India	**1,406.80**	-	Term loan - Spunlace
10	Repayable in 66 monthly instalments aggregating to ₹ 2,089.16 lakhs commencing from April 2025. The interest is payable on monthly basis and the rate of interest is 5.95% per annum.	Union Bank of India	**2,089.16**	-	Term loan - Spunlace
	Total		**11, 999.57**	**10, 503.16**	

b. Security details:

Note 1 : Second ranking pari-passu charge by way of hypothecation of the company's entire stock of raw materials, semi finished & finished goods, consumable stores & spares ,book debts, bills receivable, outstanding monies & other receivables of the company , both present & future, ranking pari-passu with other participating banks and Second raking pari-passu charge on entire fixed assets of the company ranking pari-passu with other participating banks.

Note 2 : Pari passu second charge on entire movable and immovable fixed assets and pari passu second charge on Current Assets and exclusive charge on Promoter's Residential property

Note 3 : Extension of charges on stocks and receivables and pari-passu second charge on the entire fixed assets of the company.

Note 4 : Pari passu second charge on current and fixed Assets of the Company.

Note 5 : Hypothecation of plant & machinery of proposed solar project & first charge over factory land and building at Hindpur, second charge over the entire fixed assets of the Company on Pari passu basis with other Multiple Banking Arrangement banks excluding fixed assets exclusively charged to other banks including Land and Building at various locations, hyphothecation of fixed asset and personal guarantee of promoter directors.

Note 6 : Hypothecation of plant & machinery of proposed solar project & first charge over factory land and building at Kanjikode, Kerala and personal guarantee of promoter directors.

Note 7 : Pari passu second charge with the existing credit facilities in terms of cash flows (including repayments) and securities

Note 8 : Paripassu first charge on the entire Current Assets of the Company and Paripassu second charge on the entire Fixed Assets of the Company.

Note 9 : Second Pari passu charge on the entire current Assets of the Company, both present and future and second Pari passu charge on the collateral securities offered for the existing facilities of the Company.

Note 10: Charge on the assets purchased out of the term loan. Paripassu first charge on the assets situtaed at Pollachi Unit, Paripassu second charge on the entire current assets of the Company along with other capital working lenders.

II - Hire purchase loans from financial institution of ₹ 83.86 Lakhs (March 31, 2023 : ₹114.67 Lakhs) carries interest @ 7.63% to 10.65% p.a. The loans are repayable in 60 monthly instalments starting from the respective date of finance. The loan is secured by specific assets financed (Vehicle).

III - Debentures represents 12% 700 Non-convertible debentures of ₹ 10,00.000/- each issued for cash at par to ICICI Prudential Corporate Credit Opportunities Fund -1. The interest is payable on quarterly basis.

(a) Terms of Repayment:

The debentures are redeemable at a premium of 0.50% per annum on the principal amount and are repayable as follows:

- At the end of 12 months from the deemed date of allotment - 7.5% of the principal amount
- At the end of 18 months from the deemed date of allotment - 7.5% of the principal amount
- At the end of 24 months from the deemed date of allotment - 7.5% of the principal amount
- At the end of 30 months from the deemed date of allotment - 7.5% of the principal amount
- At the end of 36 months from the deemed date of allotment - 10% of the principal amount
- At the end of 42 months from the deemed date of allotment - 10% of the principal amount
- At the end of 45 months from the deemed date of allotment - 50% of the principal amount.

(b) Security details:

- First charge on Technical Textile Plant and all assets thereof, identified land parcels and on the identified Spinning Unit Plant (Land, Building and Machinery) located at Walayar, Kerala.

19. LEASE LIABILITIES

₹ Lakhs

Particulars	31.03.2024	31.03.2023
Lease Liabilities - Non - Current (Refer note no: 53)	**346.38**	-
	346.38	**-**

20. PROVISIONS

₹ Lakhs

Particulars	31.03.2024	31.03.2023
Provision for expenses	**-**	1,076.54
Provision for Gratuity (Refer note no: 39)	**1,443.50**	1,186.01
	1,443.50	**2,262.55**

Movement in provision for expenses

₹ Lakhs

Particulars	31.03.2024	31.03.2023
Opening	**1,076.54**	1,076.54
Additions	**-**	-
Reversal	**(1,076.54)**	-
Closing	**-**	**1,076.54**

21. OTHER NON-CURRENT LIABILITIES

₹ Lakhs

Particulars	31.03.2024	31.03.2023
Deferred Government Grant*	**70.86**	43.06
	70.86	**43.06**

* Represents Grant received from the Government of Karnataka and treated as deferred income to be recognised in the Statement of Profit and Loss over the useful life of Property, Plant and Equipment against which such Grant was received.

22. BORROWINGS

₹ Lakhs

Particulars	31.03.2024	31.03.2023
Secured loans at amortised cost		
Loans repayable on demand:		
From Banks		
- Domestic Currency Loans	**3,560.60**	9,792.05
- Foreign Currency Loan	**15,313.71**	10,432.87
Current maturities of long-term borrowings (Refer note no: 18)	**3,580.80**	3,060.55
	22,455.11	**23,285.47**

1 Working capital loan from banks are secured by pari passu first charge on all the current assets of the Company and pari passu second charge on fixed assets of the Company and are repayable on demand.

2 In respect of the above, working capital rupee loans carry interest rate ranging from 8.60% p.a. to 9.25% p.a. and working capital foreign currency loans carry interest rate ranging from 1.60 % p.a. to 2.01 % p.a. plus applicable SOFR.

3 The quarterly returns or statements of current assets filed by the Company with banks are in agreement with the books of accounts of the Company of the respective quarters.

23. LEASE LIABILITIES

₹ Lakhs

Particulars	31.03.2024	31.03.2023
Lease Liabilities - Current (Refer note no. 53)	**91.57**	90.32
	91.57	**90.32**

24. TRADE PAYABLES

₹ Lakhs

Particulars	31.03.2024	31.03.2023
Trade payables		
- Total outstanding dues of Micro and Small Enterprises (Refer note no. 48)	**168.58**	120.00
- Total outstanding dues of creditors other than Micro and Small Enterprises	**10,129.80**	6,190.09
	10,298.38	**6,310.09**

The Company's exposure to Currency risk and liquidity risk in relation to Trade Payables are disclosed in note no.43.

Ageing as on 31st March 2024

₹ Lakhs

Particulars	Outstanding for the following period from the due date of payment					
	Not due	Less than 1 year	1-2 years	2-3 years	More than 3 years	Total
(i) MSME						
a) Micro and Small	166.32	-	-	-	-	166.32
b) Medium	2.26	-	-	-	-	2.26
(ii) Others	3,495.27	6,634.53	-	-	-	10,129.79
(iii) Disputed dues - Micro and Small	-	-	-	-	-	-
(iv) Disputed dues - Medium	-	-	-	-	-	-
(v) Disputed dues - Others	-	-	-	-	-	-
Total	**3,663.85**	**6,634.53**	**-**	**-**	**-**	**10,298.38**

Ageing as on 31st March 2023

₹ Lakhs

Particulars	Outstanding for the following period from the due date of payment					
	Not due	Less than 1 year	1-2 years	2-3 years	More than 3 years	Total
(i) MSME						
a) Micro and Small	120.00	-	-	-	-	120.00
b) Medium	-	-	-	-	-	-
(ii) Others	3,386.95	2,803.14	-	-	-	6,190.09
(iii) Disputed dues - Micro and Small	-	-	-	-	-	-
(iv) Disputed dues - Medium	-	-	-	-	-	-
(v) Disputed dues - Others	-	-	-	-	-	-
Total	**3,506.95**	**2,803.14**	**-**	**-**	**-**	**6,310.09**

25. OTHER FINANCIAL LIABILITIES

₹ Lakhs

Particulars	31.03.2024	31.03.2023
Interest accrued but not due on borrowings	**211.60**	229.60
Unpaid dividends	**7.05**	7.88
Accrued Employee benefits	**871.44**	707.65
Others *	**2,516.00**	1,961.32
	3,606.09	**2,906.45**

* Other payables include creditors for capital goods, creditors for expenses and outstanding expenses.

26. OTHER CURRENT LIABILITIES

₹ Lakhs

Particulars	31.03.2024	31.03.2023
Statutory Liabilities	**134.43**	178.03
Advance from Customers	**374.12**	132.34
Deferred Government Grant - (Refer note no. 21)	**14.40**	69.09
Others	**1.29**	0.96
	524.24	**380.42**

27. PROVISIONS

₹ Lakhs

Particulars	31.03.2024	31.03.2023
Provision for Gratuity - (Refer note no: 39)	**323.17**	311.15
	323.17	**311.15**

28. REVENUE FROM OPERATIONS

₹ Lakhs

Particulars	2023 - 24	2022 - 23
Sale of Products - Manufactured Goods		
Sale of Yarn	**69,414.54**	67,513.45
Sale of Technical Textile products	**23,855.35**	24,355.84
Total (A)	**93,269.89**	**91,869.29**
Other operating revenue		
Scrap Sales	**3,512.82**	3,246.04
Export Incentive	**954.65**	220.75
Others*	**38.24**	46.23
Total (B)	**4,505.71**	**3,513.02**
Total (A+B)	**97,775.60**	**95,382.31**

** Others include packing charges collected.*

29. OTHER INCOME

₹ Lakhs

Particulars	2023 - 24	2022 - 23
Interest Income from financial assets	**242.70**	94.47
Gain/(Loss) on fairvalue measurement of financial instruments	**3.76**	4.90
Dividend from Financial assets at FVTPL	**1.37**	0.10
Net gain on disposal of property, plant and equipment	**57.58**	239.00
Net gain on sale of investments	**8.91**	-
Gains on exchange fluctuations (net) - (Refer note no: 51)	**373.25**	-
Government grant - (Refer note no: 21 & 26)	**26.89**	83.14
Compensation received	**-**	160.00
Bad debts recovered	**1.20**	27.55
Miscellaneous Income	**318.44**	114.61
	1034.10	**723.77**

30. COST OF MATERIALS CONSUMED

₹ Lakhs

Particulars	2023- 24	2022 - 23
Cotton	**56,765.89**	64,797.86
	56,765.89	**64,797.86**

Particulars of Materials consumed	2023 - 24		2022 - 23	
	% of Consumption	**₹ Lakhs**	% of Consumption	**₹ Lakhs**
Imported	**17.34**	**9,841.63**	30.87	20,004.27
Indigenous	**82.66**	**46,924.26**	69.13	44,793.59
Total	**100.00**	**56,765.89**	**100.00**	**64,797.86**

31. PURCHASE OF STOCK IN TRADE

₹ Lakhs

Particulars	2023 - 24	2022 - 23
Purchase of Stock In Trade	-	2.90
	-	**2.90**

32. CHANGES IN INVENTORIES OF FINISHED GOODS, STOCK IN TRADE AND WORK-IN-PROGRESS

₹ Lakhs

Particulars			2023 - 24	2022-23
Inventory at the end of the year				
Work in Progress				
Yarn and Waste Cotton			**790.02**	1,594.15
Technical Textile products			**610.49**	310.10
		a	**1,400.51**	**1,904.25**
Finished Goods				
Yarn			**2,610.24**	7,976.15
Technical Textile products			**894.17**	158.88
Traded Goods			**2.81**	2.90
		b	**3,507.22**	**8,137.93**
	Total	**c= (a+b)**	**4,907.73**	**10,042.18**
Inventory at the beginning of the year				
Work in Progress				
Yarn & Waste Cotton			**1,594.15**	2,072.46
Technical Textile products			**310.10**	160.16
		d	**1,904.25**	**2,232.62**
Finished Goods			**-**	
Yarn			**7,976.15**	4,994.80
Technical Textile products			**158.88**	342.96
Traded Goods			**2.90**	-
		e	**8,137.93**	**5,337.76**
	Total	**f = (d+e)**	**10,042.18**	**7,570.38**
(Increase) / decrease in Inventories		**(f-c)**	**5,134.45**	**(2,471.80)**

33. EMPLOYEE BENEFITS EXPENSE

₹ Lakhs

Particulars	2023 - 24	2022 - 23
Salaries, Wages and Bonus	**7,925.53**	7,299.71
Contributions to Provident fund and other funds	**613.42**	625.30
Staff welfare expenses	**609.72**	538.00
	9,148.67	**8,463.01**

34. FINANCE COST

₹ Lakhs

Particulars	2023 - 24	2022 - 23
Interest expense	**3,639.03**	3,173.05
Interest on lease Liabilities	**14.35**	13.34
Unwinding of interest on financial liabilities (includes de - recognition of unamortised portion of finance charges of ₹ 197.90 lakhs in FY 2022-23)	**20.32**	206.02
Premium on redemption of debentures	**28.74**	25.81
Exchange differences regarded as an adjustment to borrowing cost	**54.00**	-
Other borrowing costs *	**179.02**	195.33
	3,935.46	**3,613.55**

* Other borrowing cost includes processing fee in respect of working capital borrowings.

35. DEPRECIATION AND AMORTIZATION

₹ Lakhs

Particulars	2023 - 24	2022 - 23
Depreciation on Property Plant & Equipment - Refer note no: 2	**2,125.14**	3,200.32
Depreciation on Right of Use assets - Refer note no: 3(a)	**128.42**	126.18
Amortization of Intangible asset - Refer note no: 3(c)	**13.80**	13.24
	2,267.36	**3,339.74**

36. OTHER EXPENSES

₹ Lakhs

Particulars	2023 - 24	2022-23
Consumption of Stores & Spare parts	**4,039.52**	4,332.53
Power & Fuel (Net) (Refer note no: 47)	**7,658.97**	7,133.54
Processing Charges	**1,226.20**	1,583.51
Repairs and Maintenance		
- Buildings	**326.64**	601.28
- Machinery	**2,304.69**	2,520.57
- Others	**180.56**	162.20
Rent	**22.50**	47.70
Rates and Taxes	**82.78**	110.62
Foreign Exchange loss (net) - (Refer note no: 51)	**-**	362.54
Selling & Distribution expenses	**3,313.02**	3,081.31
Bank Charges	**266.49**	296.31
Communication Expenses	**69.68**	63.26
Traveling Expenses	**173.70**	196.38
Professional Charges	**330.07**	662.36
Auditor's Remuneration - (Refer note no: 36 (A))	**20.95**	22.23
Expected credit Loss / Advances Written off (Net)	**29.37**	162.71
CSR Expenses - (Refer note no: 50)	**-**	99.09
Miscellaneous Expenses	**406.40**	374.98
	20,451.54	**21,813.12**

36 (A): Auditors Remuneration

₹ Lakhs

Particulars	2023 - 24	2022 - 23
(a) For Statutory Audit	**16.00**	15.00
(b) For Tax Audit	**3.40**	4.35
(c) For Other services	**0.88**	2.16
(d) For reimbursement of expenses	**0.67**	0.72
	20.95	**22.23**

37. Tax Expense

(a) Tax expenses recognised in Statement of Profit and Loss

₹ Lakhs

Particulars		2023- 24	2022 - 23
Current Tax			
Current tax on profit for the year		**-**	-
Charge / (Credit) in respect of tax for earlier years		**(480.86)**	-
TOTAL	**(A)**	**(480.86)**	**-**
Deferred Tax			
Origination / reversal of temporary differences		**(6.63)**	49.27
Effect of recognition of deferred tax on tax losses		**538.73**	(899.30)
TOTAL	**(B)**	**532.10**	**(850.03)**
Total Tax expense recognized in Statement of Profit and Loss -	**(A)+(B)**	**51.24**	**(850.03)**

(b) Tax expenses recognised in other comprehensive income

₹ Lakhs

Particulars	2023 - 24	2022-23
Items that will not be reclassified to profit or loss		
Remeasurements of the defined benefit plans	**(13.75)**	(15.26)
Net fair value loss on investments in equity instruments at FVTOCI	**(130.27)**	(159.22)
Total Tax expense recognized in other comprehensive income	**(144.02)**	**(174.48)**

(c) The reconciliation of estimated income tax expense at tax rate to income tax expense reported in Statement of Profit and Loss is as follows:

₹ Lakhs

Particulars	2023 - 24	2022 - 23
Profit/ (Loss) before tax	**1,729.48**	(3,452.30)
Enacted tax rate	**25.17%**	25.17%
Expected income tax expense/(benefit) at statutory tax rate	**435.28**	(868.87)
Tax effect of adjustments to reconcile expected income tax expense to reported income tax expense:		
Expenses not deductible in determining taxable profits	**69.43**	35.44
Income exempt from taxation	**(6.77)**	(20.92)
Effect of utilisation of tax losses	**(422.10)**	-
Effect of recognition of deferred tax on tax losses	**538.73**	-
Charge / (Credit) in respect of tax for earlier years	**(480.86)**	-
Disallowances and reversals - net	**(82.47)**	4.32
Tax expense for the year	**51.24**	**(850.03)**

Note: The above workings are based on provisional computation of tax expenses and are subject to finalisation of tax audit/ filing of tax returns in due course.

d) Significant Components of deferred tax assets / liabilities and their movements

₹ Lakhs

Particulars	Deferred Tax Assets / (Liabilities) as on 01.04.2023	Recognised in profit or loss	Recognised in OCI	Deferred Tax Assets / (Liabilities) as on 31.03.2024
Deferred tax asset/(liabilities)				
- On PPE and intangible assets	(1,200.91)	(237.65)	-	(1,438.56)
- On disallowances under the income tax act	96.01	(5.32)	-	90.69
- On unsued tax losses and benefits	899.29	(538.74)	-	360.56
- On employee benefit expense	378.00	178.67	13.75	570.42
- On fair value adjustment of financial instruments	374.97	(14.67)	130.27	490.58
- On lease liability	21.97	85.59	-	107.56
Net Deferred tax asset/(liabilities)	**569.33**	**(532.10)**	**144.02**	**181.25**

₹ Lakhs

Particulars	Deferred Tax Assets / (Liabilities) as on 01.04.2022	Recognised in profit or loss	Recognised in OCI	Deferred Tax Assets / (Liabilities) as on 31.03.2023
Deferred tax asset/(liabilities)				
- On PPE and intangible assets	(1,149.81)	(51.10)	-	(1,200.91)
- On disallowances under the income tax act	101.58	(5.58)	-	96.01
- On unsued tax losses and benefits	-	899.29	-	899.29
- On employee benefit expense	347.40	15.34	15.26	378.00
- On fair value adjustment of financial instruments	198.71	17.04	159.22	374.97
- On lease liability	46.93	(24.96)	-	21.97
Net Deferred tax asset/(liabilities)	**(455.19)**	**850.03**	**174.48**	**569.33**

38. EARNINGS PER SHARE (EPS)

₹ Lakhs

Particulars	31.03.2024	31.03.2023
Profit/ (Loss) for the year	**1,678.24**	(2,602.27)
Weighted Average number of equity shares used in computing EPS (Nos. in Lakhs)	**120**	120
Basic & Diluted Earnings per share (in ₹) (Face value of ₹ 10 per share)	**13.99**	(21.69)
Face Value per equity share (in ₹)	**10.00**	10.00

39. Employee Benefit Plans

(a) Defined contribution plans - Provident Fund

In accordance with The Employees Provident Funds Act, 1952 employees are entitled to receive benefits under the provident fund. Both the employee and the employer make monthly contributions to the plan at a predetermined rate (12% for fiscal year 2024 and 2023) of an employee's basic salary. All employees have an option to make additional voluntary contributions. These contributions are made to the fund administered and managed by the Government of India (GOI). The Company has no further obligations under the fund managed by the GOI beyond its monthly contributions which are charged to the statement of profit and loss in the period they are incurred.

The expense recognised during the period towards this defined contribution plan is ₹ 337.99 Lakhs (March 31, 2023 - ₹ 307.07 Lakhs).

(b) Defined contribution plans - Employee State Insurance

In accordance with Employees' State Insurance Act, 1948, the eligible employees are entitled to receive benefits under the ESI Scheme. The employer contributes 3.25 percent and employee contributes 0.75 percent, total share 4 percent. This fund is managed by the ESI Corporation (ESIC) according to rules and regulations stipulated there in the ESI Act 1948, which oversees the provision of medical and cash benefits to the employees and their family.

The Company has no further obligations under the fund managed by the GOI beyond its monthly contributions which are charged to the statement of profit and loss in the period they are incurred.

The expense recognised during the period towards this defined contribution plan is ₹ 60.55 Lakhs (March 31, 2023 - ₹ 70.16 Lakhs).

(c) Defined Benefit Plans - Gratuity

The company has defined benefit gratuity plan for its employees, which requires contributions to be made to a separately administered fund. It is governed by the Payment of Gratuity Act, 1972. The plan provides for a lump-sum payment to vested employees at retirement, death, while in employment or on termination of employment of an amount equivalent to 26 days salary payable for each completed year of service. Under the Act, employee who has completed five years of service is entitled to specific benefit. The level of benefits provided depends on the member's length of service and salary at retirement age. The fund has the form of a trust and it is governed by the Board of Trustees. The Board of Trustees is responsible for the administration of the plan assets including investment of the funds in accordance with the norms prescribed by the Government of India.

Each year, the Board of Trustees and the Company review the level of funding in the India gratuity plan. Such a review includes the asset-liability matching strategy and assessment of the investment risk. The Company decides its contribution based on the results of this annual review.

The most recent actuarial valuation of the plan assets and the present value of the defined benefit obligation were carried out at 31 March 2024 by Mr.Srinivasan Nagasubramanian, Armstrong International Employee Benefits Solution, Fellow of the Institute of Actuaries of India . Company's liability towards gratuity (funded) is actuarially determined at each reporting date using the projected unit credit method.

(i) Risk Exposure:

These plans typically expose the Company to actuarial risks such as: investment risk, interest rate risk, longevity risk and salary risk.

Investment risk The present value of the defined benefit plan liability is calculated by reference to the future salaries of the plan participants. As such, an increase in the salary of the plan participants will increase the plan's liability.

Interest risk A decrease in the bond interest rate will increase the plan liability; however, this will be partially offset by an increase in the return on the plan's debt investments.

Longevity risk The present value of the defined benefit plan liability is calculated by reference to the best estimate of the mortality of plan participants both during and after their employment. An increase in the life expectancy of the plan participants will increase the plan's liability.

Salary risk The present value of the defined benefit plan liability is calculated by reference to the future salaries of plan participants. As such, an increase in the salary of the plan participants will increase the plan's liability.

(ii) Expense Recognised in Income Statement:

₹ Lakhs

		31.03.2024	31.03.2023
A)	**Net employee benefit expense (recognised in Employee Benefits Expenses):**		
	Current service cost	**103.20**	88.10
	Prior service cost	**-**	69.66
	Interest cost	**131.93**	116.28
	Expected return on plan assets	**(20.24)**	(25.97)
	Net employee benefit expenses	**214.89**	**248.07**
	Actual return on plan assets	**46.93**	9.10
B)	**Amount recognised in Balance Sheet:**		
	Defined benefit obligation	**1,993.59**	1,859.87
	Fair value of plan assets	**226.92**	362.71
	Surplus/(Deficit)	**1,766.67**	**1,497.16**
C)	**Changes in the present value of the defined benefit obligation:**		
	Opening defined benefit obligation	**1,859.87**	1,724.26
	Current service cost	**103.20**	88.10
	Prior service cost	**-**	69.66
	Interest cost	**131.93**	116.28
	Benefits paid	**(182.72)**	(182.19)
	Net actuarial (gains)/losses on obligation for the year recognised under OCI	**81.32**	43.76
	Closing defined benefit obligation	**1,993.59**	**1,859.87**
D)	**Changes in the fair value of plan assets:**		
	Opening fair value of plan assets	**362.71**	375.80
	Actual return on plan assets	**46.93**	9.10
	Contributions	**-**	160.00
	Benefits paid	**(182.72)**	(182.19)
	Closing fair value of plan assets	**226.92**	**362.71**

The Company expects to contribute ₹ 323.17 Lakhs to the gratuity fund in the next year (March 31, 2023: ₹ 311.15 Lakhs) against the short-term liability of ₹ 323.17 Lakhs (March 31, 2023: ₹ 311.15) as per the actuarial valuation.

The major categories of plan assets as a percentage of the fair value of total plan assets are as follows:

₹ Lakhs

Particulars	31.03.2024	31.03.2023
Investments with HDFC Group Unit Linked Plan - Option B	**100%**	100%

E) Remeasurement adjustments:

₹ Lakhs

	31.03.2024	31.03.2023
a) Actuarial (gains)/losses arising from changes in -		
- demographic assumptions	**-**	-
- financial assumptions	**30.17**	(28.88)
- experience adjustments	**51.15**	72.64
b) Return on plan assets, excluding amount included in net interest expense/(income)	**(26.69)**	16.87
Total amount recognised in other comprehensive income	**54.63**	**60.63**

Actuarial assumptions and sensitivity :

(i) The principal assumptions used in determining gratuity for the Company's plans are shown below:

Particulars	31.03.2024	31.03.2023
Discount rate	**7.22%**	7.46%
Expected rate of return on assets	**7.22%**	7.46%
Salary Escalation	**3.00%**	3.00%
Attrition Rate	**5.00%**	5.00%
Mortality	**Indian Assured Lives Mortality (2012 - 14) Ultimate**	

The estimates of future salary increases, considered in the actuarial valuation, take account of inflation, seniority, promotion, and other relevant factors, such as supply and demand in the employment market.

The overall expected rate of return on assets is determined based on the actual rate of return during the current year.

(ii) Disclosure related to indication of effect of the defined benefit plan on th entity's future cash flows:

Expected benefit payments for the year ending:

₹ Lakhs

Year Ending	31.03.2024	31.03.2023
Year 1	**137.67**	183.53
Year 2	**123.58**	203.68
Year 3	**210.02**	199.74
Year 4	**200.99**	222.55
Year 5	**203.54**	185.49
Beyond 5 years	**1,117.79**	864.88

The average duration of the defined benefit plan obligation at the end of the reporting period is 10.57 years (March 31, 2023: 8.34 years)

(iii) Sensitivity analysis

A Quantative sensitivity analysis for significant assumption is as given below:

₹ Lakhs

Particulars	31.03.2024	31.03.2023
(a) Effect of 1% change in assumed discount rate on defined benefit obligation		
- 1% increase	**(1,880.00)**	(1,770.89)
- 1% decrease	**2,119.35**	1,957.49
(b) Effect of 1% change in assumed salary escalation rate on defined benefit obligation		
- 1% increase	**(2,119.64)**	(1,958.63)
- 1% decrease	**1,878.13**	1,768.54
(c) Effect of 1% change in assumed attrition rate on defined benefit obligation		
- 1% increase	**(2,018.95)**	(1,878.38)
- 1% decrease	**1,965.95**	1,839.88

iv) Experience adjustments

₹ Lakhs

Particulars	Current Year	2022-23	2021-22	2020-21	2019-20
Defined Benefit Obligation	**1,993.59**	1,859.87	1,724.25	1,422.86	1,203.75
Plan Assets	**226.92**	362.72	375.80	344.51	316.72
Surplus / (Deficit)	**(1,766.69)**	(1,497.15)	(1,348.45)	(1,078.35)	(887.03)
Experience Adjustments on Plan Liabilities – Loss/(Gain)	**(51.15)**	(72.64)	(595.08)	(53.55)	(254.85)
Experience Adjustments on Plan Assets – Gain/(Loss)	**26.69**	(16.87)	5.48	81.94	(50.20)

40. CATEGORY-WISE CLASSIFICATION OF FINANCIAL INSTRUMENTS

The carrying value of financial instruments by categories as at 31st March 2024 were as follows:

₹ Lakhs

Particulars	Note	FVTPL	FVTOCI	Amortised Cost	Total Carrying Value
Financial Assets:					
Investments	**4 & 9**	**1,277.66**	**264.00**	**81.47**	**1,623.13**
Trade receivables	**10**	**-**	**-**	**13,085.09**	**13,085.09**
Cash and Cash equivalents	**11**	**-**	**-**	**52.69**	**52.69**
Other bank balance	**12**	**-**	**-**	**722.24**	**722.24**
Loans	**13**	**-**	**-**	**92.93**	**92.93**
Other Financial Assets	**5 & 14**	**-**	**-**	**1,185.37**	**1,185.37**
Financial Liabilities:					
Borrowings	**18 & 22**	**-**	**-**	**36,885.46**	**36,885.46**
Lease Liability	**19 & 23**	**-**	**-**	**437.95**	**437.95**
Trade payables	**24**	**-**	**-**	**10,298.39**	**10,298.39**
Other Financial Liabilities	**25**	**-**	**-**	**3,606.09**	**3,606.09**

The carrying value of financial instruments by categories as at 31st March 2023 were as follows: ₹ Lakhs

Particulars	Note	FVTPL	FVTOCI	Amortised Cost	Total Carrying Value
Financial Assets:					
Investments	4 & 9	198.68	696.34	81.47	976.49
Trade receivables	10	-	-	11,870.95	11,870.95
Cash and Cash equivalents	-	-	-	61.22	61.22
Other bank balance	12	-	-	585.33	585.33
Loans	13	-	-	72.40	72.40
Other Financial Assets	5 & 14	-	-	1,025.09	1,025.09
Financial Liabilities:					
Borrowings	18 & 22	-	-	37,782.57	37,782.57
Lease Liability	19 & 23	-	-	90.32	90.32
Trade payables	24	-	-	6,310.09	6,310.09
Other Financial Liabilities	25	-	-	2,906.45	2,906.45

The management assessed that the fair value of cash and cash equivalents, trade receivables, loans,other financial assets, trade payables and other financial liabilities approximate the carrying amount largely due to short-term maturity of these instruments. The fair value of the financial assets and liabilities is included at the amount at which the instrument could be exchanged in a current transaction between willing parties, other than in a forced or liquidation sale.

Investments in subsidiaries are carried at cost.

Investements in unquoted equity shares are carried at FVTOCI.

Investements through Portfolio Management scheme is carried at FVTPL.

41. FAIR VALUE MEASUREMENT

(a) Fair value hierarchy

Fair value of the financial instruments is classified in various fair value hierarchies based on the following three levels:

Level 1 : quoted prices (unadjusted) in active markets for identical assets or liabilities.

Level 2 : inputs other than quoted prices included within Level 1 that are observable for the asset or liability, either directly (i.e.,as prices) or indirectly (i.e., derived from prices).

Level 3: inputs for the asset or liability that are not based on observable market data (unobservable inputs)

(b) Level wise disclosure of financial instruments: ₹ Lakhs

Particulars	As at 31st March 2024				As at 31st March 2023			
	Carrying Amt	Level 1	Level 2	Level 3	Carrying Amt	Level 1	Level 2	Level 3
Financial assets measured at fair value through Profit and Loss account (FVTPL)								
Investments through Portfolio Management Scheme	**1,277.66**	**1,277.66**	**-**	**-**	198.68	198.68	-	-
Financial assets measured at fair value through other comprehensive income (FVTOCI)								
Investments in unquoted equity shares	**264.00**	**-**	**-**	**264.00**	696.34	-	-	696.34
Financial assets measured at amortised cost								
Other Investments	**81.47**	**-**	**-**	**81.47**	81.47	-	-	81.47
Trade receivables	**13,085.09**	**-**	**-**	**-**	11,870.95	-	-	-
Cash and Cash equivalents	**52.69**	**-**	**-**	**-**	61.22	-	-	-
Other bank balance	**722.24**	**-**	**-**	**-**	585.33	-	-	-
Loans	**92.93**	**-**	**-**	**-**	72.40	-	-	-
Other Financial Assets	**1,185.37**	**-**	**-**	**-**	1,025.09	-	-	-
Financial liabilities measured at amortised cost								
Borrowings	**36,885.46**	**-**	**-**	**-**	37,782.57	-	-	-
Lease Liability	**437.95**	**-**	**-**	**-**	90.32	-	-	-
Trade payables	**10,298.39**	**-**	**-**	**-**	6,310.09	-	-	-
Other Financial Liabilities	**3,606.09**	**-**	**-**	**-**	2,906.45	-	-	-

The Company has not disclosed the fair values for short term / current financial instruments (such as short term trade receivables, short term trade payables, Current Loans and Short term borrowings etc.,) because their carrying amounts are a reasonable approximation of Fair value.

(c) Measurement of fair values:

The basis of measurement in respect of each class of financial assets and liabilities are disclosed in significant accounting policies.

42. CAPITAL MANAGEMENT:

The Company's capital management strategy is to effectively determine, raise and deploy capital so as to create value for its shareholders. The same is done through a mix of either equity and/or preference and/or convertible and/or combination of short term /long term debt as may be appropriate.

The Company determines the amount of capital required on the basis of its product, capital expenditure, operations and strategic investment plans. The same is funded through a combination of capital sources be it either equity and/or preference and/or convertible and/or combination of short term/long term debt as may be appropriate.

The Company regularly considers other financing and refinancing opportunities to diversify its debt profile, reduce interest cost and elongate the maturity of its debt portfolio, and closely monitors its judicious allocation amongst competing capital expansion projects and strategic acquisitions, to capture market opportunities at minimum risk.

The Company monitors its capital using gearing ratio, which is net debt divided to total equity. Net debt includes, interest bearing loans and borrowings less cash and cash equivalents, Bank balances other than cash and cash equivalents and current investments.

The following table summarizes the capital of the company ₹ Lakhs

Particulars	As at 31st March 2024	As at 31st March 2023
Cash and cash equivalents	**52.69**	61.22
Other bank balances	**722.24**	585.33
Current investments	**1,277.66**	198.68
Total cash (a)	**2,052.58**	**845.23**
Non-current borrowings	**14,430.35**	14,497.10
Current borrowings	**22,455.11**	23,285.47
Total borrowings (b)	**36,885.46**	**37,782.57**
Net debt c=(b-a)	**34,832.88**	**36,937.34**
Total equity (d)	**39,481.26**	**38,231.25**
Gearing ratio (c/d)	**0.88**	**0.97**

43. FINANCIAL RISK MANAGEMENT - OBJECTIVES AND POLICIES

The Company’s financial liabilities comprise mainly of borrowings, trade payables and other payables. The Company’s financial assets comprise mainly of investments, cash and cash equivalents, other balances with banks, loans, trade receivables and other receivables.

In course of its business, the Company is exposed to certain financial risks that could have significant influence on the Company’s business and operational / financial performance. These include market risk (including currency risk, interest rate risk and other price risk), credit risk and liquidity risk.

The Board of Directors reviews and approves risk management framework and policies for managing these risks and monitors suitable mitigating actions taken by the management to minimise potential adverse effects and achieve greater predictablity to earnings.

In line with the overall risk management framework and policies, the treasury function provides services to the business, monitors and manages through an analysis of the exposures by degree and magnitude of risks.

The Company uses derivative financial instruments to hedge risk exposures in accordance with the Company’s policies as approved by the board of directors.

1) Market Risk

Market risk is the risk that the fair value of future cash flows of a financial instrument will fluctuate because of changes in market prices. Market risk comprises three types of risks: interest rate risk, currency risk and other price risk. Financial instruments affected by market risk includes borrowings, investments, trade payables, trade receivables, loans and derivative financial instruments.

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. The Company is exposed to interest rate risk because funds are borrowed at both fixed and floating interest rates. Interest rate risk is measured by using the cash flow sensitivity for changes in variable interest rate. The borrowings of the Company are principally denominated in rupees and US dollars with a mix of fixed and floating rates of interest.

The following table provides a break-up of the Company's fixed and floating rate borrowings:

₹ Lakhs

Particulars	As at 31st March 2024	As at 31st March 2023
Fixed rate borrowings	**6,050.20**	7,086.75
Floating rate borrowings	**30,835.26**	30,695.82
Total borrowings	**36,885.46**	**37,782.57**
Total Net borrowings	**36,885.46**	37,782.57
Add: Upfront fees	**84.33**	85.99
Total borrowings	**36,969.79**	**37,868.55**

The sensitivity analyses below have been determined based on the exposure to interest rates for floating rate liabilities, assuming the amount of the liability outstanding at the year-end was outstanding for the whole year.

If interest rates had been 100 basis points higher / lower and all other variables were held constant, the Company's profit/ (loss) for the year ended 31 March 2024 would decrease / increase by ₹ 369.69 Lakhs (for the year ended 31 March 2023 : decrease / increase by ₹ 378.68 Lakhs). This is mainly attributable to the Company's exposure to interest rates on its variable rate borrowings.

b) Foreign Currency Risk

Foreign currency risk is the risk that the fair value or future cash flows of an exposure will fluctuate due to changes in foreign exchange rates. The Company enters into forward exchange contracts with average maturity of less than 6 month to hedge against its foreign currency exposures relating to the recognised underlying liabilities and firm commitments. The Company's policy is to hedge its exposures above predefined thresholds from recognised liabilities and firm commitments that fall due in 20-30 days. The Company does not enter into any derivative instruments for trading or speculative purposes.

At the time of borrowing decisions, appropriate sensitivity analysis is carried out for domestic borrowings vis-à-vis overseas borrowings.

The carrying amounts of the Company's Unhedged monetary assets and monetary liabilities at the end of the reporting period are as follows:

₹ Lakhs

Particulars	As at 31st March 2024			As at 31st March 2023		
	USD	Euro	GBP/CHF	USD	Euro	GBP /CHF
Trade Receivables	**5,172.56**	**691.68**	**80.58**	2,537.24	973.22	50.12
Trade Payables	**(2,274.61)**	**(77.09)**	**(286.60)**	(16.36)	(3.27)	-
Packing Credit	**(14,276.06)**	**(578.21)**	**(42.38)**	(10,168.76)	(264.12)	-
TOTAL	**(11,378.11)**	**36.38**	**(248.40)**	**(7,647.88)**	**705.83**	**50.12**

The carrying amounts of the Company's hedged monetary assets and monetary liabilities at the end of the reporting period are as follows:

Particulars	As at 31st March 2024			As at 31st March 2023		
	USD	Euro	GBP/ CHF	USD	Euro	GBP / CHF
Packing Credit	**(417.05)**	-	-	-	-	-
Foreign Currency Term Loan	**(2,089.15)**	-	-	-	-	-
TOTAL	**(2,506.20)**	**-**	**-**	**-**	**-**	**-**

The below table demonstrates the sensitivity to a 5% increase or decrease in the respective currency against INR, with all other variables held constant. The sensitivity analysis is prepared on the net unhedged exposure of the Company as at the reporting date. 5% represents management's assessment of reasonably possible change in foreign exchange rate. A positive number below indicates an increase in profit or equity where INR strengthens 5% against the relevant currency. For a 5% weakening of INR against the relevant currency, there would be a comparable impact on profit or equity, and the balances below would be negative.

₹ Lakhs

Change in Exchange Rate(+5% / -5%)		Effect on PAT	
		2023-24	2022 -23
USD	+5%	**(568.91)**	(382.39)
	-5%	**568.91**	382.39
EURO	+5%	**1.82**	35.29
	-5%	**(1.82)**	(35.29)
GBP/CHF	+5%	**(12.42)**	2.51
	-5%	**12.42**	(2.51)

The forward exchange contracts entered into by the Company and outstanding are as under:

As at	No. of Contracts	Type	USD Equivalent (₹ in Lakhs)	INR Equivalent (₹ in Lakhs)
31-Mar-24	**1**	**Buy**	**(25.05)**	**(2,089.15)**
	2	**Sell**	**5.00**	**417.05**
31-Mar-23	-	Buy	-	-
	-	Sell	12.25	-

c) Commodity Price Risk

The Company's revenue is exposed to the market risk of price fluctuations related to its raw material i.e., Cotton. Market forces generally determine prices for the cotton procured by the Company. These prices may be influenced by factors such as supply and demand, production costs (including the costs of raw material inputs) and global and regional economic conditions and growth. Adverse changes in any of these factors may increase the Cost of Production that the Company incurs for manufacture of Yarn.

The following table details the Company's sensitivity to a 5% movement in the input price of Cotton. The sensitivity analysis includes only 5% change in commodity prices for quantity consumed during the year, with all other variables held constant. A positive number below indicates an increase in profit where the commodity prices reduces by 5%. For a 5% increase in commodity prices, there would be a comparable impact on profit, and the balances below would be negative.

₹ Lakhs

Commodity	Increase		Decrease	
	2023-24	2022-23	2023-24	2022-23
Cotton	**(2,838.29)**	(3,240.04)	**2,838.29**	3,240.04

2) Credit Risk

Credit risk refers to risk that a counterparty will default on its contractual obligations resulting in financial loss to the Company. Credit risk arises primarily from financial assets such as trade receivables, investment in mutual funds, derivative financial instruments, other balances with banks, loans and other receivables. To manage the credit risk, the company periodically assesses the financial reliability of customers, taking into account the financial condition, current economic trends, and analysis of historical bad debts and ageing of account receivables. Individual risk limits are set accordingly.

The Company considers the probability of default upon initial recognition of asset and whether there has been a significant increase in credit risk on an ongoing basis throughout each reporting period. To assess whether there is a significant increase in credit risk the company compares the risk of default occuring on the asset as at the reporting date with the risk of default as at the date of initial recognition. The company considers reasonable and supportive forward-looking information.

The average credit period on sales of products is 21 to 60 days. Credit risk arising from trade receivables is managed in accordance with the Company's established policy, procedures and control relating to customer credit risk management. Credit quality of a customer is assessed based on a detailed study of credit worthiness and accordingly individual credit limits are defined/modified. The concentration of credit risk is limited due to the fact that the customer base is large.

Information about major customers

Customers with more than 5% of the total value of trade receivables as at 31st March 2024 and 31st March 2023 are as follows:

₹ Lakhs

Particulars	As at 31st March 2024			As at 31st March 2023		
	No. of Parties	Amount Outstanding	%	No of Parties	Amount outstanding	%
Customers						
- within India	**1**	**837.15**	**6.89%**	3	2855.29	23.50%
- Outside India	**1**	**1,028.71**	**8.47%**	1	843.88	6.95%

3) Liquidity Risk

Liquidity risk is the risk that the Company will encounter difficulty in raising funds to meet commitments associated with financial instruments that are settled by delivering cash or another financial asset. Liquidity risk may result from an inability to sell a financial asset quickly at close to its fair value.

The Group's treasury department is responsible for maintenance of liquidity (including quasi liquidity), continuity of funding as well as timely settlement of debts. In addition, policies related to mitigation of risks are overseen by senior management. Management monitors the Group's net liquidity position on the basis of expected cash flows vis a vis debt service fulfillment obligation.

The table below analysis derivative and non-derivative financial liabilities of the Company into relevant maturity groupings based on the remaining period from the reporting date to the contractual maturity date. The amounts disclosed in the table are the contractual undiscounted cash flows.

₹ Lakhs

Particulars	On demand	Less than 1 year	Between 1 to 5 years	Over 5 years	Total	Carrying value
At 31st March, 2024						
Long term borrowings	**-**	**-**	**11,824.69**	**2,605.66**	**14,430.35**	**14,430.35**
Short term borrowings	**18,874.31**	**3,580.80**	**-**	**-**	**22,455.11**	**22,455.11**
Trade payables	**-**	**10,298.38**	**-**	**-**	**10,298.38**	**10,298.39**
Lease Liability	**-**	**91.57**	**346.38**	**-**	**437.95**	**91.57**
Other financial liabilities	**-**	**3,606.09**	**-**	**-**	**3,606.09**	**3,606.09**
At 31st March, 2023						
Long term borrowings	-	-	12,743.51	1,753.59	14,497.10	14,497.10
Short term borrowings	20,224.92	3,060.55	-	-	23,285.47	23,285.47
Trade payables	-	6,310.09	-	-	6,310.09	6,310.09
Lease Liability	-	90.32	-	-	90.33	90.33
Other financial liabilities	-	2,899.24	7.21	-	2,906.45	2,906.45

₹ Lakhs

	As at 31st March 2024	As at 31st March 2023
44. Estimated amount of contracts remaining to be executed on capital account and not provided for	**357.59**	10,705.45
Estimated amount of contracts remaining to be executed on commitment towards capitive power consumption agreement	**-**	355.92
	357.59	**11,061.37**

45. Contingent Liabilities:	**As at 31st March 2024**	**As at 31st March 2023**
Contingent liabilities in respect of :		
Bills discounted	**1,684.93**	1,144.19
Guarantees	**433.38**	261.23
Letters of credit outstanding	**2,548.47**	1,423.13
Claims not acknowledged as debts (Refer note below)	**7,829.51**	-
Contingent liabilities under litigation :		
Disputed Statutory Liabilities not provided for	**523.78**	393.06
Disputed Other Liabilities not provided for	**1,224.09**	65.41

Note :Electricity bills of Southern Power Distribution Company of Andhra Pradesh Limited reflects an amount aggregating to ₹ 7,829.51 lakhs as “Court Case Arrears”. This is a unilaterally arrived at figure, with no details made available to the Company. Further this amount is not mentioned as the amount payable in the bill but under “Court Case Arrears”. This could be consequent to various litigations pending with regard to Andhra Pradesh Gas Power Corporation Limited as reflected in the earlier Annual Reports.

46. Exceptional items :

a. A parcel of land measuring 3.40 acres was under dispute, for which a suit was filed before the subordinate judge at Palakkad seeking nullification of the conveyance of property. The said dispute was dismissed by the court vide judgement dated 5th December 2002, thereby granting absolute ownership of the property to the company.

The above order was challenged by way of an appeal by the appellant before the Kerala High Court. The High Court allowed the appeal and set aside the order of the subordinate judge of Palakkad vide court order dated 16th June 2023.

Aggrieved by the order, an appeal by way of a Special Leave Petition was preferred by the company before the Honourable Supreme Court of India, which was dismissed. Consequently the carrying value of the land amounting to ₹ 183.60 Lakhs has been written off.

b. The Company, as a shareholder and power consumer, has several pending litigations against Andra Pradesh Gas Power Corporation Limited (APGCL) before various judicial forums. The disputes range from monthly consumption of units, tariff related issues, wheeling charges, peak hour energy allocation, restriction and control measurement charges, surplus allocation charges, peak hour penalty and load factor incentive. These disputes relate to various periods from 2003 to 2020 against which the Company, Southern Power Distribution Company Limited (SPDCL) and APGPCL are litigants at various forums. The company's efforts to obtain full details and the basis of claims of SPDCL and APGPCL from their various offices of SPDCL and APGPCL were futile. Various other shareholders of APGPCL and power consumers are also before various judicial forums on one or more of the above-mentioned issues. The company had in the past, based on then available data, made provisions in the books of accounts in respect of these issues in various years. The carrying value of these liabilities as at 31.03.2024 was ₹ 806.75 Lakhs.

During September 2022, APGPCL had suspended its operations and had declared layoff of their employees effective 01 November 2022. Considering the layoff and the long pending litigations over several years, the ability of APGPCL to timely represent the pending legal cases, the company has reviewed the issue in totality and has written back an amount of ₹ 806.75 Lakhs as an exceptional item.

47. Power and Fuel is net of wind power income of ₹ 220.44 lakhs (PY ₹ 208.64 lakhs) representing power supplied to the grid against which equivalent consumption was made in house.

48. Disclosure relating to suppliers registered under Micro, Small and Medium Enterprise Development Act, 2006:

₹ Lakhs

Particulars	As at 31st March 2024	As at 31st March 2023
The principal amount and the interest due thereon remaining unpaid to any supplier as at the end of each accounting year included in:		
Principal amount due to Micro & Small Enterprises	**168.58**	120.00
Interest due on above	-	-
Total	**168.58**	**127.44**
The amount of interest paid by the buyer in terms of section 16 of the MSMED Act, 2006 along with the amounts of the payment made to the supplier beyond appointed day.	-	-
The amount of interest due and payable for the period of delay in making payment (which have been paid but beyond the appointment day during the year) but without adding the interest specified under the MSMED Act, 2006.	**0.66**	0.22
The amount of interest accrued and remaining unpaid at the end of each accounting year.	**8.09**	7.43
The amount of further interest remaining due and payable even in the succeeding years, until such date when the interest dues as above are actually paid for the purpose of disallowance as a deductible under section 23 of the MSMED Act, 2006.	-	-

The Company has disclosed the suppliers who have registered themselves under "Micro, Small and Medium Enterprises Development Act, 2006" to the extent they have identified on the basis of information available with the Company in respect of the registration status of its vendors.

49. Disclosure relating to the exchange gain / loss arising out on restatement of long term foreign currency monetary items.

₹ Lakhs

Particulars	31.03.2024	31.03.2023
a. Exchange difference capitalized during the year	**-**	-
b. Depreciation charged to Profit & loss a/c thereon	**25.15**	25.15
c. Exchange difference pertaining to assets sold during the year	**-**	-
c. Remaining amount to be amortized*	**144.46**	169.60

* The company amortizes only 95% of the value of its fixed assets

50. Corporate Social Responsibility (CSR) activities :

₹ Lakhs

	Particulars	31.03.2024	31.03.2023
a)	Gross amount required to be spent by the Company during the year	**-**	98.80
b)	Unspent amount pertaining to earlier years	**-**	-
c)	Total amount required to be spent by the Company - (a+b)	**-**	98.80
d)	Amount spent during the year		
	(i) Construction/acquisition of any asset	**-**	-
	(ii) On purposes other than (I) above	**-**	99.09
e)	Balance amount to be spent / (Excess spent) - (c-d)	**-**	(0.29)
f)	Nature of CSR activities	Promoting education and Health care	
g)	Details of related party transactions in relation to CSR expenditure as per relevant Accounting Standard		
	- Contribution to Narayanaswamy Naidu Charity Trust for Education in relation to CSR expenditure	**-**	49.75

51. Foreign Exchange gain / (loss) (net) includes foreign exchange gain / (loss) arising out of restatement of foreign currency assets / liabilities amounting to ₹ 1 9.36 lakhs (PY - ₹ 45.22 lakhs)

52. Related Party Disclosure :

List of related parties with whom transactions have taken place and their relationship:

Holding Co	:	Nil
Subsidiaries	:	Suprem Associates (Partnership firm)
Key Management Personnel (KMP)	:	Mr. Ashwin Chandran (Chairman and Managing Director)
		Mr. Prashanth Chandran (Vice Chairman & Managing Director)
		Mr.T.Kumar (Executive Director)
		Mr.Sumanth Ramamurthi (Non Executive Director)
		Mr.Jairam Varadaraj (Non Executive Director)
		Mr.C.N.Srivatsan (Non Executive Director)
		Mrs. R.Bhuvaneshwari (Non Executive Director)
		Mr.P.Vijay Raghunath ((Non Executive Director)
		Mr.Arun Selvaraj (Non Executive Director)
		Mr. Vinay Balaji Naidu (Non Executive Director)
		Mr. M K Ravindra Kumar (Chief Financial Officer)
		Mrs.S. Kavitha (Company Secretary)

Others

-Relative of KMP	Mr.Sarath Chandran
-Enterprise in which KMP has control	Ashwanth Primarius Enterprises. LLP
	Ramani and Shankar Advocates
	Suprem Enterprises
	Narayanaswamy Naidu charity trust for Education
	N Damotharan Welfare trust

₹ Lakhs

Nature of transactions	FY 2023-24			FY 2022 - 23		
	Subsidiaries	KMP	Others	Subsidiaries	KMP	Others
Remuneration	**-**	**399.67**	**0.15**	-	343.02	1.00
Commission	**-**	**26.02**	**8.02**	-	-	-
Sitting fees	**-**	**10.23**	**-**	-	11.90	-
Interest expense	**-**	**-**	**-**	-	-	-
Royalty	**-**	**-**	**13.52**	-	-	12.70
Donation	**-**	**-**	**-**	-	-	49.75
Professional charges	**-**	**-**	**0.08**	-	-	-
Amount payable	**-**	**26.02**	**9.18**	-	-	1.61
Amount receivable	**-**	**-**	**-**	-	-	-

The remuneration to KMP does not include the provision made for gratuity as they are determined on an actuarial basis for the company as a whole.

53. Leases

The Company has adopted Ind AS 116 "Leases" on all lease contracts with effect from April 1,2019. The disclosures as required under the standard are given below:

(i) The movement in lease liabilities is as follows: ₹ Lakhs

Particulars	31.03.2024	31.03.2023
Balance at the beginning of the year	**90.32**	193.63
Additions during the year	**459.79**	-
Reclassification from prepayment	**-**	-
Finance cost accrued during the year	**14.35**	13.34
Payment of lease liabilities	**(126.51)**	(116.65)
Balance at the end of the year	**437.95**	**90.32**
Current lease liabilities	**91.57**	90.32
Non-current lease liabilities	**346.38**	90.32
Amount recognised in Statement of Profit & Loss for the year ended :		
Interest on lease liabilities	**14.35**	13.34
Depreciation on right-of-use assets	**128.42**	126.18

(ii) Details of the contractual maturities of lease liabilities on an undiscounted basis are as follows:

₹ Lakhs

Particulars	31.03.2024	31.03.2023
Less than one year	**91.57**	90.32
One to five years	**346.38**	-
More than five years	**-**	-
Total	**437.95**	**90.32**

(iii) Detailed leasing arrangements:

Particulars	31.03.2024	31.03.2023
Expenses relating to short-term leases	**9.00**	9.00
Expenses relating to leases of low-value assets	**1.97**	1.81

54. Operating Segments

The company is in the business of manufacturing textile products which are regularly reviewed by the Management and those who charged with governance for assessment of company's performance and resource allocation.

Information about Geographical revenue and non current assets :

1. Revenue from Operation: Based on location of customers
2. Non current assets : Based on location of Assets

a) Revenue from Operations

₹ Lakhs

Particulars	As at 31st March 2024	As at 31st March 2023
Within India	**49,118.05**	53,746.80
Outside India	**44,151.84**	38,122.49
Total	**93,269.89**	**91,869.29**

b) Non current assets:

All non current assets of the company are located in India.

55. Disclosure as required under section 186(4) of the Companies Act, 2013

Loans given and Guarantees given by the company: Nil (PY: Nil)

Investments made are given under the respective head.

56. Disclosure as required under Regulation 34 (3) and 53(f) of Securities Exchange Board of India (Listing Obligation and Disclosure Requirements) Regulation, 2015.

Particulars	As at 31st March 2024	Maximum balance outstanding during the year	Investment by the loanee in the shares of Parent Company
Loans and Advances in the nature of loans given to subsidiaries	**-**	-	-

57. The Code on Social Security 2020 has been notified in the Official Gazette on 29th September 2020. the effective date from which the changes are applicable is yet to be notified and the rules are yet to be framed. Impact, if any, of the change will be assessed and accounted in the period in which the said code becomes effective and the rules framed thereunder are published.

58. Events after the reporting period

The Board of Directors, in its meeting held on 23rd May, 2024, has recommended a dividend of 15% (₹1.50 per fully paid up equity shares of ₹ 10 each) for the year ended 31st March, 2024 subject to the approval of the shareholders at the ensuing Annual General Meeting.

59. Ratio analysis and its elements

Ratio	Numerator	Denominator	2023-24	2022-23	Var %	Reasons for Variance (If change is > than 25%)
Current Ratio	Total current assets	Total current liabilities	1.13	1.23	(8.13%)	Not Applicable
Debt-equity ratio	Total Debt	Shareholders Equity	0.93	0.99	(6.06%)	Not Applicable
Debt service coverage ratio	Earning for Debt Service = Net Profit after taxes + Non-cash operating expenses + Interest	Debt service = Interest + Lease Payments+ Principal repayments	1.59	0.50	218.00%	Increase in profits and decrease in Principal repayments
Return on equity ratio (%)	Net profit after taxes	Average Shareholders Equity	4.32%	(6.48%)	(166.67%)	Increase in profit
Inventory turnover ratio	Net Sales= Sales - Sales Return	Average Inventory	3.93	3.80	3.42%	Not Applicable
Trade receivables turnover ratio	Credit Sales	Average Trade Receivables	7.47	7.10	5.21%	Not Applicable
Trade payables turnover ratio	Credit Purchase	Average Trade Payables	7.45	12.31	(39.48%)	Increase in Trade payables
Net capital turnover ratio	Net Sales= Sales - Sales Return	Working capital = Total current assets - Total current liabilities	18.94	12.03	57.44%	Increase in sales and Decrease in working capital
Net profit ratio (%)	Net profit / (Loss)	Net Sales= Sales - Sales Return	1.80%	(2.83%)	(163.60%)	Increase in Profit Margin
Return on capital employed (%)	Earnings before interest and taxe	Capital Employed= Total Tangible Networth + Total Debt + Deferred Tax Liability	7.42%	0.21%	3433.33%	Increase in EBIT
Return on investment (%)	Interest (Finance Income)	Investment	1.22%	0.58%	110.34%	Increase in Investment
Interest Coverage Ratio (in times)	Earnings before interest and tax	Interest expense	1.28	0.04	2757.89%	Increase in EBIT
Operating Profit Margin (in %)	Earnings before interest and tax	Total revenue (excluding other operating revenue)	5.40%	0.18%	2964.99%	Increase in EBIT
Return on net worth (in %)	Net Profit	Equity	4.25%	(6.81%)	(162.45%)	Increase in profit

60. Additional disclosure relating to Schedule III Amendment of Companies Act , 2013

(i) Details of Benami property:

No proceedings have been initiated or are pending against the company for holding any Benami property under the Benami Transactions (Prohibition) Act, 1988 (45 of 1988) and the rules made thereunder

(ii) Utilisation of borrowed funds and share premium:

A) 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.

B) The company has not received any funds 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 to or on behalf of the ultimate beneficiaries.

(iii) Compliance with number of layers of companies:

The company has complies with the number of layers prescribed under the Companies Act, 2013.

(iv) Undisclosed income:

There is no income surrendered or disclosed as income during the current or previous year in the tax assessments under the Income tax Act,1961, that has not been recorded in the books of account.

(v) Details of crypto currency or virtual currency:

The company has not traded or invested in crypto currency or virtual currency during the current or previous year.

(vi) Valuation of Property, Plant and Equipment, intangible asset and investment property:

The company has not revalued its property, plant and equipment (including Right of use Assets) or intangible assets or both during the current of previous year.

(vii) Struck off Companies:

The company does not have any transaction with companies struck off.

(viii) Wilful Defaulter:

The company had not been declared a wilful defaulter by any bank or financial institution or other lender (as defined under the Companies Act, 2013) or consortium thereof. In accordance with the guidelines on wilful defaulters issued by the Reserve Bank of India.

(ix) The Company does not have any charges or satisfaction which is yet to be registered with the Registrar of Companies (ROC) beyond the statutory period.

61 The amounts and disclosures included in the financial statements of the previous year have been reclassified wherever necessary to conform to the current year classification.

62. All figures are in lakhs unless otherwise stated and rounded off to the nearest two decimals.

Vide our report of even date attached
For VKS Aiyer & Co
Chartered Accountants
ICAI Firm Reg.No.: 000066S

For and on behalf of the Board of Directors

Ashwin Chandran
Chairman and Managing Director
(DIN : 00001884)

M.K. Ravindra Kumar
Chief Financial Officer

Prashanth Chandran
Vice Chairman and Managing Director
(DIN : 01909559)

S Kavitha
Company Secretary
(FCS No. 8710)

C.S.Sathyanarayanan
Partner
M.No. : 028328

Place : Coimbatore
Date :23-May-2024

INDEPENDENT AUDITOR'S REPORT

To the Members of Precot Limited

Report on the audit of the Consolidated Financial Statements

Opinion

We have audited the accompanying consolidated financial statements of **Precot Limited** (hereinafter referred to as "the Holding Company") and its subsidiary (the Holding Company and its subsidiary together referred to as "the Group"), comprising the Consolidated Balance Sheet as at March 31, 2024, the Consolidated Statement of Profit and Loss (including Other Comprehensive Income), the Consolidated Statement of Changes in Equity and the Consolidated Statement of Cash Flows for the year then ended, and notes to the consolidated financial statements including a summary of the material accounting policies and other explanatory information (hereinafter referred to as "the consolidated financial statements").

In our opinion and to the best of our information and according to the explanations given to us, the aforesaid consolidated financial statements give the information required by the Companies Act, 2013 ("the Act") in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India including the Indian Accounting Standards prescribed under section 133 of the Act read with the Companies (Indian Accounting Standards) Rules, 2015, as amended ("Ind AS"), of the consolidated state of affairs of the Group as at March 31, 2024, their consolidated profit (including other comprehensive income), their consolidated changes in equity and their consolidated cash flows for the year ended on that date.

Basis for Opinion

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

Key Audit Matters

Key audit matters are those matters that, in our professional judgement, were of most significance in our audit of the consolidated financial statements of the current period. This matter was addressed in the context of our audit of the consolidated financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on this matters. We have determined the matter described below to be the key audit matter to be communicated in our report.

Key Audit Matter	How our audit addressed the Key Audit Matter
Trade receivables and expected credit loss: The trade receivables as at March 31, 2024 is ₹ 13,085.09 lakhs (net) and provision for expected credit loss as on March 31, 2024 is ₹ 269.55 lakhs. The Company measures expected credit loss on trade receivables based on significant management judgement and estimates. We have considered assessment of expected credit loss for receivables as a key audit matter because of the significant management judgement involved in its estimation.	Our audit procedures included the following: • Assessed the appropriateness of the accounting policy for expected credit loss as per the relevant accounting standards. • Obtained an understanding of and assessed the design, implementation and operating effectiveness of key controls relating to collection monitoring process, credit control process and estimation of expected credit losses. • Tested the controls relating to classification of the receivable balances included in the receivables ageing report. • Reviewed the ageing, tested the validity of the receivables, discussed with the management as to the disputes, if any, with the customers, understood and evaluated the reason for delay in realisation of the receivables and possibility of realisation of the aged receivable. • Assessed the methodology used by management to estimate the expected credit loss provision and its compliance with the relevant accounting standard. • Assessed the reasonableness of estimate of expected credit loss. • Assessed the adequacy of disclosures relating to trade receivables and related credit risk.

Information other than the Consolidated Financial Statements and Auditor's Report thereon

The Holding Company's Management and Board of Directors are responsible for the preparation of the other information. The other information comprises the information included in the Holding Company's Annual Report but does not include the standalone / consolidated financial statements and our auditor's report thereon.

The other information is expected to be made available to us after the date of this report.

Our opinion on the consolidated 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 consolidated 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 standalone / consolidated financial statements or our knowledge obtained during the course of our audit or otherwise appears to be materially misstated.

When we read the other information, as stated above, which is expected to be received after the date of our audit 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 applicable laws and regulations.

Management's and Board of Directors' Responsibilities for the Consolidated Financial Statements

The Holding Company's Management and Board of Directors are responsible for the preparation and presentation of these consolidated financial statements in terms of the requirements of the Act that give a true and fair view of the consolidated financial position, consolidated financial performance (including other comprehensive income), consolidated changes in equity and consolidated cash flows of the Group in accordance with the accounting principles generally accepted in India, including Ind AS prescribed under section 133 of the Act, read with the Companies (Indian Accounting Standards) Rules, 2015, as amended. The respective Management and Board of Directors of the companies included in the Group are responsible for maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding the assets of the Group and for preventing and detecting frauds and other irregularities; the 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 consolidated financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error, which have been used for the purpose of preparation of the consolidated financial statements by the Management and Directors of the Holding Company, as aforesaid.

In preparing the consolidated financial statements, the management and Board of Directors of the companies included in the Group are responsible for assessing the ability of the Group 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 Group or to cease operations, or has no realistic alternative but to do so.

The respective Board of Directors of the companies included in the Group are responsible for overseeing the financial reporting process of each company.

Auditor's Responsibility for the Audit of the Consolidated Financial Statements

Our objectives are to obtain reasonable assurance about whether the consolidated 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 consolidated 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 consolidated 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 the internal financial controls with reference to consolidated financial statements and the operating effectiveness of such controls based on our audit.

- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by Management and Board of Directors.

- Conclude on the appropriateness of the Management and Board of Directors' 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 appropriateness of this assumption. 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 consolidated 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 Group to cease to continue as a going concern.

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

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

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

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

From the matters communicated with those charged with governance, we determine those matters that were of most significance in the audit of the consolidated financial statements of the current period and are therefore the key audit matters. We describe these matters in our auditor's report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

Report on Other Legal and Regulatory Requirements

1. (A) As required by Section 143(3) of the Act, we report, to the extent applicable, 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 of the aforesaid consolidated financial statements;

b. In our opinion, proper books of account as required by law relating to preparation of the aforesaid consolidated financial statements have been kept so far as it appears from our examination of those books;

c. The Consolidated Balance Sheet, the Consolidated Statement of Profit and Loss (including Other Comprehensive Income), the Consolidated Statement of changes in Equity and the Consolidated Statement of Cash Flows dealt with by this Report are in agreement with the relevant books of account maintained for the purpose of preparation of the consolidated financial statements;

d. In our opinion, the aforesaid consolidated financial statements comply with the Indian Accounting Standards specified under Section 133 of the Act read with relevant rules issued thereunder;

e. On the basis of the written representations received from the directors and taken on record by the Board of Directors, none of the directors is disqualified as on March 31, 2024 from being appointed as a director in terms of Section 164 (2) of the Act;

f. With respect to the adequacy of the internal financial controls with reference to consolidated financial statements of the Group and the operating effectiveness of such controls, refer to our separate report in the **"Annexure"**;

(B) 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, 2021, in our opinion and to the best of our information and according to the explanations given to us:

(i) The consolidated financial statements disclose the impact of pending litigations as on 31st March 2024 on the consolidated financial position of the Group - Refer Note 45 to the consolidated financial statements;

(ii) The Group did not have any material foreseeable losses on long term contracts including derivative contracts;

(iii) There has been no delay in transferring amounts, required to be transferred, to the Investor Education and Protection Fund by the Holding Company during the year ended 31st March 2024;

(iv) (a) The management has represented that, to the best of its knowledge and belief, as disclosed in note no.60(ii)A to the consolidated financial statements, no funds (which are material either individually or in the aggregate) have been advanced or loaned or invested (either from borrowed funds or share premium or any other sources or kind of funds) by the Group to or in any other persons or entities, including foreign entities ("Intermediaries"), with the understanding, whether recorded in writing or otherwise, that the Intermediary shall directly or indirectly lend or invest in other persons or entities identified in any manner whatsoever ("Ultimate Beneficiaries") by or on behalf of the Group 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, as disclosed in note no.60(ii)B to the consolidated financial statements, no funds (which are material either individually or in the aggregate) have been received by the Group from any persons or entities, including foreign entities ("Funding Parties"), with the understanding, whether recorded in writing or otherwise, that the Group shall directly or indirectly lend or invest in other persons or entities identified in any manner whatsoever ("Ultimate Beneficiaries") by or on behalf of the Funding Party or provide any guarantee, security or the like on behalf of the Ultimate Beneficiaries.

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

(v) The Board of Directors of the Company have proposed final dividend for the year which is subject to the approval of the members at the ensuing Annual General Meeting. The amount of dividend proposed is in accordance with Section 123 of the Companies Act 2013 as applicable.

(vi)(a) The Group has used an accounting software for maintaining its books of account which has a feature of recording audit trail (edit log) facility and the same has operated throughout the year for all relevant transactions recorded in the software.

(b) Further, during the course of our audit, we did not come across any instance of audit trail feature being tampered with.

(C) With respect to the other matter to be included in the Auditor's Report in accordance with the requirements of Section 197(16) of the Act, as amended;

In our opinion and to the best of our information and according to the explanations given to us by, the remuneration paid by the Holding Company to its directors during the year is in accordance with the provisions of section 197 of the Act. The remuneration paid to any director by the Holding Company is not in excess of the limit laid down under Section 197 of the Act.

(D) With respect to the matters specified in clause (xxi) of paragraph 3 and paragraph 4 of the Companies (Auditor's Report) Order, 2020 ("CARO"/"the Order") issued by the Central Government in terms of Section 143(11) of the Act. We report that there are no qualifications or adverse remarks in the CARO report.

For VKS Aiyer & Co.,
Chartered Accountants
ICAI Firm Registration No. 000066S

C.S.Sathyanarayanan
Partner
Membership No. 028328
UDIN: 24028328BKGSVO1147

Place: Coimbatore
Date: 23-May-2024

ANNEXURE TO THE INDEPENDENT AUDITOR'S REPORT

Report on the Internal Financial Controls with reference to the Consolidated Financial Statements under Clause (i) of Sub-section 3 of Section 143 of the Companies Act, 2013 ("the Act")

[Referred to under 'Report on Other Legal and Regulatory Requirements' in our Independent Auditor's Report of even date to the members of **Precot Limited** on the Consolidated Financial Statements for the year ended March 31, 2024]

In conjunction with our audit of the consolidated financial statements of **Precot Limited** (hereinafter referred to as “the Holding Company”) as of and for the year ended March 31, 2024, we have audited the internal financial controls with reference to consolidated financial statements of the Group, which are entities incorporated in India, as of that date.

Opinion

In our opinion, the Group, which are entities incorporated in India, have, in all material respects, adequate internal financial controls with reference to consolidated financial statements and such internal financial controls were operating effectively as at March 31, 2024, considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting issued by the ICAI.

Management's Responsibility for Internal Financial Controls

The Holding Company's management and the Board of Directors are responsible for establishing and maintaining internal financial controls with reference to consolidated financial statements considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting issued by the Institute of Chartered Accountants of India ("ICAI"). These responsibilities include the design, implementation and maintenance of adequate internal financial controls that were operating effectively for ensuring the orderly and efficient conduct of its business, including adherence to the respective entities' 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.

Auditor's Responsibility

Our responsibility is to express an opinion on the internal financial controls with reference to consolidated 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") issued by the ICAI and the Standards on Auditing specified under section 143(10) of the Act to the extent applicable to an audit of internal financial controls. 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 consolidated financial statements were 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 consolidated financial statements and their operating effectiveness.

Our audit of internal financial controls with reference to consolidated financial statements included obtaining an understanding of internal financial controls with reference to consolidated 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 consolidated 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 consolidated financial statements.

Meaning of Internal Financial Controls with reference to Consolidated Financial Statements

A company's internal financial control with reference to consolidated financial statements is a process designed to provide reasonable assurance regarding the reliability of financial reporting and the preparation of consolidated financial statements for external purposes in accordance with generally accepted accounting principles. A company's internal financial control with reference to consolidated 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 consolidated 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 unauthorised acquisition, use, or disposition of the company's assets that could have a material effect on the consolidated financial statements.

Inherent Limitations of Internal Financial Controls with reference to Consolidated Financial Statements

Because of the inherent limitations of internal financial controls with reference to consolidated 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 consolidated financial statements to future periods are subject to the risk that the internal financial controls with reference to consolidated financial statements may become inadequate because of changes in conditions, or that the degree of compliance with the policies or procedures may deteriorate.

For VKS Aiyer & Co.,
Chartered Accountants
ICAI Firm Registration No. 000066S

C.S.Sathyanarayanan
Partner
Membership No. 028328
UDIN: 24028328BKGSVO1147

Place: Coimbatore
Date: 23-May-2024

Precot

Consolidated Balance Sheet

₹ Lakhs

Particulars	Note No.	As at 31.03.2024	As at 31.03.2023
ASSETS			
(1) Non - Current assets			
(a) Property, Plant and Equipment	2	**44,163.10**	44,366.22
(b) Right of use Asset	3 (a)	**668.93**	337.55
(c) Capital work-in-progress	3 (b)	**5,599.31**	296.74
(d) Intangible assets	3 (c)	**29.33**	30.84
(e) Intangible assets under development	3 (d)	**-**	9.33
(f) Financial Assets			
(i) Investments	4	**264.00**	696.34
(ii) Other Financial Assets	5	**1,119.61**	985.19
(g) Deferred tax assets (net)	6	**181.25**	569.33
(h) Other non-current assets	7	**1,163.11**	2,448.54
Total Non Current Assets		**53,188.64**	**49,740.08**
(2) Current assets			
(a) Inventories	8	**23,227.19**	24,200.89
(b) Financial Assets			
(i) Investments	9	**1,277.66**	198.68
(ii) Trade receivables	10	**13,085.09**	11,870.95
(iii) Cash and cash equivalents	11	**52.86**	61.39
(iv) Bank balances other than (iii) above	12	**722.24**	585.33
(v) Loans	13	**92.93**	72.40
(vi) Other Financial Assets	14	**65.76**	39.91
(c) Other current assets	15	**3,698.64**	3,888.33
Total Current Assets		**42,222.37**	**40,917.88**
TOTAL ASSETS		**95,411.01**	**90,658.96**
EQUITY AND LIABILITIES			
EQUITY			
(a) Equity Share capital	16	**1,200.00**	1,200.00
(b) Other Equity	17	**40,621.26**	39,371.25
EQUITY ATTRIBUTABLE TO OWNERS OF PRECOT LTD		**41,821.26**	**40,571.25**
Non-controlling interest		**0.10**	0.10
Total Equity		**41,821.36**	**40,571.35**
LIABILITIES			
(1) Non-current liabilities			
(a) Financial Liabilities			
(i) Borrowings	18	**14,430.35**	14,497.10
(ii) Lease Liability	19	**346.38**	-
(b) Provisions	20	**1,443.50**	2,262.55
(c) Deferred tax liabilities	21	**70.86**	43.06
Total Non Current Liabilities		**16,291.09**	**16,802.71**
(2) Current liabilities			
(a) Financial Liabilities			
(i) Borrowings	22	**22,455.11**	23,285.47
(ii) Lease Liability	23	**91.57**	90.32
(iii) Trade payables	24		
- Outstanding dues of Micro & Small Enterprises		**168.58**	120.00
- Outstanding dues of Creditors other than Micro & Small Enterprises		**10,129.80**	6,190.09
(iv) Other Financial Liabilities	25	**3,606.09**	2,906.45
(b) Other current liabilities	26	**524.24**	380.42
(c) Provisions	27	**323.17**	311.15
Total Current Liabilities		**37,298.56**	**33,283.90**
TOTAL LIABILITIES		**53,589.65**	**50,086.61**
TOTAL EQUITY AND LIABILITIES		**95,411.01**	**90,657.96**

Summary of Material accounting policies and notes form an integral part of the financial statements

Vide our report of even date attached
For VKS Aiyer & Co
Chartered Accountants
ICAI Firm Reg.No.: 000066S

C.S.Sathyanarayanan
Partner
Membership No: 028328

Place : Coimbatore
Date : 23-May-2024

For and on behalf of the Board of Directors

Ashwin Chandran
Chairman and Managing Director
(DIN : 00001884)

M K Ravindra Kumar
Chief Financial Officer

Prashanth Chandran
Vice Chairman and Managing Director
(DIN : 01909559)

S Kavitha
Company Secretary
(FCS No. 8710)

₹ Lakhs

	Particulars	Note No.	For the year ended 31st Mar 2024	For the year ended 31st Mar 2023
I	Revenue From Operations	28	**97,775.60**	95,382.31
II	Other income	29	**1,034.10**	723.77
III	**Total Income (I+II)**		**98,809.70**	**96,106.08**
IV	**Expenses**			
	Cost of materials consumed	30	**56,765.89**	64,797.86
	Purchase of Stock-in-Trade	31	**-**	2.90
	Changes in inventories of finished goods, stock in trade and work-in-progress	32	**5,134.45**	(2,471.80)
	Employee benefits expense	33	**9,148.67**	8,463.01
	Finance costs	34	**3,935.46**	3,613.55
	Depreciation and amortization expenses	35	**2,267.36**	3,339.74
	Other expenses	36	**20,451.54**	21,813.12
	Total Expenses (IV)		**97,703.37**	**99,558.38**
V	**Profit/(Loss) before exceptional items and Tax (III - IV)**		**1,106.33**	**(3,452.30)**
VI	**Exceptional items (Refer Note no. 46)**		**623.15**	**-**
VII	**Profit/(Loss) before tax (V - VI)**		**1,729.48**	**(3,452.30)**
VIII	**Tax expense:**			
	(1) Current tax		**-**	-
	(2) Deferred tax	37	**532.10**	(850.03)
	(3) For earlier years		**(480.86)**	**-**
IX	**Profit/(Loss) after Tax (VII - VIII)**		**1,678.24**	**(2,602.27)**
X	**Other Comprehensive Income (OCI)**			
	Items that will not be reclassified to profit or loss			
	a) Remeasurement of the defined benefit plans		**(54.63)**	(60.63)
	b) Gains / (Losses) on fair value of Equity instruments measured at fair value through OCI		**(517.62)**	(632.62)
	c) Income tax relating to items that will not be reclassified to profit or loss		**144.02**	174.48
	Total Other Comprehensive Income		**(428.23)**	**(518.77)**
XI	**Total Comprehensive Income for the year (IX + X)**		**1,250.01**	**(3,121.04)**
XII	Earnings per equity share of face value of ₹10/- each			
	- Basic and Diluted (in ₹)	38	**13.99**	(21.69)

Summary of Material Accounting Policies and Notes form an integral part of the Financial Statements

Vide our report of even date attached
For VKS Aiyer & Co
Chartered Accountants
ICAI Firm Reg.No.: 000066S

C.S.Sathyanarayanan
Partner
Membership No: 028328

Place : Coimbatore
Date : 23-May-2024

For and on behalf of the Board of Directors

Ashwin Chandran
Chairman and Managing Director
(DIN : 00001884)

M K Ravindra Kumar
Chief Financial Officer

Prashanth Chandran
Vice Chairman and Managing Director
(DIN : 01909559)

S Kavitha
Company Secretary
(FCS No. 8710)

Consolidated Statement of changes in equity for the year ended 31st March 2024

A. EQUITY SHARE CAPITAL

₹ Lakhs

Balance as at April 1, 2023	Changes in equity share capital due to prior period errors	Restated balance as at April 1, 2022	Changes in equity share capital during the year	Balance as at March 31, 2024
1,200.00	-	1,200.00	-	1,200.00

₹ Lakhs

Balance as at April 1, 2022	Changes in equity share capital due to prior period errors	Restated balance as at April 1, 2022	Changes in equity share capital during the year	Balance as at March 31, 2023
1,200.00	-	1,200.00	-	1,200.00

B. OTHER EQUITY

₹ Lakhs

Particulars	Reserves and Surplus					Items of other comprehensive Income		Total
	Capital Reserve	Capital Redemption Reserve	Securities Premium	General Reserve	Retained Earnings	Equity instruments through other Comprehensive Income	Re-measurement of the defined benefit plans	
Balance as at 01st April, 2023	**48.19**	**355.00**	**2,736.46**	**11,796.41**	**23,436.97**	**1,689.62**	**(691.40)**	**39,371.25**
Profit/ (Loss) for the year					1,678.24			1,678.24
Other Comprehensive Income for the year (net of tax)						(387.35)	(40.88)	(428.23)
Balance as at 31st Mar, 2024	**48.19**	**355.00**	**2,736.46**	**11,796.41**	**25,115.21**	**1,302.27**	**(732.28)**	**40,621.26**
Balance as at 01st April, 2022	48.19	355.00	2,736.46	11,796.41	26,759.24	2,163.02	(646.03)	43,212.29
Profit/ (Loss) for the year					(2,602.27)			(2,602.27)
Other Comprehensive Income for the year (net of tax)						(473.40)	(45.37)	(518.77)
Dividend Paid					(720.00)			(720.00)
Balance as at 31st Mar, 2023	**48.19**	**355.00**	**2,736.46**	**11,796.41**	**23,436.97**	**1,689.62**	**(691.40)**	**39,371.25**

Summary of Material accounting policies & Notes form an integral part of the financial statements

Vide our report of even date attached
For VKS Aiyer & Co
Chartered Accountants
ICAI Firm Reg.No.: 000066S
C.S.Sathyanarayanan
Partner
M.No. : 028328
Place : Coimbatore
Date : 23-May-2024

For and on behalf of the Board of Directors

Ashwin Chandran
Chairman and Managing Director
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M.K. Ravindra Kumar
Chief Financial Officer

Prashanth Chandran
Vice Chairman and Managing Director
(DIN : 01909559)

S Kavitha
Company Secretary
(FCS No. 8710)

₹ Lakhs

Particulars		For the year ended 31.03.2024		For the year ended 31.03.2023
A. CASH FLOW FROM OPERATING ACTIVITIES				
Net Profit /(Loss) before exceptional items and tax		**1,106.33**		**(3,452.30)**
Adjustments for :				
Depreciation and amortization expenses	**2,267.36**		3,339.74	
Interest income	**(242.70)**		(94.47)	
(Gain)/Loss on fair valuation of financial assets at fair value through Profit and Loss (FVTPL)	**9.37**		(4.90)	
Dividend from Financial assets at fair value through Profit and Loss	**(1.37)**		(0.10)	
(Profit)/Loss on sale of Property, Plant and Equipment (net)	**(57.58)**		(239.00)	
Unrealised foreign exchange loss/(gain)	**(19.36)**		(45.22)	
Liabilities no more payable	**(313.50)**		(102.45)	
Finance cost (including fair value change in financial instruments)	**3,935.46**		3,613.55	
Allowance for credit loss (net)	**(9.99)**		141.82	
Bad debts / advances written off	**39.36**		20.89	
Other adjustments	**(20.80)**		67.09	
(Profit)/Loss on Sale of Investments (net)	**(8.91)**	-	-	
		5,577.34		**6,696.95**
Operating Profit before working capital changes		**6,683.67**		**3,244.65**
Adjustments for :				
(Increase) / Decrease in Inventories	**973.70**		(59.87)	
(Increase) / Decrease in Trade Receivables	**(1,152.50)**		1,987.38	
(Increase) / Decrease in Loans and Other Financial Assets	**(154.95)**		(183.62)	
(Increase) / Decrease in Other Assets	**186.59**		607.86	
Increase / (Decrease) in Trade Payable	**3,977.84**		2,593.26	
Increase / (Decrease) in Other Financial Liabilities	**735.43**		(2,694.44)	
Increase / (Decrease) in Other Liabilities and Provisions	**437.31**		31.33	
		5,003.42		**2,281.90**
Cash generated from Operations		**11,687.09**		**5,526.55**
Direct Taxes		**419.45**		**(603.28)**
Net Cash Flow from operating activities		**12,106.54**		**4,923.27**
B. CASH FLOW FROM INVESTING ACTIVITIES				
Purchase of Property, Plant and Equipment (Including CWIP)	**(7,456.53)**		(2,079.87)	
Advance settled for purchase of Property, Plant and Equipment	**1,349.94**		(1,110.65)	
Sale of Property, Plant and Equipment	**102.97**		401.79	
Purchase of Non - Current Investments	**(264.00)**		(110.90)	
Purchase of current investments	**(1,804.27)**		(206.44)	
Sale of non current investments	**110.91**		-	
Sale of current investments	**802.41**		-	
Other Investing activities	**(0.91)**		6.85	
Interest Received	**221.23**		93.63	
Dividend received	**1.37**		0.10	
Net Cash flow used in investing activities		**(6,936.88)**		**(3,005.49)**
C. CASH FLOW FROM FINANCING ACTIVITIES:-				
Interest Paid	**(3,942.85)**		(3,376.06)	
Dividend paid	**(0.83)**		(712.12)	
Proceeds / (Repayment) of Long Term Borrowings	**433.52**		2,588.57	
Repayment of lease liability	**(126.51)**		(116.65)	
Proceeds / (Repayments) of Unsecured Loan	**-**		(1,000.82)	
Proceeds / (Repayments) of loans repayable on demand	**(1,404.61)**		281.16	
Net Cash Flow from / (used in) Financing Activities		**(5,041.28)**		**(2,335.92)**

Particulars	For the year ended 31.03.2024	₹ Lakhs For the year ended 31.03.2023
Net Increase/(Decrease) in Cash and Cash Equivalents	**128.38**	(418.14)
Cash and Bank Balances as at 01.04.2023 and 01.04.2022 (Opening balance)	**646.72**	1,064.86
Less: Bank balances not considered as Cash and Cash Equivalents as per Indian Accounting Standard 7	**722.24**	585.33
Cash and Cash Equivalents as at 31.03.2024 and 31.03.2023 (Closing balance) (Refer Note no.11)	**52.86**	**61.39**

Changes in liability arising from financing activities, disclosing changes arising from Cash and Non Cash Flow

Particulars	Non Current Borrowings (including current maturities)	Current Borrowings	Lease Liability
As on 31.03.2024			
Opening Balance as at 01st April, 2023	**17,557.65**	**20,224.92**	**90.32**
Cash Flows (Net) - Proceeds/(Repayment)	433.52	(1,404.61)	(126.51)
Additions during the year - Impact on account of Ind AS 116	-	-	474.14
Other adjustments	(0.33)	54.00	-
Amortisation of loan origination cost	20.32	-	-
Closing Balance as at 31st March, 2024	**18,011.16**	**18,874.31**	**437.95**
As on 31.03.2023			
Opening Balance as at 01st April, 2022	**14,832.17**	**20,945.10**	**193.63**
Cash Flows (Net) - Proceeds/(Repayment)	2,588.57	(719.66)	(116.65)
Additions during the year - Impact on account of Ind AS 116	-	-	13.34
Other adjustments	(78.81)	(0.52)	-
Amortisation of loan origination cost	17.82	-	-
De-recognition of unamortised portion of finance charges	197.90	-	-
Closing Balance as at 31st March, 2023	**17,557.65**	**20,224.92**	**90.32**

Summary of Material accounting policies & Notes form an integral part of the financial statements

Vide our report of even date attached
For VKS Aiyer & Co
Chartered Accountants
ICAI Firm Reg.No.: 000066S

For and on behalf of the Board of Directors

Ashwin Chandran
Chairman and Managing Director
(DIN : 00001884)

M K Ravindra Kumar
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C.S.Sathyanarayanan
Partner
Membership No: 028328

Prashanth Chandran
Vice Chairman and Managing Director
(DIN : 01909559)

S Kavitha
Company Secretary
(FCS No. 8710)

Place : Coimbatore
Date : 23-May-2024

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2024

Note 1

a. Corporate Information:

Precot Limited has been in the textile industry since 1962 and is engaged in manufacturing of yarn and technical textile product. It started its first production in 1964 with an initial capacity of 12,096 spindles at Kanjikode, Kerala. At present it has units in the four southern states of India viz., Tamil Nadu, Kerala, Andhra Pradesh and Karnataka with a total spinning capacity of 1,63,000 spindles. In 2013, the company has set up a Greenfield technical textile at Hassan in the State of Karnataka. The Subsidiary – Suprem Associates (Partnership Firm) does not have any operations. The Equity shares are listed on the National Stock Exchange of India Limited.

b. Summary of material accounting policies:

I. General Information and Statement of Compliance

These consolidated financial statements have been prepared in accordance with the Indian Accounting Standards (hereinafter referred to as the 'Ind AS') as notified by Ministry of Corporate Affairs ('MCA') under Section 133 of the Companies Act, 2013 ('the Act') read with the Companies (Indian Accounting Standards) Rules, 2015, as amended and other relevant provisions of the Act.

The consolidated financial statements were authorized and approved for issue by the Board of Directors on 23rd May 2024.

II. Basis of Preparation and Presentation

The consolidated financial statements have been prepared on going concern basis in accordance with accounting principles generally accepted in India. The presentation of financial statement is based on Ind AS Schedule III of the Companies Act, 2013. The Consolidated financial statements are presented in Indian Rupee (`) which is also the functional and presentation currency of the Company.

The consolidated Financial Statements have been prepared & presented on the historical convention and on accrual basis , except for the following material items in the Balance Sheet:

- Certain financial assets and liabilities are measured at fair value:
- Derivative instruments are measured at their fair values;
- Employee defined benefit assets/ liabilities are recognised as the net total of fair value of plan assets, adjusted for actuarial gains/losses and the present value of defined benefit obligations;
- Long term borrowings are measured at amortised cost using the effective interest rate method;
- Assets held for sale are measured at fair value less cost to sell;
- Right-of-use of Assets are recognised at the present value of lease payments that are not paid as on that date. This amount is adjusted for any lease payments made at or before the commencement of the lease and initial direct cost incurred, if any.

III. Principles of Consolidation

The Consolidated financial statements comprise the financial statements of the Company and its subsidiary as at 31st March 2024. Control is achieved when the Company is exposed, or has rights, to variable returns from its involvement with the investee and has the ability to affect those returns through its power over the investee. Specifically, the Company controls an investee if and only if the Company has:

- power over the investee
- is exposed to, or has rights, to variable returns from its involvement with the investee; and
- has the ability to use its power to affect its returns

Generally, there is a presumption that a majority of voting rights result in control. To support this presumption and when the Company has less than majority of the voting or similar rights of an investee, the Company considers all relevant facts and circumstances in assessing whether it has power over an investee, including:

- the contractual agreement with the other vote holders of the investee
- right arising from other contractual agreement
- the company's voting rights and potential voting rights

The company reassesses whether or not it controls an investee if facts and circumstances indicate that there are changes to one or more of the three elements of control listed above. Consolidation of a subsidiary begins when the company obtains control over the Subsidiary and ceases when the company loses control over the Subsidiary. Assets, liabilities, Income and Expenditure of a Subsidiary acquired or disposed of during the year are included in Consolidated Financial Statements from the date the Groups gains control until the date the Company ceases to control the subsidiary.

Profit or Loss and each component of Other Comprehensive Income (OCI) are attributed to the Equity holders of the Parent of the Group and to the non-controlling interest, even if this results in non-controlling interests having a deficit balance. When necessary, adjustments are made to the financial statements of subsidiary to bring their accounting policies in line with the Group's Accounting Policies. All intra-group assets and liabilities, Equity, Income, Expenses and Cash Flow relating to transactions between members of the Group are eliminated in full on consolidation.

A change in the ownership interest of a subsidiary, without a loss of control, is accounted for as an equity transaction. If the Group loses control over a subsidiary, it

- derecognizes the assets (including Goodwill) and liability of the subsidiary;
- derecognizes the carrying amount of any non-controlling interest;
- derecognizes the cumulative translation difference recorded in equity
- recognizes the fair value of the consideration received
- recognizes the fair value of any investments retained
- recognizes any surplus or deficit in Profit or Loss
- reclassifies the Parent's share of components previously recognized in OCI to Profit or Loss or Retained earnings, as appropriate, as would be required if the Group has directly disposed of the related Assets or Liabilities.

IV. Revenue recognition

Revenue is measured at the fair value of the consideration received or receivable. Amounts disclosed as revenue are net of returns, trade allowances, rebates, goods and services taxes plus amount collected on behalf of third parties.

Revenue from contracts with customers is recognized when control of the goods and services are transferred to the customer at an amount that reflects the consideration which the company expects to be entitled in exchange for those goods or services.

Revenue from sale of goods is recognized at the point of time when the control of the goods is transferred to the customer.

The company considers any other promises in the contract that are separate performance obligations to which a portion of the transaction price needs to be allocated. In determining transaction price for the goods, the company consider the effect of variable consideration, the existence significant financing components, non-cash consideration and consideration payable to the customer, if any.

Revenue is recognised when the performance obligation is satisfied either over time or at a point of time. The Indian accounting standards read with international terms and conditions is being appropriately factored in recognising revenue.

Other Operating Revenues comprise of income from ancillary activities incidental to the operations of the Company and is recognised when the right to receive the income is established as per the terms of the contract.

Dividend income from investments is recognised when the Company's right to receive payment has been established.

Interest Income from a financial asset is recognised when it is probable that the economic benefits will flow to the Company and the amount of income can be measured reliably. Interest income is accrued on a time basis, by reference to the principal outstanding and at the effective interest rate applicable, which is the rate that exactly discounts estimated future cash receipts through the expected life of the financial asset or shorter period, where appropriate to the gross carrying amount of the financial asset or to the amortized cost of a financial asset.

When calculating the effective interest rate, the company estimates the expected cash flows by considering all the contractual terms of the financial instrument but does not consider the expected credit losses. Interest income is included in other income in the statement of profit and loss. The expected cash flows are reassessed on a yearly basis and changes, if any, are accounted prospectively.

V. Property, Plant and Equipment

Property, Plant and Equipment (PPE), being fixed assets are tangible items that are held for use in the production or supply of goods or services, for rental to others, or for administrative purposes and are expected to be used for more than a period of twelve months.

Items of PPE are measured at cost, which includes capitalised borrowing costs, less accumulated depreciation and accumulated impairment losses, if any. Financing costs (if any) relating to acquisition of assets which take substantial period of time to get ready for intended use are also included to the extent they relate to the period up to such assets are ready for their intended use.

Initial Cost of an item of PPE comprises its purchase price, including import duties and non-refundable purchase taxes, after deducting trade discounts and rebates, any directly attributable cost of bringing the item to its location and working condition necessary for it to be capable of operating in the manner intended by the Management and estimated costs of dismantling and removing the item and restoring the site on which it is located.

Items such as spare parts, stand-by equipment and servicing equipment are capitalized when they meet the definition of property, plant and equipment.

If significant parts of an item of PPE have different useful lives, then they are accounted for as separate items (major components) of PPE.

Subsequent costs and disposal: Subsequent expenditure related to an item of PPE is added to its book value only if it increases the future economic benefits from the existing asset beyond its previously assessed standard of performance/life.

All other expenses on existing PPE, including day-to-day repair and maintenance expenditure and cost of replacing parts re charged to the statement of profit and loss for the period during which such expenses are incurred.

Derecognition: The carrying amount of an item of PPE is derecognised on disposal or when no future economic benefits are expected from its use or disposal.

Gains or losses arising from derecognition of PPE are measured as the difference between the net disposal proceeds and the carrying amount of the assets and are recognized in the statement of profit and loss when the asset is derecognized.

Capital-work-in-progress: Assets in the course of construction are capitalized in capital work in progress account. At the point when an asset is capable of operating in the manner intended by management, the cost of construction is transferred to the appropriate category of property, plant and equipment. Costs (net of income) associated with the commissioning of an asset are capitalised until the period of commissioning has been completed and the asset is ready for its intended use.

Depreciation: Depreciation on PPE is provided under straight line method as per the useful lives and manner prescribed under Schedule II to the Companies Act, 2013, except for plant & equipments where the useful life is estimated to be 20 years (10 years based on triple shift basis), based on technical evaluation.

The Management believes that the estimated useful lives as per the provisions of Schedule II to the Companies Act, 2013, wherever adopted, are realistic and reflect fair approximation of the period over which the assets are likely to be used.

The estimated useful lives, residual values and depreciation method are reviewed at the end of each reporting period, if there has been a significant change in the expected pattern of consumption of future economic benefits embodied in the asset, depreciation is charged prospectively to reflect the changed pattern.

The Company has used the following useful lives to provide depreciation on its Property, Plant and Equipment:

Class of Assets	Useful Lives
Factory Buildings	30 Years
Non- Factory Buildings	60 Years
Leasehold Buildings estimate	Term of Lease or useful life which ever is earlier
Plant and Equipments	10 Years (on triple shift basis)
Solar Power Plant	22 Years
Vehicles - Two wheeler	10 Years
Vehicles - Four wheeler	8 years
Furniture and Fixtures	10 Years
Office equipments	5 years
Computer	3 Years

VI. Impairment of Non Financial assets:

The Company periodically assesses whether there is any indication that an asset or a group of assets comprising a cash generating unit may be impaired. If any such indication exists, the Company estimates the recoverable amount of the asset. For an asset or group of assets that does not generate largely independent cash inflows, the recoverable amount is determined for the cash- generating unit to which the asset belongs. If such recoverable amount of the asset or the recoverable amount of the cash generating unit to which the asset belongs is less than its carrying amount, the carrying amount is reduced to its recoverable amount. The reduction is treated as an impairment loss and is recognized in the statement of profit and loss. If at the balance sheet date there is an indication that if a previously assessed impairment loss no longer exists, the recoverable amount is reassessed and the asset is reflected at the recoverable amount subject to a maximum of depreciable historical cost. An impairment loss is reversed only to the extent that the amount of asset does not exceed the net book value that would have been determined if no impairment loss had been recognized.

VII. Borrowings:

Borrowing cost includes interest expense as per Effective Interest Rate (EIR) and exchange differences arising from foreign currency borrowings to the extent they are regarded as an adjustment to the interest cost.

Borrowing costs directly attributable to the acquisition, construction or production of qualifying assets, which are assets that necessarily take a substantial period of time to get ready for their intended use or sale, are added to the cost of those assets, until such time as the assets are substantially ready for their intended use or sale.

All other borrowing costs are recognised in the statement of profit and loss in the period in which they are incurred.

VIII. Inventories:

Inventories are stated at the lower of cost and net realisable value.

Cost of raw materials includes cost of purchase and other costs incurred in bringing the inventories to their present location and condition.

Cost of finished goods and work in progress include cost of direct materials and labour and a proportion of manufacturing overheads based on the normal operating capacity but excluding borrowing costs.

Costs of inventories are determined on weighted average basis. Net realisable value represents the estimated selling price for inventories less all estimated costs of completion and costs necessary to make the sale.

The Net realisable value of work-in-progress is determined with reference to the selling prices of related finished products.

Raw Material, components and other supplies held for use in the production of finished products are not written down below cost except in cases where material prices have declined and it is estimated that the cost of the finished products will exceed their net realisable value. The comparison of cost and net realisable value is made on item-by-item basis.

Stores & Spares which do not meet the definition of PPE are accounted as inventories.

IX. Employee Benefits

Retirement benefit costs and termination benefits:

i. **Defined Contribution Plan:** A defined contribution plan is a post-employment benefit plan under which the Company pays specified contributions to a separate entity. The Company makes specified monthly contributions towards Provident Fund and Employee State Insurance. The Company's contribution is recognized as an expense in the Statement of Profit and Loss during the period in which the employee renders the related service. Payments to defined contribution retirement benefit plans are recognised as an expense when employees have rendered service entitling them to the contributions.

ii. **Defined Benefit Plan:** The cost of providing benefits is determined using the projected unit credit method, with actuarial valuations being carried out at the end of each annual reporting period. Re-measurement, comprising actuarial gains and losses, the effect of the changes to the asset ceiling (if applicable) and the return on plan assets (excluding interest), is reflected immediately in the statement of financial position with a charge or credit recognised in other comprehensive income in the period in which they occur. Re-measurement recognised in other comprehensive income is reflected immediately in retained earnings and will not be reclassified to profit or loss. Past service cost is recognised in profit or loss in the period of a plan amendment.

Net interest is calculated by applying the discount rate at the beginning of the period to the net defined benefit liability or asset. Defined benefit costs are categorised as follows:

a. service cost (including current service cost, past service cost, as well as gains and losses on curtailments and settlements);

b. net interest expense or income; and

c. re-measurement

The Company presents the first two components of defined benefit costs in profit or loss in the line item 'Employee benefits expenses'. Curtailment gains and losses are accounted for as past service costs. The retirement benefit obligation recognised in the statement of financial position represents the actual deficit or surplus in the Company's defined benefit plans. The Company presents the above liability/(asset) as current and non-current in the Balance Sheet as per actuarial valuation by the independent actuary and also considering whether the Company will contribute this amount to the gratuity fund within the next twelve months.

A liability for a termination benefit is recognised at the earlier of when the entity can no longer withdraw the offer of the termination benefit and when the entity recognises any related restructuring costs.

Short-term and other long-term employee benefits:

A liability is recognised for benefits accruing to employees in respect of wages and salaries, annual leave and sick leave in the period the related service is rendered at the undiscounted amount of the benefits expected to be paid in exchange for that service. Liabilities recognised in respect of short-term employee benefits are measured at the undiscounted amount of the benefits expected to be paid in exchange for the related service.

Liabilities recognised in respect of other long-term employee benefits are measured at the present value of the estimated future cash outflows expected to be made by the Company in respect of services provided by employees up to the reporting date.

X. Provisions and contingent liabilities

Provisions are recognised when the Company has a present obligation (legal or constructive), as a result of past events, and it is probable that an outflow of resources, that can be reliably estimated, will be required to settle such an obligation.

The amount recognised as a provision is the best estimate of the consideration required to settle the present obligation at the balance sheet date, taking into account the risks and uncertainties surrounding the obligation. When a provision is measured using the cash flows estimated to settle the present obligation, its carrying amount is the present value of those cash flows (when the effect of the time value of money is material).

When some or all of the economic benefits required to settle a provision are expected to be recovered from a third party, a receivable is recognized as an asset if it is virtually certain that reimbursement will be received and the amount of the receivable can be measured reliably.

A disclosure for a contingent liability is made when there is a possible obligation or a present obligation that may, but probably will not, require an outflow of resources. When there is a possible obligation that the likelihood of outflow of resources is remote, no provision or disclosure is made.

XI. Financial Instruments

Financial assets and financial liabilities are recognised when the Company becomes a party to the contractual provisions of the instruments.

Financial assets and financial liabilities are initially measured at fair value. Transaction costs that are directly attributable to the acquisition or issue of financial assets and financial liabilities (other than financial assets and financial liabilities at fair value through Statement of Profit and Loss (FVTPL)) are added to or deducted from the fair value of the financial assets or financial liabilities, as appropriate, on initial recognition. Transaction costs directly attributable to the acquisition of financial assets or financial liabilities at fair value through profit and loss are recognised immediately in Statement of Profit and Loss.

A. Financial Assets:

(i) Recognition and initial Measurement: The Company initially recognises loans and advances, deposits, debt securities issues and subordinated liabilities on the date on which they originate. All other financial instruments (including regular way purchases and sales of financial assets) are recognised on the trade date, which is the date on which the Company becomes a party to the contractual provisions of the instrument. A financial asset or liability is initially measured at fair value plus, for an item not at FVTPL, transaction costs that are directly attributable to its acquisition or issue. However, trade receivables that do not contain significant financing components are measured at transaction cost.

(ii) Classification of financial assets: On initial recognition, a financial asset is classified to be measured at amortised cost, fair value through other comprehensive income (FVTOCI) or FVTPL.

A financial asset is measured at amortised cost if it meets both of the following conditions and is not designated at FVTPL:

- The asset is held within a business model whose objective is to hold assets to collect contractual cash flows; and
- The contractual terms of the financial asset give rise on specified dates to cash fiows that are solely payments of principal and interest on the principal amount outstanding.

A debt instrument is classified as FVTOCI only if it meets both of the following conditions and is not recognised at FVTPL;

i) The asset is held within a business model whose objective is achieved by both collecting contractual cash flows and selling financial assets; and

ii) The contractual terms of the financial asset give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding.

Debt instruments included within the FVTOCI category are measured initially as well as at each reporting date at fair value. Fair value movements are recognized in the Other Comprehensive Income (OCI). However, the Company recognizes interest income, impairment losses & reversals and foreign exchange gain or loss in the Statement of Profit and Loss. On derecognition of the asset, cumulative gain or loss previously recognised in OCI is reclassified from the equity to Statement of Profit and Loss. Interest earned whilst holding FVTOCI debt instrument is reported as interest income using the EIR method.

Equity investments (other than investments in subsidiaries and joint ventures):

All equity investments within the scope of Ind AS 109, 'Financial Instruments' are measured at fair value. Equity instruments which are held for trading and contingent consideration recognised by an acquirer in a business combination to which Ind AS 103 applies are classified as at FVTPL. For all other equity instruments, the Company may make an irrevocable election to present in other comprehensive income subsequent changes in the fair value. The Company makes such election on an instrument-by instrument basis. The classification is made on initial recognition and is irrevocable. If the Company decides to classify an equity instrument as at FVTOCI, then all fair value changes on the instrument, excluding dividends, are recognized in the OCI. There is no recycling of the amounts from OCI to Statement of Profit and Loss, even on sale of investment. However, the Company may transfer the cumulative gain or loss within equity.

Equity instruments included within the FVTPL category are measured at fair value with all changes recognized in the Statement of Profit and Loss.

All other financial assets are classified as measured at FVTPL. In addition, on initial recognition, the Company may irrevocably designate a financial asset that otherwise meets the requirements to be measured at amortised cost or at FVTOCI or at FVTPL if doing so eliminates or significantly reduces an accounting mismatch that would otherwise arise.

Financial assets at FVTPL are measured at fair value at the end of each reporting period, with any gains and losses arising on remeasurement recognized in statement of profit or loss. The net gain or loss recognized in statement of profit or loss incorporates any dividend or interest earned on the financial asset and is included in the 'other income' line item. Dividend on financial assets at FVTPL is recognized when:

a. The Company's right to receive the dividends is established,

b. It is probable that the economic benefits associated with the dividends will flow to the entity,

The dividend does not represent a recovery of part of cost of the investment and the amount of dividend can be measured reliably.

iii) **Impairment:** The Company assesses at each reporting date whether a financial asset (or a group of financial assets) is impaired based on evidence or information that is available without undue cost or effort. Expected credit losses are assessed and loss allowances recognised if the credit quality of the financial asset has deteriorated significantly since initial recognition.

Ind AS 109 requires expected credit losses to be measured through a loss allowance. The Company recognizes lifetime expected losses for all contract assets and / or all trade receivables that do not constitute a financing transaction. For all other financial assets, expected credit losses are measured at an amount equal to the 12-month expected credit losses or at an amount equal to the life time expected credit losses, if the credit risk on the financial asset has increased significantly since initial recognition.

B. Financial liabilities and equity instruments

Financial liabilities are classified as at FVTPL when the financial liability is either held for trading or it is designated as at FVTPL.

(i) Recognition and initial Measurement:

A financial liability is classified as held for trading if:

i) It has been incurred principally for the purpose of repurchasing it in the near term; or

ii) on initial recognition it is part of a portfolio of identified financial instruments that the Company manages together and has a recent actual pattern of short-term profit-taking; or

iii) it is a derivative that is not designated and effective as a hedging instrument.

A financial liability other than a financial liability held for trading may be designated as at FVTPL upon initial recognition if:

i) such designation eliminates or significantly reduces a measurement or recognition inconsistency that would otherwise arise;

ii) the financial liability forms part of a group of financial assets or financial liabilities or both, which is managed and its performance is evaluated on a fair value basis, in accordance with the Company's documented risk management or investment strategy, and information about the grouping is provided internally on that basis; or

iii) it forms part of a contract containing one or more embedded derivatives, and Ind AS 109 permits the entire combined contract to be designated as at FVTPL in accordance with Ind AS 109.

Financial liabilities at FVTPL are stated at fair value, with any gains or losses arising on remeasurement recognised in Statement of Profit and Loss. The net gain or loss recognised in Statement of Profit and Loss incorporates any interest paid on the financial liability and is included in the 'other gains and losses' line item in the Statement of Profit and Loss. The Company derecognises financial liabilities when, and only when, the Company's obligations are discharged, cancelled or they expire. The difference between the carrying amount of the financial liability derecognised and the consideration paid and payable is recognised in Statement of Profit and Loss.

(ii) Subsequent measurement

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

a. Loans and borrowings

After initial recognition, interest-bearing loans and borrowings are subsequently measured at amortized cost using the Effective Interest Rate (EIR) method. Gains and losses are recognized in profit or loss when the liabilities are de-recognized as well as through the EIR amortization process. Amortized cost is calculated by taking into account any discount or premium on acquisition and fees or costs that are an integral part of the EIR. The EIR amortization is included as finance costs in the statement of profit and loss.

b. Trade and other payables

These amounts represent liabilities for goods or services provided to the Company which are unpaid at the end of the reporting period. Trade and other payables are presented as current liabilities when the payment is due within a period of 12 months from the end of the reporting period.

For all trade and other payables classified as current, the carrying amounts approximate fair value due to the short maturity of these instruments. Other payables falling due after 12 months from the end of the reporting period are presented as non-current liabilities and are measured at amortized cost unless designated as fair value through profit and loss at the inception.

c. Other financial liabilities at fair value through profit or loss:

Financial liabilities at fair value through profit or loss include financial liabilities held for trading and financial liabilities designated upon initial recognition as at fair value through profit or loss. Gains or losses on liabilities held for trading are recognized in the statement of profit and loss.

Other financial liabilities: Other financial liabilities (including borrowings and trade and other payables) are subsequently measured at amortised cost using the effective interest method.

(iii) Derecognition of financial liabilities: The Company derecognises financial liabilities when, and only when, the Company's obligations are discharged, cancelled or have expired. An exchange between with a lender of debt instruments with substantially different terms is accounted for as an extinguishment of the original financial liability and the recognition of a new financial liability. Similarly, a substantial modification of the terms of an existing financial liability (whether or not attributable to the financial difficulty of the debtor) is accounted for as an extinguishment of the original financial liability and the recognition of a new financial liability. The difference between the carrying amount of the financial liability derecognised and the consideration paid and payable is recognised in the statement of profit and loss.

Significant accounting judgements, estimates and assumptions:

The preparation of financial statements in conformity with the recognition and measurement principles of Ind AS requires management to make judgments, estimates and assumptions that affect the reported balances of revenues, expenses, assets and liabilities and the accompanying disclosures, and the disclosure of contingent liabilities. Uncertainty about these assumptions and estimates could result in outcomes that require a material adjustment to the carrying amount of assets or liabilities affected in future periods.

The estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognized in the period in which the estimate is revised if the revision affects only that period, or in the period of the revision and future period, if the revision affects current and future period.

The following are the areas of estimation uncertainty and critical judgments that the management has made in the process of applying the Company's accounting policies:

i. **Useful Lives of Property, Plant and Equipment:** Management reviews the useful lives of property, plant and equipment at least once a year. Such lives are dependent upon an assessment of both the technical lives of the assets and also their likely economic lives based on various internal and external factors including relative efficiency and operating costs. Accordingly, depreciable lives are reviewed annually using the best information available to the Management.

ii. **Impairment:** Determining whether the assets are impaired requires an estimate in the value in use of the assets. The value in use calculation requires the Management to estimate the future cash flows expected to arise from the asset and a suitable discount rate in order to calculate present value. When the actual cash flows are less than expected, a material impairment loss may arise.

iii. **Provisions and Contingencies:** Provisions and liabilities are recognized in the period when it becomes probable that there will be a future outflow of funds resulting from past operations or events that can reasonably be estimated. The timing of recognition requires application of judgement to existing facts and circumstances which may be subject to change. The amounts are determined by discounting the expected future cash flows at a pre-tax rate that reflects current market assessments of the time value of money and the risks specific to the liability.

iv. Taxes: Deferred tax assets are recognized for unused tax losses to the extent that it is probable that taxable profit will be available against which the losses can be utilized. Significant management judgement is required to determine the amount of deferred tax assets that can be recognised, based upon the likely timing and the level of future taxable profits together with future tax planning strategies.

v. Defined Benefit Obligation: The costs of providing Gratuity and other post-employment benefits are charged to the Statement of Profit and Loss in accordance with Ind AS 19 'Employee benefits' over the period during which benefit is derived from the employees' services. The costs are assessed on the basis of assumptions selected by the management. These assumptions include salary escalation rate, discount rates, expected rate of return on assets and mortality rates. The same is disclosed in Note 35, 'Employee benefits '.

vi. Inventories: An inventory provision is recognised for cases where the realisable value is estimated to be lower than the inventory carrying value. The inventory provision is estimated taking into account various factors, including prevailing sales prices of inventory item and losses associated with obsolete / slow-moving / redundant inventory items. The Company has, based on these assessments, made adequate provision in the books

vii. Leases : Significant judgments are required in the assumption and estimates in order to determine the ROU Asset and lease liability. The assumption and estimates include application of practical expedients, selection of accounting policy choices, assessment of lease terms, applicable incremental borrowing rate, among others.

Recent accounting pronouncements

The Ministry of Corporate Affairs (MCA) notifies new standards or amendments to the existing standards under Companies (Indian Accounting Standards) Rules as issued from time to time. There is no such notification which would have been applicable from 1st April, 2024.

2. PROPERTY, PLANT AND EQUIPMENT

₹ Lakhs

Particulars	Freehold Land	Buildings	Plant and equipment	Furnitures including office equipments	Vehicles	Computer	Total
Gross Carrying Value							
As at 31st March 2022	**26,209.62**	**6,850.23**	**27,642.53**	**206.57**	**427.05**	**225.43**	**61,561.43**
Additions / Adjustments	-	24.12	4,763.49	7.49	112.87	26.10	4,934.07
Deductions	-	-	281.63	-	8.70	11.57	301.90
As at 31st March 2023	**26,209.62**	**6,874.35**	**32,124.39**	**214.06**	**531.22**	**239.96**	**66,193.60**
Additions	-	138.04	1,986.01	10.62	1.50	14.84	2,151.01
Deductions	183.60	0.13	85.07	1.08	0.10	0.71	270.69
As at 31st March 2024	**26,026.02**	**7,012.27**	**34,025.32**	**223.60**	**532.62**	**254.09**	**68,073.92**
Accumulated depreciation and impairment							
As at 31st March 2022	**-**	**2,054.62**	**16,316.76**	**139.29**	**139.25**	**116.26**	**18,766.18**
Depreciation / Adjustments	-	334.23	2,761.03	22.37	53.84	28.85	3,200.32
Deductions	-	-	124.25	-	7.02	7.85	139.12
As at 31st March 2023	**-**	**2,388.85**	**18,953.54**	**161.66**	**186.07**	**137.26**	**21,827.38**
Depreciation	-	334.34	1,692.12	11.27	56.98	30.43	2,125.14
Deductions	-	0.09	40.23	0.92	0.08	0.38	41.70
As at 31st March 2024	**-**	**2,723.09**	**20,605.43**	**172.02**	**242.97**	**167.31**	**23,910.82**
Net Carrying Value							
As at 31st March 2023	26,209.62	4,485.50	13,170.85	52.40	345.15	102.70	44,366.22
As at 31st March 2024	**26,026.02**	**4,289.18**	**13,419.89**	**51.58**	**289.65**	**86.78**	**44,163.10**

Certain Property, Plant and Equipment has been given as security against borrowings availed by the company- (Refer note no:18 & 22)

Details of title deeds not held in the name of the Company:

Relevant line item in the balance sheet	Description of item of property	Gross value of property	Title deed held in the name of	Whether title deed holder is a promoter, director or relative of promoter/director or employee of promoter/director	Property held since which date	Reason for not being held in the name of the company
PPE	Freehold Land	1422.87	Meridian Spintex Limited	No	01.09.2006	The title deeds are in the name of Meridian Spintex Limited, erstwhile Company that was merged with the Company under Section 391 to 394 of the Companies Act, 1956 in terms of the approval of the Honourable High Court(s) of judicature at Madras vide order dt. 01.09.2006.
PPE	Freehold Land	173.10	Suprem Textiles Processing Limited	No	18.09.2017	The title deeds are in the name of Suprem Textiles Processing Limited that was merged with the Company vide NCLT, Chennai Order Dt. 18.09.2017
PPE	Freehold Land	613.20	Multiflora (Floriculture) Private Limited	No	18.09.2017	The title deeds are in the name of Multiflora (Floriculture) Private Limited currently known as Multiflora Processing Coimbatore Limited that was merged with the Company vide NCLT, Chennai Order Dt. 18.09.2017.
PPE	Freehold Land	51.00	Meridian Industries Limited	No	01.09.2006	The title deeds are in the name of Meridian Industries Limited, erstwhile Company that was merged with the Company under Section 391 to 394 of the Companies Act, 1956 in terms of the approval of the Honourable High Court(s) of judicature, at Madras vide order dt. 01.09.2006.

3 (a) RIGHT OF USE ASSET:

₹ Lakhs

Particulars	Land	Building	Total
Gross Carrying Value			
As at 31st March 2022	**390.60**	**383.30**	**773.90**
Additions	-	-	-
Deductions	-	-	-
As at 31st March 2023	**390.60**	**383.30**	**773.90**
Additions	-	459.80	459.80
Deductions	-	-	-
As at 31st March 2024	**390.60**	**843.10**	**1,233.70**
Accumulated Amortization and Impairment			
As at 31st March 2022	**91.50**	**218.67**	**310.17**
Amortization	30.50	95.68	126.18
Deductions	-	-	-
As at 31st March 2023	**122.00**	**314.35**	**436.35**
Amortization	30.50	97.92	128.42
Deductions	-	-	-
As at 31st March 2024	**152.50**	**412.27**	**564.77**

Net Carrying Value			
As at 31st March 2023	268.60	68.95	337.55
As at 31st March 2024	**238.10**	**430.83**	**668.93**

3(b) CAPITAL WORK IN PROGRESS

₹ Lakhs

As at 31st March 2023	296.74
As at 31st March 2024	**5,599.31**

Capital Work-in-progress (CWIP) ageing schedule as on 31st March 2024 :

₹ Lakhs

Particulars	Amount in CWIP for a period of				Total
	Less than 1 year	1-2 years	2-3 years	More than 3 years	
Projects in progress	5,568.51	30.80	-	-	5,599.31
Projects temporarily suspended	-	-	-	-	-

Capital Work-in-progress (CWIP) ageing schedule as on 31st March 2023

₹ Lakhs

Particulars	Amount in CWIP for a period of				Total
	Less than 1 year	1-2 years	2-3 years	More than 3 years	
Projects in progress	296.13	0.61	-	-	296.74
Projects temporarily suspended	-	-	-	-	-

The projects mentioned above are expected to be completed as per plan and there are no projects which are overdue or exceeded its cost compared to its original plan.

₹ Lakhs

3(c) INTANGIBLE ASSETS

Particulars	Amount
Gross Carrying Value	
As at 31st March 2022	**147.12**
Additions	-
Deductions	-
As at 31st March 2023	**147.12**
Additions	12.29
Deductions	-
As at 31st March 2024	**159.41**
Accumulated Amortization and Impairment	
As at 31st March 2022	**103.04**
Amortization	13.24
Deductions	-
As at 31st March 2023	**116.28**
Amortization	13.80
Deductions	-
As at 31st March 2024	**130.08**

Net Carrying Value	
As at 31st March 2023	30.84
As at 31st March 2024	**29.33**

3 (d) INTANGIBLE ASSETS UNDER DEVELOPMENT

As at 31st March 2023	9.33
As at 31st March 2024	**-**

Intangible assets under development (IAUD) ageing schedule as on 31st March 2024

₹ Lakhs

Particulars	Amount in CWIP for a period of				Total
	Less than 1 year	1-2 years	2-3 years	More than 3 years	
Projects in progress	-	-	-	-	-
Projects temporarily suspended	-	-	-	-	-

Intangible assets under development (IAUD) ageing schedule as on 31st March 2023

₹ Lakhs

Particulars	Amount in CWIP for a period of				Total
	Less than 1 year	1-2 years	2-3 years	More than 3 years	
Projects in progress	9.33	-	-	-	9.33
Projects temporarily suspended	-	-	-	-	-

There is no IAUD whose completion is overdue or has exceeded its cost compared to its initial plan.

4. INVESTMENTS

₹ Lakhs

Particulars		31.03.2024	31.03.2023
Investment in equity shares at fair value through other comprehensive income			
Trade Investments - Unquoted, fully paid up			
12,06,000 shares	A.P. Gas Power Corporation Limited of ₹ 10 each (as on 31.03.23 -12,06,000 shares)	-	517.62
2,25,000 shares	Sai Regency Power Corporation Private limited of ₹ 10 each (as on 31.03.23 -2,25,000 shares)	-	-
14,000 shares	OPG Energy Private Limited of ₹ 10 each (as on 31.03.23 - 14,000 shares)	-	-
1,08,870 shares	Nagai Power Private Limited of ₹ 10 each (as on 31.03.23 -1,08,870 shares)	-	-
83,004 shares	Ind-Bharath Power Gencom Limited of ₹ 10 each (as on 31.03.23 - 83,004 shares)	-	-
1,94,265 shares	Vishnupriya Farms Private Limited of ₹ 10 each (as on 31.03.23 - 1,94,265 shares)	-	178.72
12,35,810 shares	FPEL Phoenix Private Limited of ₹ 10 each (as on 31.03.23 - Nil)	264.00	-
	Total Trade Investments	**264.00**	**696.34**
	TOTAL INVESTMENTS	**264.00**	**696.34**
Aggregate amount of Quoted Investments and Market Value thereof		-	-
Aggregate amount of Unquoted Investments		**264.00**	**696.34**
Category-wise Non current investment			
Financial assets carried at amortized cost		-	-
Financial assets measured at fair value through other comprehensive income		**264.00**	**696.34**
	Total Non current investments	**264.00**	**696.34**

The other investments included in investments are valued at cost approach to arrive at the fair value as there is a wide range of possible fair value measurements and the cost represents estimate of fair value within that range considering the purpose of the investments.

5. OTHER FINANCIAL ASSETS

₹ Lakhs

Particulars	31.03.2024	31.03.2023
Unsecured, considered good		
Security Deposits	**1,001.51**	985.19
Margin money*	**118.10**	-
	1,119.61	**985.19**

* Margin money with banks is towards issue of letter of credit for Imports and bank guarantee.

6. DEFERRED TAX ASSETS/(LIABILITIES) (NET)

₹ Lakhs

Particulars		31.03.2024	31.03.2023
A. Deferred Tax Assets			
- On disallowances under the income tax act		**90.69**	96.01
- On unused tax losses and benefits		**360.56**	899.29
- On employee benefit expense		**570.42**	378.00
- On fair value adjustment of financial instruments		**490.58**	374.97
- On lease liability		**107.56**	21.97
	TOTAL (A)	**1,619.81**	**1,770.24**
B. Deferred Tax Liability			
- On PPE and intangible assets		**1,438.56**	1,200.91
	TOTAL (B)	**1,438.56**	**1,200.91**
Deferred tax Asset/ (liabilities) (Net) (Refer note no.37)	**(A-B)**	**181.25**	**569.33**

7. OTHER NON-CURRENT ASSETS

₹ Lakhs

Particulars	31.03.2024	31.03.2023
Capital advances	**577.58**	1,927.52
Advance Tax (net)	**551.50**	490.09
Prepayments	**34.03**	30.93
	1,163.11	**2,448.54**

8. INVENTORIES

₹ Lakhs

Particulars	31.03.2024	31.03.2023
Raw Materials	**16,783.53**	12,465.34
Work-in-progress	**1,321.67**	1,702.44 0
Finished goods	**3,504.41**	8,135.03
Stock in trade	**2.81**	2.90
Stores and spares	**1,535.93**	1,693.36
Waste Cotton	**78.84**	201.82
	23,227.19	**24,200.89**
Details of stock in transit		
Raw Materials	**1,548.12**	1,500.29
Stores and spares	**64.23**	87.50
Total	**1,612.35**	**1,587.79**

(i) For method of valuation of inventories, refer note no. 1

(ii) Inventory held at net realizable value amounting to ₹ 554.34 lakhs. (PY ₹ 4,428.34 Lakhs.)

The amount of write down of inventory recognised as an expense during the current year is ₹ 14.38 Lakhs (PY ₹ 309.82 Lakhs.)

(iii) There has been no reversal of such write down in current and previous years.

(iv) Inventories have been given as security against certain bank borrowings of the Company - (Refer note nos 18 & 22)

(v) Cost of inventory recognised as an expense:

₹ Lakhs

Particulars	31.03.2024	31.03.2023
Cost of materials consumed	**56,765.89**	64,797.86
Cost of traded goods sold	**-**	2.90
Consumption of Stores & Spare parts	**4,039.52**	4,332.53
Consumption of Fuel	**865.37**	946.04

9. INVESTMENTS - At Fair Value through Profit and Loss

Particulars	31.03.2024	31.03.2023
Investments under Portfolio Management Scheme	**1,277.66**	198.68
Total	**1,277.66**	**198.68**
Aggregate value of Quoted Investments and Market Value thereof	**1,277.66**	**198.68**
Aggregate value of Unquoted Investments	**-**	-

10. TRADE RECEIVABLES

₹ Lakhs

Particulars	31.03.2024	31.03.2023
Trade Receivable considered good - Unsecured	**13,354.64**	12,150.48
Less: Allowance for expected credit loss	**269.55**	279.53
	13,085.09	**11,870.95**

Ageing as on 31st March 2024

₹ Lakhs

Particulars	Outstanding for the following period from due date of payment						Total
	Not due	Less than 6 months	6 months - 1 year	1-2 years	2-3 years	More than 3 years	
(i) Undisputed Trade Receivables - considered good	9,782.11	3,334.99	52.18	75.42	54.00	30.66	13,329.36
(ii) Undisputed Trade Receivables which have significant increase in credit risk	-	-	-	-	-	-	-
(iii) Undisputed Trade Receivables - credit impaired	-	-	-	-	-	-	-
(iv) Disputed Trade Receivables - considered good	-	-	-	-	-	-	-
(v) Disputed Trade Receivables - which have significant increase in credit risk	-	-	-	25.27	-	-	25.27
(vi) Disputed Trade Receivables - credit impaired	-	-	-	-	-	-	-
Sub total	**9782.11**	**3,334.99**	**52.18**	**100.69**	**54.00**	**30.66**	**13,354.63**
Less: Allowance for Expected Credit Loss	-	-	-	-	-	-	(269.55)
Total	**9782.11**	**3,334.99**	**52.18**	**100.69**	**54.00**	**30.66**	**13,085.09**

Ageing as on 31st March 2023 ₹ Lakhs

Particulars	Outstanding for the following period from due date of payment						Total
	Not due	Less than 6 months	6 months - 1 year	1-2 years	2-3 years	More than 3 years	
(i) Undisputed Trade Receivables - considered good	8303.41	3,099.07	610.78	82.16	29.05	0.73	12,125.21
(ii) Undisputed Trade Receivables which have significant increase in credit risk	-	-	-	-	-	-	-
(iii) Undisputed Trade Receivables - credit impaired	-	-	-	-	-	-	-
(iv) Disputed Trade Receivables - - considered good	-	-	-	-	-	-	-
(v) Disputed Trade Receivables - which have significant increase in credit risk		2.88	22.39	-	-	-	25.27
(vi) Disputed Trade Receivables - credit impaired	-	-	-	-	-	-	-
Sub total	**8,303.41**	**3,101.95**	**633.17**	**82.16**	**29.05**	**0.73**	**12,150.48**
Less: Allowance for Expected Credit Loss	-	-	-	-	-	-	(279.53)
Total	**8,303.41**	**3,101.95**	**633.17**	**82.16**	**29.05**	**0.73**	**11,870.95**

Movement in Allowance for expected credit loss is as follows: ₹ Lakhs

Particulars	31.03.2024	31.03.2023
Opening	**279.53**	118.43
Additions	**20.00**	161.10
Reversal	**29.98**	-
Closing	**269.55**	**279.53**

The credit period on sales of goods ranges from 21 to 60 days without security. No interest is charged on trade receivables upto the end of the credit period.

Trade receivables have been given as collateral towards borrowings (Refer security note below Note nos. 18 & 22).

The Company's exposure to credit and currency risk related to trade receivables are given in Note no.43.

Expected credit losses are estimated after taking into account historical credit loss experiences of the Company.

11. CASH AND CASH EQUIVALENTS

₹ Lakhs

Particulars	31.03.2024	31.03.2023
Balances with Banks		
Current accounts	**52.33**	60.26
Cash on hand	**0.36**	0.96
	52.69	**61.22**

12. BANK BALANCE OTHER THAN CASH AND CASH EQUIVALENTS

₹ Lakhs

Particulars	31.03.2024	31.03.2023
Earmarked balances		
In Unclaimed dividend accounts	**7.05**	7.88
In margin money *	**715.19**	577.45
	722.24	**585.33**

* Margin money with banks is towards issue of letter of credit for Imports and bank guarantee.

13. LOANS

₹ Lakhs

Particulars	31.03.2024	31.03.2023
Unsecured, considered good		
Employee Loan / advances	**92.93**	72.40
	92.93	**72.40**

14. OTHERS FINANCIAL ASSETS

₹ Lakhs

Particulars	31.03.2024	31.03.2023
Unsecured, considered good		
Income accrued	**65.76**	39.91
	65.76	**39.91**

15. OTHER CURRENT ASSETS

₹ Lakhs

Particulars	31.03.2024	31.03.2023
Advance to Suppliers & others	709.19	1,356.52
Export incentives receivable	655.74	298.33
Indirect tax balances/ recoverable /credits	2,033.83	1,837.91
Compensation receivable	-	160.00
Others		
Prepayments	299.88	235.57
	3,698.64	**3,888.33**

16. EQUITY SHARE CAPITAL

₹ Lakhs

Particulars	31.03.2024	31.03.2023
Authorised		
2,13,00,000 Equity Shares of ₹ 10 each	2,130.00	2,130.00
(31-03-24 and 31-03-23 - 2,13,00,000 Equity Shares of ₹10 each)		
Issued, Subscribed & fully Paid up		
1,20,00,000 Equity Shares of ₹ 10 each fully paid up	1,200.00	1,200.00
(31-03-24 and 31-03-23- 1,20,00,000 Equity Shares of ₹ 10 each)		
	1,200.00	**1,200.00**

(i) The reconciliation of the numbers of shares outstanding is set out below:

₹ Lakhs

Particulars	31.03.2024		31.03.2023	
	Number	₹ Lakhs	Number	₹ Lakhs
At the beginning of the year / end of the year	**1,20,00,000**	**1,200.00**	1,20,00,000	1,200.00

(ii) Terms/rights attached to equity shares :

a. The company has only one class of issued shares referred to as equity shares having a par value of Rs. 10 each. Each holder of equity shares is entitled to one vote per share.

b. The dividend (except in case of interim dividend) proposed by the Board of Directors, if any, is subject to the approval of shareholders in the ensuing Annual General Meeting.

c. In the event of liquidation of the Company, the holders of the equity shares will be entitled to receive remaining assets of the Company, after distribution of all preferential amount. The distribution will be in proportion to the number of equity shares held by the share holders.

(iii) Shareholding of promoter and promoter group as on 31st March 2024 and 31st March 2023:

S. No.	Promoter name	No. of Shares	% of total shares	% change during the year
1	D Sarath Chandran (Ind)	16,42,845	13.69%	-
2	D Sarath Chandran (HUF)	12,16,251	10.14%	-
3	Ashwin Chandran	23,22,801	19.36%	-
4	Prashanth Chandran	19,87,022	16.56%	-
5	Divya Chandran	1,91,250	1.59%	-
6	Viren Mohan	14,319	0.12%	-
7	Vijay Mohan	1,950	0.02%	-
8	Vikram Mohan	1,875	0.02%	-
9	Vanitha Mohan	1,275	0.01%	-
10	Madhura Mohan	1,012	0.01%	-

(iv) Details of shareholders's holding more than 5% of shares

S. No.	Particulars	Equity Shares			
		As at 31.03.2024		As at 31.03.2023	
		No. of Shares held	% of holding	No. of Shares held	% of holding
1	D Sarath Chandran (Ind)	16,42,845	13.69%	16,42,845	13.69%
2	D Sarath Chandran (HUF)	12,16,251	10.14%	12,16,251	10.14%
3	Ashwin Chandran	23,22,801	19.36%	23,22,801	19.36%
4	Prashanth Chandran	19,87,022	16.56%	19,87,022	16.56%

v) Shares allotted for consideration other than cash -Nil.

vi) There are no Shares held by Holding Company / Subsidiaries of ultimate Holding Company as on 31st March 2024.

17. OTHER EQUITY

₹ Lakhs

Particulars		31.03.2024	31.03.2023
General reserve		**11,796.41**	11,796.41
Capital Reserve		**48.19**	48.19
Capital Redemption Reserve		**355.00**	355.00
Securities Premium		**2,736.46**	2,736.46
	(A)	**14,936.06**	**14,936.06**
Retained earnings			
Opening balance		**23,436.97**	26,759.24
Add/ (Less): Profit/ (loss) for the year		**1,678.24**	(2,602.27)
Less: Dividend for the year		**-**	(720.00)
	(B)	**25,115.21**	**23,436.97**
Other Comprehensive Income:			
Opening balance		**998.22**	1,516.99
Add: Additions during the year		**(428.23)**	(518.77)
	(C)	**569.99**	**998.22**
	(A+B+C)	**40,621.26**	**39,371.25**

a. General reserve:

Under the erstwhile Companies Act 1956, general reserve was created through an annual transfer of net income at a specified percentage in accordance with applicable regulations.

Consequent to introduction of Companies Act 2013, the requirement to mandatorily transfer a specified percentage of the net profit to general reserve has been withdrawn.

b. Capital Redemption Reserve:

i) An amount of ₹ 55 Lacs was transferred to capital redemption reserve consequent to the buy back of 5,50,000 equity shares in July '2002 as per the statutory requirement and

ii) ₹ 300 Lacs has been transferred from Meridian Industries Limited in 2006-07 to the Company in the course of business combination and can be utilized in accordance with the provisions of the Companies Act, 2013.

C. Securities Premium:

Security premium has been created consequent to issue of shares at premium. The reserve shall be utilized in accordance with the provisions of the Companies Act,2013.

18. BORROWINGS

₹ Lakhs

Particulars		31.03.2024		31.03.2023	
		Non Current	Current	Non Current	Current
Secured Loans - at amortised cost					
Term loans from Banks		**9,487.20**	**2,512.37**	8,504.12	1,999.04
Less: Unamortised upfront fees on borrowings		**33.12**	**5.51**	28.49	3.77
Less: Amount disclosed under current maturities		**-**	**2,506.86**	-	1,995.27
	(A)	**9,454.08**	**-**	**8,475.63**	-
Loans from Others		**53.05**	**30.81**	83.86	30.81
Less: Unmatured finance charges		**4.15**	**4.94**	9.09	6.87
Less: Amount disclosed under current maturities		**-**	**25.87**	-	23.94
	(B)	**48.90**	**-**	**74.77**	-
12% 700 Non-Convertible Debentures of ₹ 10,00,000/- each		**4,936.42**	**1,061.70**	5,969.37	1,056.44
Less: Unamortised upfront fees on borrowings		**9.05**	**13.63**	22.67	15.10
Less: Amount disclosed under current maturities		**-**	**1,048.07**	-	1,041.34
	(C)	**4,927.37**	**-**	5,946.70	-
	Total (A+B+C)	**14,430.35**	**-**	**14,497.10**	**-**

I Term loans from Banks:
a. Repayment Terms

₹ Lakhs

Note	Terms of Loans	Bank	31.03.2024	31.03.2023	Description
-	-	ICICI Bank	**-**	814.63	GECL 2.0 Scheme
-	-	ICICI Bank	**-**	131.00	GECL 3.0 Scheme
-	-	ICICI Bank	**-**	514.00	GECL 3.0 Scheme
1	Repayable in 36 monthly instalments aggregating to ₹ 557.37 lakhs. The interest is payable on monthly basis and the rate of interest is 9.25% per annum.	Union Bank of India	**557.37**	-	GECL 3.0 Scheme
1	Repayable in 39 monthly instalments aggregating to ₹ 526.33 lakhs. The interest is payable on monthly basis and the rate of interest is 9.25% per annum.	Union Bank of India	**526.33**	-	GECL 3.0 Scheme
-	-	IndusInd Bank	**-**	1,408.87	GECL 2.0 Scheme
-	-	IndusInd Bank	**-**	1,247.94	GECL 2.0 Scheme
2	Repayable in 22 monthly instalments aggregating to ₹ 911.62 lakhs. The interest is payable on monthly basis and the rate of interest is 9.25% per annum.	Indian Overseas Bank	**911.62**	-	GECL 2.0 Scheme
2	Repayable in 29 monthly instalments aggregating to ₹ 882.69 lakhs. The interest is payable on monthly basis and the rate of interest is 9.25% per annum.	Indian Overseas Bank	**882.69**	-	GECL 2.0 Scheme
3	Repayable in 21 monthly instalments aggregating to ₹ 208.62 lakhs. The interest is payable on monthly basis and the rate of interest is 9.25% per annum.	State Bank of India	**208.62**	327.90	GECL 2.0 Scheme
4	Repayable in 44 monthly instalments aggregating to ₹ 385 lakhs. The interest is payable on monthly basis and the rate of interest is 9.25% per annum.	State Bank of India	**385.00**	420.00	GECL 3.0 Scheme
5	Repayable in 51 quarterly instalments aggregating to ₹ 1,098 lakhs. The interest is payable on monthly basis and the rate of interest is 9.65% per annum.	State Bank of India	**1,098.00**	1,186.00	Term loan - Solar Power Plant
6	Repayable in 53 quarterly instalments aggregating to ₹ 1,442.62 lakhs. The interest is payable on monthly basis and the rate of interest is 9.65% per annum.	State Bank of India	**1,442.62**	1,524.36	Term loan - Solar Power Plant
7	Repayable in 46 monthly instalments aggregating to ₹ 1,712.54 lakhs. The interest is payable on monthly basis and the rate of interest is 9.25% per annum.	Union Bank of India	**1,712.54**	1,787.00	GECL 3.0 Scheme
8	Repayable in 22 monthly instalments aggregating to ₹ 435.20 lakhs. The interest is payable on monthly basis and the rate of interest is 8.80% per annum.	IDBI Bank	**435.20**	672.80	Working Capital Term Loan under GECL 2.0 Scheme
9	Repayable in 34 monthly instalments aggregating to ₹ 343.62 lakhs. The interest is payable on monthly basis and the rate of interest is 8.60% per annum.	IDBI Bank	**343.62**	468.66	Working Capital Term Loan under GECL 2.0 Scheme
10	Repayable in 66 monthly instalments aggregating to ₹ 1,406.80 lakhs commencing from April 2025. The interest is payable on monthly basis and the rate of interest is 9.75% per annum.	Union Bank of India	**1,406.80**	-	Term loan - Spunlace
10	Repayable in 66 monthly instalments aggregating to ₹ 2,089.16 lakhs commencing from April 2025. The interest is payable on monthly basis and the rate of interest is 5.95% per annum.	Union Bank of India	**2,089.16**	-	Term loan - Spunlace
	Total		**11, 999.57**	**10, 503.16**	

b. Security details:

Note 1 : Second ranking pari-passu charge by way of hypothecation of the company's entire stock of raw materials, semi finished & finished goods, comsumable stores & spares ,book debts, bills receivable, outstanding monies & other receivables of the company , both present & future, ranking pari-passu with other participating banks and Second raking pari-passu charge on entire fixed assets of the company ranking pari-passu with other participating banks.

Note 2 : Pari passu second charge on entire movable and immovable fixed assets and pari passu second charge on Current Assets and exclusive charge on Promoter's Residential property

Note 3 : Extension of charges on stocks and receivables and pari-passu second charge on the entire fixed assets of the company.

Note 4 : Pari passu second charge on current and fixed Assets of the Company.

Note 5 : Hypothecation of plant & machinery of proposed solar project & first charge over factory land and building at Hindpur, second charge over the entire fixed assets of the Company on Pari passu basis with other Multiple Banking Arrangement banks excluding fixed assets exclusively charged to other banks including Land and Building at various locations, hyphothecation of fixed asset and personal guarantee of promoter directors.

Note 6 : Hypothecation of plant & machinery of proposed solar project & first charge over factory land and building at Kanjikode, Kerala and personal guarantee of promoter directors.

Note 7 : Pari passu second charge with the existing credit facilities in terms of cash flows (including repayments) and securities

Note 8 : Paripassu first charge on the entire Current Assets of the Company and Paripassu second charge on the entire Fixed Assets of the Company.

Note 9 : Second Pari passu charge on the entire current Assets of the Company, both present and future and second Pari passu charge on the collateral securities offered for the existing facilities of the Company.

Note 10: Charge on the assets purchased out of the term loan. Paripassu first charge on the assets situtaed at Pollachi Unit, Paripassu second charge on the entire current assets of the Company along with other capital working lenders.

II Hire purchase loans from financial institution of ₹ 83.86 Lakhs (March 31, 2023 : ₹114.67 Lakhs) carries interest @ 7.63% to 10.65% p.a. The loans are repayable in 60 monthly instalments starting from the respective date of finance. The loan is secured by specific assets financed (Vehicle)

II Debentures represents 12% 700 Non-convertible debentures of ₹ 10,00.000/- each issued for cash at par to ICICI Prudential Corporate Credit Opportunities Fund -1. The interest is payable on quarterly basis.

(a) Terms of Repayment :

The debentures are redeemable at a premium of 0.50% per annum on the principal amount and are repayable as follows:

- At the end of 12 months from the deemed date of allotment - 7.5% of the principal amount
- At the end of 18 months from the deemed date of allotment - 7.5% of the principal amount
- At the end of 24 months from the deemed date of allotment - 7.5% of the principal amount
- At the end of 30 months from the deemed date of allotment - 7.5% of the principal amount
- At the end of 36 months from the deemed date of allotment - 10% of the principal amount
- At the end of 42 months from the deemed date of allotment - 10% of the principal amount
- At the end of 45 months from the deemed date of allotment - 50% of the principal amount.

(b) Security details:

- First charge on Technical Textile Plant and all assets thereof, identified land parcels and on the identified Spinning Unit Plant (Land, Building and Machinery) located at Walayar, Kerala.

19. LEASE LIABILITIES

₹ Lakhs

Particulars	31.03.2024	31.03.2023
Lease Liabilities - Non - Current (Refer Note no: 53)	**346.38**	-
	346.38	**-**

20. PROVISIONS

₹ Lakhs

Particulars	31.03.2024	31.03.2023
Provision for expenses	**-**	1,076.54
Provision for Gratuity (Refer note no: 39)	**1,443.50**	1,186.01
	1,443.50	**2,262.55**

Movement in provision for expenses

₹ Lakhs

Particulars	31.03.2024	31.03.2023
Opening	**1,076.54**	1,076.54
Additions	**-**	-
Reversal	**(1,076.54)**	-
Closing	**-**	**1,076.54**

21. OTHER NON-CURRENT LIABILITIES

₹ Lakhs

Particulars	31.03.2024	31.03.2023
Deferred Government Grant*	**70.86**	43.06
	70.86	**43.06**

* Represents Grant received from the Government of Karnataka and treated as deferred income to be recognised in the Statement of Profit and Loss over the useful life of Property, Plant and Equipment against which such Grant was received.

22. BORROWINGS

₹ Lakhs

Particulars	31.03.2024	31.03.2023
Secured loans at amortised cost		
Loans repayable on demand:		
From Banks		
- Domestic Currency Loans	**3,560.60**	9,792.05
- Foreign Currency Loan	**15,313.71**	10,432.87
Current maturities of long-term borrowings (Refer note no: 18)	**3,580.80**	3,060.55
	22,455.11	**23,285.47**

1 Working capital loan from banks are secured by pari passu first charge on all the current assets of the Company and pari passu second charge on fixed assets of the Company and are repayable on demand.

2 In respect of the above, working capital rupee loans carry interest rate ranging from 8.60% p.a. to 9.25% p.a. and working capital foreign currency loans carry interest rate ranging from 1.60 % p.a. to 2.01 % p.a. plus applicable SOFR.

3 The quarterly returns or statements of current assets filed by the Company with banks are in agreement with the books of accounts of the Company of the respective quarters.

23. LEASE LIABILITIES

₹ Lakhs

Particulars	31.03.2024	31.03.2023
Lease Liabilities - Current (Refer note no. 53)	**91.57**	90.32
	91.57	**90.32**

24. TRADE PAYABLES

₹ Lakhs

Particulars	31.03.2024	31.03.2023
Trade payables		
- Total outstanding dues of Micro and Small Enterprises (Refer note no. 48)	**168.58**	120.00
- Total outstanding dues of creditors other than Micro and Small Enterprises	**10,129.80**	6,190.09
	10,298.38	**6,310.09**

The Company's exposure to Currency risk and liquidity risk in relation to Trade Payables are disclosed in note no.43.

Ageing as on 31st March 2024

₹ Lakhs

Particulars	Outstanding for the following period from the due date of payment					
	Not due	Less than 1 year	1-2 years	2-3 years	More than 3 years	Total
(i) MSME						
a) Micro and Small	**166.32**	**-**	**-**	**-**	**-**	**166.32**
b) Medium	**2.26**	**-**	**-**	**-**	**-**	**2.26**
(ii) Others	**3,495.27**	**6,634.53**	**-**	**-**	**-**	**10,129.79**
(iii) Disputed dues - Micro and Small	**-**	**-**	**-**	**-**	**-**	**-**
(iv) Disputed dues - Medium	**-**	**-**	**-**	**-**	**-**	**-**
(v) Disputed dues - Others	**-**	**-**	**-**	**-**	**-**	**-**
Total	**3,663.85**	**6,634.53**	**-**	**-**	**-**	**10,298.38**

Ageing as on 31st March 2023

₹ Lakhs

Particulars	Outstanding for the following period from the due date of payment					
	Not due	Less than 1 year	1-2 years	2-3 years	More than 3 years	Total
(i) MSME						
a) Micro and Small	120.00	-	-	-	-	120.00
b) Medium	-	-	-	-	-	-
(ii) Others	3,386.95	2,803.14	-	-	-	6,190.09
(iii) Disputed dues - Micro and Small	-	-	-	-	-	-
(iv) Disputed dues - Medium	-	-	-	-	-	-
(v) Disputed dues - Others	-	-	-	-	-	-
Total	**3,506.95**	**2,803.14**	-	-	**-**	**6,310.09**

25. OTHER FINANCIAL LIABILITIES

₹ Lakhs

Particulars	31.03.2024	31.03.2023
Interest accrued but not due on borrowings	**211.60**	229.60
Unpaid dividends	**7.05**	7.88
Accrued Employee benefits	**871.44**	707.65
Others *	**2,516.00**	1,961.32
	3,606.09	**2,906.45**

* Other payables include creditors for capital goods, creditors for expenses and outstanding expenses.

26. OTHER CURRENT LIABILITIES

₹ Lakhs

Particulars	31.03.2024	31.03.2023
Statutory Liabilities	**134.43**	178.03
Advance from Customers	**374.12**	132.34
Deferred Government Grant - (Refer note no. 21)	**14.40**	69.09
Others	**1.29**	0.96
	524.24	**380.42**

27. PROVISIONS

₹ Lakhs

Particulars	31.03.2024	31.03.2023
Provision for Gratuity - (Refer note no. 39)	**323.17**	311.15
	323.17	**311.15**

28. REVENUE FROM OPERATIONS

₹ Lakhs

Particulars	2023 - 24	2022 - 23
Sale of Products - Manufactured Goods		
Sale of Yarn	**69,414.54**	67,513.45
Sale of Technical Textile products	**23,855.35**	24,355.84
Total (A)	**93,269.89**	**91,869.29**
Other operating revenue		
Scrap Sales	**3,512.82**	3,246.04
Export Incentive	**954.65**	220.75
Others*	**38.24**	46.23
Total (B)	**4,505.71**	**3,513.02**
Total (A+B)	**97,775.60**	**95,382.31**

* Others include packing charges collected.

29. OTHER INCOME

₹ Lakhs

Particulars	2023 - 24	2022 - 23
Interest Income from financial assets	**242.70**	94.47
Gain/(Loss) on fair value measurement of financial instruments	**3.76**	4.90
Dividend from Financial assets at FVTPL	**1.37**	0.10
Net gain on disposal of property, plant and equipment	**57.58**	239.00
Net gain on sale of investments	**8.91**	-
Gains on exchange fluctuations (net) - (Refer note no: 51)	**373.25**	-
Government grant - (Refer note no: 21 & 26)	**26.89**	83.14
Compensation received	**-**	160.00
Bad debts recovered	**1.20**	27.55
Miscellaneous Income	**318.44**	114.61
	1034.10	**723.77**

30. COST OF MATERIALS CONSUMED

₹ Lakhs

Particulars	2023 - 24	2022 - 23
Cotton	**56,765.89**	64,797.86
	56,765.89	**64,797.86**

Particulars of Materials consumed	2023 - 24		2022- 23	
	% of Consumption	₹ Lakhs	% of Consumption	₹ Lakhs
Imported	**17.34**	**9,841.63**	30.87	20,004.27
Indigenous	**82.66**	**46,924.26**	69.13	44,793.59
	100.00	**56,765.89**	**100.00**	**64,797.86**

31. PURCHASE OF STOCK IN TRADE

₹ Lakhs

Particulars	2023 - 24	2022 - 23
Purchase of Stock in Trade	**-**	2.90
	-	**2.90**

32. CHANGES IN INVENTORIES OF FINISHED GOODS, STOCK IN TRADE AND WORK-IN-PROGRESS

₹ Lakhs

Particulars		2023- 24	2022-23
Inventory at the end of the year			
Work in Progress and Waste Cotton			
Yarn		**790.02**	1,594.15
Technical Textile products		**610.49**	310.10
	a	**1,400.51**	**1,904.25**
Finished Goods			
Yarn		**2,610.24**	7,976.15
Technical Textile products		**894.17**	158.88
Traded Goods		**2.81**	2.90
	b	**3,507.22**	**8,137.93**
Total	**c= (a+b)**	**4,907.73**	**10,042.18**
Inventory at the beginning of the year			
Work in Progress and Waste Cotton			
Yarn		**1,594.15**	2,072.46
Technical Textile products		**310.10**	160.16
	d	**1,904.25**	**2,232.62**
Finished Goods		**-**	
Yarn		**7,976.15**	4,994.80
Technical Textile products		**158.88**	342.96
Traded Goods		**2.90**	-
	e	**8,137.93**	**5,337.76**
Total	**f = (d+e)**	**10,042.18**	**7,570.38**
(Increase) / decrease in Inventories	**(f-c)**	**5,134.45**	**(2,471.80)**

33. EMPLOYEE BENEFITS EXPENSE

₹ Lakhs

Particulars	2023 - 24	2022 - 23
Salaries, Wages and Bonus	**7,925.53**	7,299.71
Contributions to Provident fund and other funds	**613.42**	625.30
Staff welfare expenses	**609.72**	538.00
	9,148.67	**8,463.01**

34. FINANCE COST

₹ Lakhs

Particulars	2023 - 24	2022 - 23
Interest expense	**3,639.03**	3,173.05
Interest on lease Liabilities	**14.35**	13.34
Unwinding of interest on financial liabilities	**20.32**	206.02
(includes de - recognition of unamortised portion of finance charges of ₹ 197.90 lakhs in FY 2022-23)	**28.74**	25.81
Exchange differences regarded as an adjustment to borrowing cost	**54.00**	-
Other borrowing costs *	**179.02**	195.33
	3,935.46	**3,613.55**

*Other borrowing costs represents processing fee in respect of working capital borrowings.

35. DEPRECIATION AND AMORTIZATION

₹ Lakhs

Particulars	2023 - 24	2022 - 23
Depreciation on Property Plant & Equipment - (Refer note no:2)	**2,125.14**	3,200.32
Depreciation on Right of Use assets - (Refer note no.3(a))	**128.42**	126.18
Amortization of Intangible asset - (Refer note no.3(c))	**13.80**	13.24
	2,267.36	**3,339.74**

36. OTHER EXPENSES

₹ Lakhs

Particulars	2023 - 24	2022-23
Consumption of Stores & Spare parts	**4,039.52**	4,332.53
Power & Fuel (Net) (Refer note no.47)	**7,658.97**	7,133.54
Processing Charges	**1,226.20**	1,583.51
Repairs and Maintenance		
- Buildings	**326.64**	601.28
- Machinery	**2,304.69**	2,520.57
- Others	**180.56**	162.20
Rent	**22.50**	47.70
Rates and Taxes	**82.78**	110.62
Foreign Exchange loss (net) - (Refer note no.51)	**-**	362.54
Selling & Distribution expenses	**3,313.02**	3,081.31
Bank Charges	**266.49**	296.31
Communication Expenses	**69.68**	63.26
Traveling Expenses	**173.70**	196.38
Professional Charges	**330.07**	662.36
Auditor's Remuneration - (Refer note no.36 (A))	**20.95**	22.23
Expected credit Loss / Advances Written off (Net)	**29.37**	162.71
CSR Expenses - (Refer note no.50)	**-**	99.09
Miscellaneous Expenses	**406.40**	374.98
	20,451.54	**21,813.12**

36 (A): Auditors Remuneration

₹ Lakhs

Particulars	2023 - 24	2022 - 23
(a) For Statutory Audit	**16.00**	15.00
(b) For Tax Audit	**3.40**	4.35
(c) For Other services	**0.88**	2.16
(d) For reimbursement of expenses	**0.67**	0.72
	20.95	22.23

37. Tax Expense

(a) Tax expenses recognised in Statement of Profit and Loss

₹ Lakhs

Particulars		2023- 24	2022 - 23
Current Tax			
Current tax on profit for the year		-	-
Charge/ (Credit) in respect of tax for earlier years		(480.86)	-
TOTAL	**(A)**	**(480.86)**	**-**
Deferred Tax			
Origination / reversal of temporary differences		(6.63)	49.27
Effect of recognition of deferred tax on tax losses		538.73	(899.30)
TOTAL	**(B)**	**532.10**	**(850.03)**
Total Tax expense recognized in Statement of Profit and Loss - (A)+(B)		**51.24**	**(850.03)**

(b) Tax expenses recognised in other comprehensive income

₹ Lakhs

Particulars	2023- 24	2022-23
Items that will not be reclassified to profit or loss		
Remeasurements of the defined benefit plans	(13.75)	(15.26)
Net fair value loss on investments in equity instruments at FVTOCI	(130.27)	(159.22)
Total Tax expense recognized in other comprehensive income	**(144.02)**	**(174.48)**

(c) The reconciliation of estimated income tax expense at tax rate to income tax expense reported in Statement of Profit and Loss is as follows:

₹ Lakhs

Particulars	2023 - 24	2022-23
Profit/ (Loss) before tax	1,729.48	(3,452.29)
Enacted tax rate	25.17%	25.17%
Expected income tax expense/(benefit) at statutory tax rate	435.28	(868.87)
Tax effect of adjustments to reconcile expected income tax expense to reported income tax expense:		
Expenses not deductible in determining taxable profits	69.43	35.44
Income exempt from taxation	(6.77)	(20.92)
Effect of utilisation of tax losses	(422.10)	-
Effect of recognition of deferred tax on tax losses	538.73	-
Disallowances and reversals - net	(82.47)	4.32
Charge/ (Credit) in respect of tax for earlier years	(480.86)	-
Tax expense for the year	**51.24**	**(850.03)**

Note:

The above workings are based on provisional computation of tax expenses and are subject to finalisation of tax audit/ filing of tax returns in due course.

d) Significant Components of deferred tax assets / liabilities and their movements

₹ Lakhs

Particulars	Deferred Tax Assets / (Liabilities) as on 01.04.2023	Recognised in profit or loss	Recognised in OCI	Deferred Tax Assets / (Liabilities) as on 31.03.2024
Deferred tax asset/(liabilities)				
- On PPE and intangible assets	(1,200.91)	(237.65)	-	(1,438.56)
- On disallowances under the income tax act	96.01	(5.32)	-	90.69
- On unused tax losses and benefits	899.29	(538.74)	-	360.56
- On employee benefit expense	378.00	178.67	13.75	570.42
- On fair value adjustment of financial instruments	374.97	14.67	130.27	490.58
- On lease liability	21.97	85.59	-	107.56
Net Deferred tax asset/(liabilities)	**569.33**	**(532.10)**	**144.02**	**181.25**

₹ Lakhs

Particulars	Deferred Tax Assets / (Liabilities) as on 01.04.2022	Recognised in profit or loss	Recognised in OCI	Deferred Tax Assets / (Liabilities) as on 31.03.2023
Deferred tax asset/(liabilities)				
- On PPE and intangible assets	(1,149.81)	(51.10)	-	(1,200.91)
- On disallowances under the income tax act	101.58	(5.58)	-	96.01
- On unsued tax losses and benefits	-	899.29	-	899.29
- On employee benefit expense	347.41	15.33	15.26	378.00
- On fair value adjustment of financial instruments	198.72	17.03	159.22	374.97
- On lease liability	46.93	(24.96)	-	21.97
Net Deferred tax asset/(liabilities)	**(455.17)**	**850.03**	**174.48**	**569.33**

38. EARNINGS PER SHARE

₹ Lakhs

Particulars	31.03.2024	31.03.2023
Profit/ (Loss) for the year	**1,678.24**	(2,602.27)
Weighted Average number of equity shares used in computing EPS (Nos in Lakhs)	**120**	120
Basic & Diluted Earnings per share (in ₹) (Face value of ₹ 10 per share)	**13.99**	(21.69)
Face Value per equity share (in ₹)	**10.00**	10.00

39 Employee Benefit Plans

(a) Defined contribution plans - Provident Fund

In accordance with The Employees Provident Funds Act, 1952 employees are entitled to receive benefits under the provident fund. Both the employee and the employer make monthly contributions to the plan at a predetermined rate (12% for fiscal year 2024 and 2023) of an employee's basic salary. All employees have an option to make additional voluntary contributions. These contributions are made to the fund administered and managed by the Government of India (GOI). The Company has no further obligations under the fund managed by the GOI beyond its monthly contributions which are charged to the statement of profit and loss in the period they are incurred.

The expense recognised during the period towards this defined contribution plan is Rs. 337.99 Lakhs (March 31, 2023 - Rs. 307.07 Lakhs).

(b) Defined contribution plans - Employee State Insurance

In accordance with Employees' State Insurance Act, 1948, the eligible employees are entitled to receive benefits under the ESI Scheme. The employer contributes 3.25 percent and employee contributes 0.75 percent, total share 4 percent. This fund is managed by the ESI Corporation (ESIC) according to rules and regulations stipulated there in the ESI Act 1948, which oversees the provision of medical and cash benefits to the employees and their family.

The Company has no further obligations under the fund managed by the GOI beyond its monthly contributions which are charged to the statement of profit and loss in the period they are incurred.

The expense recognised during the period towards this defined contribution plan is ₹ 60.55 Lakhs (March 31, 2023- ₹ 70.16 Lakhs).

(c) Defined Benefit Plans - Gratuity

The company has defined benefit gratuity plan for its employees, which requires contributions to be made to a separately administered fund. It is governed by the Payment of Gratuity Act, 1972. The plan provides for a lump-sum payment to vested employees at retirement, death, while in employment or on termination of employment of an amount equivalent to 26 days salary payable for each completed year of service. Under the Act, employee who has completed five years of service is entitled to specific benefit. The level of benefits provided depends on the member's length of service and salary at retirement age. The fund has the form of a trust and it is governed by the Board of Trustees. The Board of Trustees is responsible for the administration of the plan assets including investment of the funds in accordance with the norms prescribed by the Government of India.

Each year, the Board of Trustees and the Company review the level of funding in the India gratuity plan. Such a review includes the asset-liability matching strategy and assessment of the investment risk. The Company decides its contribution based on the results of this annual review.

The most recent actuarial valuation of the plan assets and the present value of the defined benefit obligation were carried out at 31 March 2024 by Mr. Srinivasan Nagasubramanian, Armstrong International Employee Benefits Solution, Fellow of the Institute of Actuaries of India . Company's liability towards gratuity (funded) is actuarially determined at each reporting date using the projected unit credit method.

(i) Risk Exposure:

These plans typically expose the Company to actuarial risks such as: investment risk, interest rate risk, longevity risk and salary risk.

Investment risk The present value of the defined benefit plan liability is calculated by reference to the future salaries of the plan participants. As such, an increase in the salary of the plan participants will increase the plan's liability.

Interest risk A decrease in the bond interest rate will increase the plan liability; however, this will be partially offset by an increase in the return on the plan's debt investments.

Longevity risk The present value of the defined benefit plan liability is calculated by reference to the best estimate of the mortality of plan participants both during and after their employment. An increase in the life expectancy of the plan participants will increase the plan's liability.

Salary risk The present value of the defined benefit plan liability is calculated by reference to the future salaries of plan participants. As such, an increase in the salary of the plan participants will increase the plan's liability.

(ii) Expense Recognised in Income Statement:

₹ Lakhs

		31.03.2024	31.03.2023
A)	**Net employee benefit expense (recognised in Employee Benefits Expenses):**		
	Current service cost	**103.20**	88.10
	Prior service cost	**-**	69.66
	Interest cost	**131.93**	116.28
	Expected return on plan assets	**(20.24)**	(25.97)
	Net employee benefit expenses	**214.89**	248.07
	Actual return on plan assets	**46.93**	**9.10**
B)	**Amount recognised in Balance Sheet:**		
	Defined benefit obligation	**1,993.59**	1,859.87
	Fair value of plan assets	**226.92**	362.71
	Surplus/(Deficit)	**1,766.67**	**1,497.16**
C)	**Changes in the present value of the defined benefit obligation:**		
	Opening defined benefit obligation	**1,859.87**	1,724.26
	Current service cost	**103.20**	88.10
	Prior service cost	**-**	69.66
	Interest cost	**131.93**	116.28
	Benefits paid	**(182.72)**	(182.19)
	Net actuarial (gains)/losses on obligation for the year	**81.32**	43.76
	Closing defined benefit obligation	**1,993.59**	**1,859.87**
D)	**Changes in the fair value of plan assets:**		
	Opening fair value of plan assets	**362.71**	375.80
	Actual return on plan assets	**46.93**	9.10
	Contributions	**-**	160.00
	Benefits paid	**(182.72)**	(182.19)
	Closing fair value of plan assets	**226.92**	**362.71**

The Company expects to contribute ₹ 323.17 Lakhs to the gratuity fund in the next year (March 31, 2023: ₹ 311.15 Lakhs)against the short-term liability of ₹ 323.17 Lakhs (March 31, 2023: ₹ 311.15) as per the actuarial valuation.

The major categories of plan assets as a percentage of the fair value of total plan assets are as follows:

₹ Lakhs

Particulars	31.03.2024	31.03.2023
Investments with HDFC Group Unit Linked Plan - Option B	**100%**	100%

E) Remeasurement adjustments:

₹ Lakhs

	31.03.2024	31.03.2023
a) Actuarial (gains)/losses arising from changes in -		
- demographic assumptions	**-**	-
- financial assumptions	**30.17**	(28.88)
- experience adjustments	**51.15**	72.64
b) Return on plan assets, excluding amount included in net interest expense/(income)	**(26.69)**	16.87
Total amount recognised in other comprehensive income	**54.63**	**60.63**

Actuarial assumptions and sensitivity:

(i) The principal assumptions used in determining gratuity for the Company's plans are shown below:

Particulars	31.03.2024	31.03.2023
Discount rate	**7.22%**	7.46%
Expected rate of return of assets	**7.22%**	7.46%
Salary Escalation	**3.00%**	3.00%
Attrition Rate	**5.00%**	5.00%
Mortality	**Indian Assured Lives Mortality (2012 - 14) Ultimate**	

The estimates of future salary increases, considered in the actuarial valuation, take account of inflation, seniority, promotion, and other relevant factors, such as supply and demand in the employment market.

The overall expected rate of return on assets is determined based on the actual rate of return during the current year.

(ii) Disclosure related to indication of effect of the defined benefit plan on th entity's future cash flows:

Expected benefit payments for the year ending:

₹ Lakhs

Year Ending	31.03.2024	31.03.2023
Year 1	**137.67**	183.53
Year 2	**123.58**	203.68
Year 3	**210.02**	199.74
Year 4	**200.99**	222.55
Year 5	**203.54**	185.49
Beyond 5 years	**1,117.79**	864.88

The average duration of the defined benefit plan obligation at the end of the reporting period is 10.57 years (March 31, 2023: 8.34 years)

(iii) Sensitivity analysis

A quantitative sensitivity analysis for significant assumption is as given below:

₹ Lakhs

Particulars	31.03.2024	31.03.2023
(a) Effect of 1% change in assumed discount rate on defined benefit obligation		
- 1% increase	**(1,880.00)**	(1,770.89)
- 1% decrease	**2,119.35**	1,957.49
(b) Effect of 1% change in assumed salary escalation rate on defined benefit obligation		
- 1% increase	**(2,119.64)**	(1,958.63)
- 1% decrease	**1,878.13**	1,768.54
(c) Effect of 1% change in assumed attrition rate on defined benefit obligation		
- 1% increase	**(2,018.95)**	(1,878.38)
- 1% decrease	**1,965.95**	1,839.88

iv) Experience adjustments

₹ Lakhs

Particulars	Current Year	2022-23	2021-22	2020-21	2019-20
Defined Benefit Obligation	**1,993.59**	1,859.87	1,724.25	1,422.86	1,203.75
Plan Assets	**226.92**	362.72	375.80	344.51	316.72
Surplus / (Deficit)	**(1,766.69)**	(1,497.15)	(1,348.45)	(1,078.35)	(887.03)
Experience Adjustments on Plan Liabilities – Loss/(Gain)	**(51.15)**	(72.64)	(595.08)	(53.55)	(254.85)
Experience Adjustments on Plan Assets – Gain/(Loss)	**26.69**	(16.87)	5.48	81.94	(50.20)

40. CATEGORY-WISE CLASSIFICATION OF FINANCIAL INSTRUMENTS

The carrying value of financial instruments by categories as at 31st March 2024 were as follows:

₹ Lakhs

Particulars	Note	FVTPL	FVTOCI	Amortised Cost	Total Carrying Value
Financial Assets:					
Investments	**4 & 9**	**1,277.66**	**264.00**	**-**	**1,541.66**
Trade receivables	**10**	**-**	**-**	**13,085.09**	**13,085.09**
Cash and Cash equivalents	**11**	**-**	**-**	**52.69**	**52.69**
Other bank balance	**12**	**-**	**-**	**722.24**	**722.24**
Loans	**13**	**-**	**-**	**92.93**	**92.93**
Other Financial Assets	**5 & 14**	**-**	**-**	**1,185.37**	**1,185.37**
Financial Liabilities:					
Borrowings	**18 & 22**	**-**	**-**	**36,885.46**	**36,885.46**
Lease Liability	**19 & 23**	**-**	**-**	**437.95**	**437.95**
Trade payables	**24**	**-**	**-**	**10,298.39**	**10,298.39**
Other Financial Liabilities	**25**	**-**	**-**	**3,606.09**	**3,606.09**

The carrying value of financial instruments by categories as at 31st March 2023 were as follows: ₹ Lakhs

Particulars	Note	FVTPL	FVTOCI	Amortised Cost	Total Carrying Value
Financial Assets:					
Investments	4 & 9	198.68	696.34	-	895.02
Trade receivables	10	-	-	11,870.95	11,870.95
Cash and Cash equivalents	11	-	-	61.22	61.22
Other bank balance	12	-	-	585.33	585.33
Loans	13	-	-	72.40	72.40
Other Financial Assets	5 & 14	-	-	1,025.09	1,025.09
Financial Liabilities:					
Borrowings	18 & 22	-	-	37,782.57	37,782.57
Lease Liability	19 & 23	-	-	90.32	90.32
Trade payables	24	-	-	6,310.09	6,310.09
Other Financial Liabilities	25	-	-	2,906.45	2,906.45

The management assessed that the fair value of cash and cash equivalents, trade receivables, loans,other financial assets, trade payables and other financial liabilities approximate the carrying amount largely due to short-term maturity of these instruments. The fair value of the financial assets and liabilities is included at the amount at which the instrument could be exchanged in a current transaction between willing parties, other than in a forced or liquidation sale.

Investments in subsidiaries are carried at cost.

Investements in unquoted equity shares are carried at FVTOCI.

Investements through Portfolio Management scheme is carried at FVTPL.

41. FAIR VALUE MEASUREMENT

(a) Fair value hierarchy

Fair value of the financial instruments is classified in various fair value hierarchies based on the following three levels:

Level 1: quoted prices (unadjusted) in active markets for identical assets or liabilities.

Level 2: inputs other than quoted prices included within Level 1 that are observable for the asset or liability, either directly (i.e., as prices) or indirectly (i.e., derived from prices).

Level 3: inputs for the asset or liability that are not based on observable market data (unobservable inputs)

(b) Level wise disclosure of financial instruments: ₹ Lakhs

Particulars	As at 31st March 2024				As at 31st March 2023			
	Carrying Amt	Level 1	Level 2	Level 3	Carrying Amt	Level 1	Level 2	Level 3
Financial assets measured at fair value through Profit and Loss account (FVTPL)								
Investments through Portfolio Management scheme	**1,277.66**	**1,277.66**	-	-	198.68	198.68	-	-
Financial assets measured at fair value through other comprehensive income (FVTOCI)								
Investments in unquoted equity shares	**264.00**	-	-	**264.00**	696.34	-	-	696.34
Financial assets measured at amortised cost								
Other Investments	**81.47**	-	-	**81.47**	81.47	-	-	81.47
Trade receivables	**13,085.09**	-	-	-	11,870.95	-	-	-
Cash and Cash equivalents	**52.69**	-	-	-	61.22	-	-	-
Other bank balance	**722.24**	-	-	-	585.33	-	-	-
Loans	**92.93**	-	-	-	72.40	-	-	-
Other Financial Assets	**1,185.37**	-	-	-	1,025.09	-	-	-
Financial liabilities measured at amortised cost								
Borrowings	**36,885.46**	-	-	-	37,782.57	-	-	-
Lease Liability	**437.95**	-	-	-	90.32	-	-	-
Trade payables	**10,298.39**	**-**	**-**	**-**	**6,310.09**	**-**	**-**	**-**
Other Financial Liabilities	**3,606.09**	**-**	**-**	**-**	**2,906.45**	**-**	**-**	**-**

The Company has not disclosed the fair values for short term / current financial instruments (such as short term trade receivables, short term trade payables, Current Loans and Short term borrowings etc.,) because their carrying amounts are a reasonable approximation of fair value.

(c) Measurement of fair values:
The basis of measurement in respect of each class of financial assets and liabilities are disclosed in significant accounting policies.

42. CAPITAL MANAGEMENT:

The Company's capital management strategy is to effectively determine, raise and deploy capital so as to create value for its shareholders. The same is done through a mix of either equity and/or preference and/or convertible and/or combination of short term /long term debt as may be appropriate.

The Company determines the amount of capital required on the basis of its product, capital expenditure, operations and strategic investment plans. The same is funded through a combination of capital sources be it either equity and/or preference and/or convertible and/or combination of short term/long term debt as may be appropriate.

The Company regularly considers other financing and refinancing opportunities to diversify its debt profile, reduce interest cost and elongate the maturity of its debt portfolio, and closely monitors its judicious allocation amongst competing capital expansion projects and strategic acquisitions, to capture market opportunities at minimum risk.

The Company monitors its capital using gearing ratio, which is net debt divided to total equity. Net debt includes, interest bearing loans and borrowings less cash and cash equivalents, Bank balances other than cash and cash equivalents and current investments.

The following table summarizes the capital of the company

₹ Lakhs

Particulars	As at 31st March 2024	As at 31st March 2023
Cash and cash equivalents	52.69	61.22
Other bank balances	722.24	585.33
Current investments	1,277.66	198.68
Total cash (a)	**2,052.58**	**845.23**
Non-current borrowings	14,430.35	14,497.10
Current borrowings	22,455.11	23,285.47
Total borrowings (b)	**36,885.46**	**37,782.57**
Net debt c=(b-a)	**34,832.88**	**36,937.34**
Total equity (d)	**39,481.26**	**38,231.25**
Gearing ratio (c/d)	**0.88**	**0.97**

43. FINANCIAL RISK MANAGEMENT - OBJECTIVES AND POLICIES

The Company’s financial liabilities comprise mainly of borrowings, trade payables and other payables. The Company’s financial assets comprise mainly of investments, cash and cash equivalents, other balances with banks, loans, trade receivables and other receivables.

In course of its business, the Company is exposed to certain financial risks that could have significant influence on the Company’s business and operational / financial performance. These include market risk (including currency risk, interest rate risk and other price risk), credit risk and liquidity risk.

The Board of Directors reviews and approves risk management framework and policies for managing these risks and monitors suitable mitigating actions taken by the management to minimise potential adverse effects and achieve greater predictablity to earnings.

In line with the overall risk management framework and policies, the treasury function provides services to the business, monitors and manages through an analysis of the exposures by degree and magnitude of risks.The Company uses derivative financial instruments to hedge risk exposures in accordance with the Company’s policies as approved by the board of directors.

1) Market Risk

Market risk is the risk that the fair value of future cash flows of a financial instrument will fluctuate because of changes in market prices. Market risk comprises three types of risks: interest rate risk, currency risk and other price risk. Financial instruments affected by market risk includes borrowings, investments, trade payables, trade receivables, loans and derivative financial instruments.

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. The Company is exposed to interest rate risk because funds are borrowed at both fixed and floating interest rates. Interest rate risk is measured by using the cash flow sensitivity for changes in variable interest rate. The borrowings of the Company are principally denominated in rupees and US dollars with a mix of fixed and floating rates of interest.

The following table provides a break-up of the Company's fixed and floating rate borrowings:

₹ Lakhs

Particulars	As at 31st March 2024	As at 31st March 2023
Fixed rate borrowings	**6,050.20**	7,086.75
Floating rate borrowings	**30,835.26**	30,695.84
Total borrowings	**36,885.46**	37,782.59
Total Net borrowings	**36,885.46**	37,782.59
Add: Upfront fees	**84.33**	85.99
Total borrowings	**36,969.79**	37,868.58

The sensitivity analyses below have been determined based on the exposure to interest rates for floating rate liabilities, assuming the amount of the liability outstanding at the year-end was outstanding for the whole year.

If interest rates had been 100 basis points higher / lower and all other variables were held constant, the Company's profit/ (loss) for the year ended 31 March 2024 would decrease / increase by ₹ 369.69 Lakhs (for the year ended 31 March 2023 : decrease / increase by ₹ 378.68 Lakhs). This is mainly attributable to the Company's exposure to interest rates on its variable rate borrowings.

b) Foreign Currency Risk

"Foreign currency risk is the risk that the fair value or future cash flows of an exposure will fluctuate due to changes in foreign exchange rates. The Company enters into forward exchange contracts with average maturity of less than 6 month to hedge against its foreign currency exposures relating to the recognised underlying liabilities and firm commitments. The Company's policy is to hedge its exposures above predefined thresholds from recognised liabilities and firm commitments that fall due in 20-30 days. The Company does not enter into any derivative instruments for trading or speculative purposes.

The carrying amounts of the Company's hedged monetary assets and monetary liabilities at the end of the reporting period are as follows:

₹ Lakhs

Particulars	As at 31st March 2024			As at 31st March 2023		
	USD	Euro	GBP/CHF	USD	Euro	GBP /CHF
Trade Receivables	**5,172.56**	**691.68**	**80.58**	2,537.24	973.22	50.12
Trade Payables	**(2,274.61)**	**(77.09)**	**(286.60)**	(16.36)	(3.27)	-
Packing Credit	**(14,276.06)**	**(578.21)**	**(42.38)**	(10,168.76)	(264.12)	-
TOTAL	**(11,378.11)**	**36.38**	**(248.40)**	**(7,647.88)**	**705.83**	**50.12**

The carrying amounts of the Company's hedged monetary assets and monetary liabilities at the end of the reporting period are as follows:

Particulars	As at 31st March 2024			As at 31st March 2023		
	USD	Euro	GBP/ CHF	USD	Euro	GBP / CHF
Packing Credit	**(417.05)**	-	-	-	-	-
Foreign Currency Term Loan	**(2,089.15)**	-	-	-	-	-
TOTAL	**(2,506.20)**	**-**	**-**	**-**	**-**	**-**

The below table demonstrates the sensitivity to a 5% increase or decrease in the respective currency against INR, with all other variables held constant. The sensitivity analysis is prepared on the net unhedged exposure of the Company as at the reporting date. 5% represents management's assessment of reasonably possible change in foreign exchange rate. A positive number below indicates an increase in profit or equity where INR strengthens 5% against the relevant currency. For a 5% weakening of INR against the relevant currency, there would be a comparable impact on profit or equity, and the balances below would be negative.

₹ Lakhs

Change in Exchange Rate(+5% / -5%)		Effect on PAT	
		2023-24	2022 -23
USD	+5%	**(568.91)**	**(382.39)**
	-5%	**568.91**	**382.39**
EURO	+5%	**1.82**	**35.29**
	-5%	**(1.82)**	**(35.29)**
GBP/CHF	+5%	**(12.42)**	**2.51**
	-5%	**12.42**	**(2.51)**

The forward exchange contracts entered into by the Company and outstanding are as under:

As at	No. of Contracts	Type	USD Equivalent (₹ in Lakhs)	INR Equivalent (₹ in Lakhs)
31-Mar-24	**1**	**Buy**	**(25.05)**	**(2,089.15)**
	2	**Sell**	**5.00**	**417.05**
31-Mar-23		Buy	-	-
		Sell	-	-

c) Commodity Price Risk

The Company's revenue is exposed to the market risk of price fluctuations related to its raw material i.e., Cotton. Market forces generally determine prices for the cotton procured by the Company. These prices may be influenced by factors such as supply and demand, production costs (including the costs of raw material inputs) and global and regional economic conditions and growth. Adverse changes in any of these factors may increase the Cost of Production that the Company incurs for manufacture of Yarn.

The following table details the Company's sensitivity to a 5% movement in the input price of Cotton. The sensitivity analysis includes only 5% change in commodity prices for quantity consumed during the year, with all other variables held constant. A positive number below indicates an increase in profit where the commodity prices reduces by 5%. For a 5% increase in commodity prices, there would be a comparable impact on profit, and the balances below would be negative.

₹ Lakhs

Commodity	Increase		Decrease	
	2023-24	2022-23	2023-24	2022-23
Cotton	**(2,838.29)**	(3,240.04)	**2,838.29**	3,240.04

2) Credit Risk

Credit risk refers to risk that a counterparty will default on its contractual obligations resulting in financial loss to the Company. Credit risk arises primarily from financial assets such as trade receivables, investment in mutual funds, derivative financial instruments, other balances with banks, loans and other receivables. To manage the credit risk, the company periodically assesses the financial reliability of customers, taking into account the financial condition, current economic trends, and analysis of historical bad debts and ageing of account receivables. Individual risk limits are set accordingly.

The Company considers the probability of default upon initial recognition of asset and whether there has been a significant increase in credit risk on an ongoing basis throughout each reporting period. To assess whether there is a significant increase in credit risk the company compares the risk of default occurring on the asset as at the reporting date with the risk of default as at the date of initial recognition. The company considers reasonable and supportive forward-looking information.

The average credit period on sales of products is 21 to 60 days. Credit risk arising from trade receivables is managed in accordance with the Company's established policy, procedures and control relating to customer credit risk management. Credit quality of a customer is assessed based on a detailed study of credit worthiness and accordingly individual credit limits are defined/modified. The concentration of credit risk is limited due to the fact that the customer base is large.

Information about major customers

Customers with more than 5% of the total value of trade receivables as at 31st March 2023 and 31st March 2022 are as follows:

₹ Lakhs

Particulars	As at 31st March 2024			As at 31st March 2023		
	No. of Parties	Amount Outstanding	%	No of Parties	Amount outstanding	%
Customers						
- within India	**1**	**837.15**	**6.89%**	3	2855.29	23.50%
- Outside India	**1**	**1,028.71**	**8.47%**	1	843.88	6.95%

3) Liquidity Risk

Liquidity risk is the risk that the Company will encounter difficulty in raising funds to meet commitments associated with financial instruments that are settled by delivering cash or another financial asset. Liquidity risk may result from an inability to sell a financial asset quickly at close to its fair value.

The Group's treasury department is responsible for maintenance of liquidity (including quasi liquidity), continuity of funding as well as timely settlement of debts. In addition, policies related to mitigation of risks are overseen by senior management. Management monitors the Group's net liquidity position on the basis of expected cash flows vis a vis debt service fulfillment obligation.

The table below analysis derivative and non-derivative financial liabilities of the Company into relevant maturity groupings based on the remaining period from the reporting date to the contractual maturity date. The amounts disclosed in the table are the contractual undiscounted cash flows.

₹ Lakhs

Particulars	On demand	Less than 1 year	Between 1 to 5 years	Over 5 years	Total	Carrying value
At 31st March, 2024						
Long term borrowings	**-**	**-**	**11,824.69**	**2,605.66**	**14,430.35**	**14,430.35**
Short term borrowings	**18,874.31**	**3,580.80**	**-**	**-**	**22,455.11**	**22,455.11**
Trade payables	**-**	**10,298.38**	**-**	**-**	**10,298.38**	**10,298.39**
Lease Liability	**-**	**91.57**	**346.38**	**-**	**437.95**	**91.57**
Other financial liabilities	**-**	**3,606.09**	**-**	**-**	**3,606.09**	**3,606.09**
At 31st March, 2023						
Long term borrowings	-	-	12,743.51	1,753.59	14,497.10	14,497.10
Short term borrowings	20,224.92	3,060.55	-	-	23,285.47	23,285.47
Trade payables	-	6,310.09	-	-	6,310.09	6,310.09
Lease Liability	-	90.32	-	-	90.33	90.33
Other financial liabilities	-	2,899.24	7.21	-	2,906.45	2,906.45

₹ Lakhs

		As at 31st March 2024	As at 31st March 2023
44	Estimated amount of contracts remaining to be executed on capital account and not provided for	**357.59**	10705.45
	Estimated amount of contracts remaining to be executed on commitment towards captive power consumption agreement	**-**	355.92
	Total	**357.59**	**11061.37**

45. Contingent Liabilities:

	As at 31st March 2024	As at 31st March 2023
Contingent liabilities in respect of :		
Bills discounted	**1,684.93**	1,144.19
Guarantees	**433.38**	261.23
Letters of credit outstanding	**2,548.47**	1,423.13
Claims not acknowledged as debts (Refer note below)	**7,829.51**	-
Contingent liabilities under litigation :		
Disputed Statutory Liabilities not provided for	**523.78**	393.06
Disputed Other Liabilities not provided for	**1,224.09**	65.41

Note: Electricity bills of Southern Power Distribution Company of Andhra Pradesh Limited reflects an amount aggregating to ₹ 7,829.51 Lakhs as "Court Case Arrears". This is a unilaterally arrived at figure, with no details made available to the Company. Further this amount is not mentioned as the amount payable in the bill but under "Court Case Arrears". This could be consequent to various litigations pending with regard to Andhra Pradesh Gas Power Corporation Limited as reflected in the earlier Annual Reports.

46. Exceptional items :

a. A parcel of land measuring 3.40 acres was under dispute, for which a suit was filed before the subordinate judge at Palakkad seeking nullification of the conveyance of property. The said dispute was dismissed by the court vide judgement dated 5th December 2002, thereby granting absolute ownership of the property to the company.

The above order was challenged by way of an appeal by the appellant before the Kerala High Court. The High Court allowed the appeal and set aside the order of the subordinate judge of Palakkad vide court order dated 16th June 2023.

Aggrieved by the order, an appeal by way of a Special Leave Petition was preferred by the company before the Honourable Supreme Court of India, which was dismissed. Consequently the carrying value of the land amounting to ₹ 183.60 Lakhs has been written off.

b. The Company, as a shareholder and power consumer, has several pending litigations against Andra Pradesh Gas Power Corporation Limited (APGCL) before various judicial forums. The disputes range from monthly consumption of units, tariff related issues, wheeling charges, peak hour energy allocation, restriction and control measurement charges, surplus allocation charges, peak hour penalty and load factor incentive. These disputes relate to various periods from 2003 to 2020 against which the Company, Southern Power Distribution Company Limited (SPDCL) and APGPCL are litigants at various forums. The company's efforts to obtain full details and the basis of claims of SPDCL and APGPCL from their various offices of SPDCL and APGPCL were futile. Various other shareholders of APGPCL and power consumers are also before various judicial forums on one or more of the above-mentioned issues. The company had in the past, based on then available data, made provisions in the books of accounts in respect of these issues in various years. The carrying value of these liabilities as at 31.03.2024 was ₹ 806.75 Lakhs.

During September 2022, APGPCL had suspended its operations and had declared layoff of their employees effective 01 November 2022. Considering the layoff and the long pending litigations over several years, the ability of APGPCL to timely represent the pending legal cases, the company has reviewed the issue in totality and has written back an amount of ₹ 806.75 Lakhs as an exceptional item.

47. Power and Fuel is net of wind power income of ₹ 220.44 lakhs (PY ₹ 208.64 lakhs) representing power supplied to the grid against which equivalent consumption was made in house.

48. Disclosure relating to suppliers registered under Micro, Small and Medium Enterprise Development Act, 2006:

₹ Lakhs

Particulars	As at 31st March 2024	As at 31st March 2023
The principal amount and the interest due thereon remaining unpaid to any supplier as at the end of each accounting year included in:		
Principal amount due to Micro & Small Enterprises	**168.58**	120.00
Interest due on above	-	-
Total	**168.58**	**127.44**
The amount of interest paid by the buyer in terms of section 16 of the MSMED Act, 2006 along with the amounts of the payment made to the supplier beyond appointed day.	-	-
The amount of interest due and payable for the period of delay in making payment (which have been paid but beyond the appointment day during the year) but without adding the interest specified under the MSMED Act, 2006.	**0.66**	0.22
The amount of interest accrued and remaining unpaid at the end of each accounting year.	**8.09**	7.43
The amount of further interest remaining due and payable even in the succeeding years, until such date when the interest dues as above are actually paid for the purpose of disallowance as a deductible under section 23 of the MSMED Act, 2006.	-	-

The Company has disclosed the suppliers who have registered themselves under "Micro, Small and Medium Enterprises Development Act, 2006" to the extent they have identified on the basis of information available with the Company in respect of the registration status of its vendors.

49. Disclosure relating to the exchange gain / loss arising out on restatement of long term foreign currency monetary items.

₹ Lakhs

Particulars	31.03.2024	31.03.2023
a. Exchange difference capitalized during the year	**-**	-
b. Depreciation charged to Profit & Loss a/c thereon	**25.15**	25.15
c. Exchange difference pertaining to assets sold during the year	**-**	-
d. Remaining amount to be amortized*	**144.46**	169.60

* The company amortizes only 95% of the value of its fixed assets.

50. Corporate Social Responsibility (CSR) activities :

Particulars	31.03.2024	31.03.2023
a) Gross amount required to be spent by the Company during the year	**-**	98.80
b) Unspent amount pertaining to earlier years	**-**	-
c) Total amount required to be spent by the Company - (a+b)	**-**	98.80
d) Amount spent during the year		
(i) Construction/acquisition of any asset	**-**	-
(ii) On purposes other than (i) above	**-**	99.09
e) Balance amount to be spent / (Excess spent) - (c-d)	**-**	(0.29)
f) Nature of CSR activities	Promoting education and Health care	
g) Details of related party transactions in relation to CSR expenditure as per relevant Accounting Standard		
- Contribution to Narayanaswamy Naidu Charity Trust for Education in relation to CSR expenditure	**-**	49.75

51. Foreign Exchange gain / (loss) (net) includes foreign exchange gain / (loss) arising out of restatement of foreign currency assets / liabilities / derivatives amounting to ₹ 45.22 lakhs (PY - ₹ 238.20 lakhs)

52. Related Party Disclosure :

List of related parties with whom transactions have taken place and their relationship

Holding Co	:	Nil
Subsidiaries	:	Suprem Associates (Partnership firm)
Key Management Personnel (KMP)	:	Mr. Ashwin Chandran (Chairman and Managing Director)
		Mr. Prashanth Chandran (Vice Chairman & Managing Director)
		Mr.T.Kumar (Executive Director)
		Mr.Sumanth Ramamurthi (Non Executive Director)
		Mr.Jairam Varadaraj (Non Executive Director)
		Mr.C.N.Srivatsan (Non Executive Director)
		Mrs. R.Bhuvaneshwari (Non Executive Director)
		Mr.P.Vijay Raghunath ((Non Executive Director)
		Mr.Arun Selvaraj (Non Executive Director)
		Mr. Vinay Balaji Naidu (Non Executive Director)
		Mr. M K Ravindra Kumar (Chief Financial Officer)
		Mrs.S. Kavitha (Company Secretary)
Others		
-Relative of KMP		Mr.Sarath Chandran
-Enterprise in which KMP has control/		Ashwanth Primarius Enterprises. LLP
		Ramani and Shankar Advocates
		Suprem Enterprises
		Narayanaswamy Naidu charity trust for Education
		N Damotharan Welfare trust

Nature of transactions	FY 2023-24			FY 2022 - 23		
	Subsidiaries	KMP	Others	Subsidiaries	KMP	Others
Remuneration	-	**399.67**	**0.15**	-	343.02	1.00
Commission	-	**26.02**	**8.02**	-	-	-
Sitting fees	-	**10.23**	-	-	11.90	-
Interest expense	-	-	-	-	-	-
Royalty	-	-	**13.52**	-	-	12.70
Donation	-	-	-	-	-	49.75
Professional charges	-	-	**0.08**	-	-	-
Amount payable	-	**26.02**	**9.18**	-	-	1.61
Amount receivable	-	-	-	-	-	-

The remuneration to KMP does not include the provision made for gratuity as they are determined on an actuarial basis for the company as a whole.

53. Leases

The Company has adopted Ind AS 116 "Leases" on all lease contracts with effect from April 1,2019. The disclosures as required under the standard are given below:

(i) The movement in lease liabilities is as follows:

Particulars	31.03.2024	31.03.2023
Balance at the beginning of the year	**90.32**	193.63
Additions during the year (Hanudev & Stores godown	**459.79**	-
Reclassification from prepayment	**-**	-
Finance cost accrued during the year	**14.35**	13.34
Payment of lease liabilities	**(126.51)**	(116.65)
Balance at the end of the year	**437.95**	**90.32**
Current lease liabilities	**91.57**	90.32
Non-current lease liabilities	**346.38**	-
Amount recognised in Statement of Profit & Loss for the year ended :		
Interest on lease liabilities	**14.35**	13.34
Depreciation on right-of-use assets	**128.42**	126.18

(ii) Details of the contractual maturities of lease liabilities on an undiscounted basis are as follows:

Particulars	31.03.2024	31.03.2023
Less than one year	**91.57**	90.32
One to five years	**346.38**	-
More than five years	**-**	-
Total	437.95	90.32

(iii) Detailed leasing arrangements:

Particulars	31.03.2024	31.03.2023
Expenses relating to short-term leases	**9.00**	9.00
Expenses relating to leases of low-value assets	**1.97**	1.81

54. Operating Segments

The company is in the business of manufacturing textile products which are regularly reviewed by the Management and those who charged with governance for assessment of company's performance and resource allocation.

Information about Geographical revenue and non current assets :

1. Revenue from Operation: Based on location of customers
2. Non current assets : Based on location of Assets

a) Revenue from Operations

₹ Lakhs

Particulars	As at 31st March 2024	As at 31st March 2023
Within India	**49,118.05**	53,746.80
Outside India	**44,151.84**	38,122.49
Total	**93,269.89**	**91,869.29**

b) Non current assets:

All non current assets of the company are located in India.

55. Disclosure as required under section 186(4) of the Companies Act, 2013

Loans given and Guarantees given by the company: Nil (PY: Nil)

Investments made are given under the respective head.

56. Disclosure as required under Regulation 34 (3) and 53(f) of Securities Exchange Board of India (Listing Obligation and Disclosure Requirements) Regulation, 2015.

Particulars	As at 31st March 2023	Maximum balance outstanding during the year	Investment by the loanee in the shares of Parent Company
Loans and Advances in the nature of loans given to subsidiaries	-	-	-

57. The Code on Social Security 2020 has been notified in the Official Gazette on 29th September 2020. the effective date from which the changes are applicable is yet to be notified and the rules are yet to be framed. Impact, if any, of the change will be assessed and accounted in the period in which the said code becomes effective and the rules framed thereunder are published.

58. Events after the reporting period

The Board of Directors, in its meeting held on 23rd May, 2024, has recommended a dividend of 15% (₹1.50 per fully paid up equity shares of ₹ 10 each) for the year ended 31st March, 2024 subject to the approval of the shareholders at the ensuing Annual General Meeting.

59. Additional information as required under Schedule III to the Companies Act, 2013 of entities Consolidated as Subsidiaries

₹ Lakhs

Name of the Entity	Net Assets		Share in Profit & Loss	
	As a % of Consolidated Net Assets	Amount	As a % of Consolidated Profit / (Loss)	Amount
Parent Company				
Precot Limited	94.40%	39,481.26	100.00%	1,250.01
Subsidiary				
Suprem Associates	5.60%	2,340.00	-	-

60. Additional disclosure relating to Schedule III Amendment of Companies Act , 2013

(i) Details of Benami property:

No proceedings have been initiated or are pending against the company for holding any Benami property under the Benami Transactions (Prohibition) Act, 1988 (45 of 1988) and the rules made thereunder

(ii) Utilisation of borrowed funds and share premium:

A) The company has not advanced or loaned or invested funds to any other person(s) or entity(ies), including foreign entities

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

B) The company has not received any funds from any person(s) or entity(ies), including foreign entities (Funding party) 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 to or on behalf of the ultimate beneficiaries.

(iii) Compliance with number of layers of companies:

The company has complies with the number of layers prescribed under the Companies Act, 2013.

(iv) Undisclosed income:

There is no income surrendered or disclosed as income during the current or previous year in the tax assessments under the Income tax Act,1961, that has not been recorded in the books of account.

(v) Details of crypto currency or virtual currency:

The company has not traded or invested in crypto currency or virtual currency during the current or previous year

(vi) Valuation of Property, Plant and Equipment, Intangible Asset and investment Property :

The company has not revalued its property, plant and equipment (including Right of use Assets) or intangible assets or both during the current of previous year.

The company does not have any transaction with companies struck off.

(viii) Wilful Defaulter:

The company had not been declared a wilful defaulter by any bank or financial institution or other lender (as defined under the Companies Act, 2013) or consortium thereof. In accordance with the guidelines on wilful defaulters issued by the Reserve Bank of India.

(ix) The Company does not have any charges or satisfaction which is yet to be registered with the Registrar of Companies (ROC) beyond the statutory period.

61. The amounts and disclosures included in the financial statements of the previous year have been reclassified wherever necessary to conform to the current year classification.

62. All figures are in lakhs unless otherwise stated and rounded off to the nearest two decimals.

Vide our report of even date attached
For VKS Aiyer & Co
Chartered Accountants
ICAI Firm Reg.No.: 000066S

C.S.Sathyanarayanan
Partner
M.No. : 028328

Place : Coimbatore
Date :23-May-2024

For and on behalf of the Board of Directors

Ashwin Chandran
Chairman and Managing Director
(DIN : 00001884)

M K Ravindra Kumar
Chief Financial Officer

Prashanth Chandran
Vice Chairman and Managing Director
(DIN : 01909559)

S Kavitha
Company Secretary
(FCS No. 8710)

NOTICE is hereby given that the 62nd Annual General Meeting of the shareholders of the Company will be held on, Tuesday, 20th August 2024 at 3.00 PM through Video Conference ("VC") / Other Audio Visual Means ("OAVM") ("hereinafter referred to as "electronic mode") to transact the following business:

Ordinary Business:

1. **Adoption of Audited Annual financial statements**

   To consider and if thought fit, to pass the following resolution as an **Ordinary Resolution**:

   RESOLVED THAT the audited annual financial statements of the Company for the year ended 31st March, 2024 including audited balance sheet as at 31st March 2024, statement of profit and loss, cash flow statement and consolidated financial statements for the year ended on that date, together with the Directors' report and the auditors' report thereon as presented to the meeting, be and are hereby, approved and adopted.

2. **To appoint a Director in place of Mr Prashanth Chandran (DIN:01909559), who retires by rotation and being eligible, offers himself for reappointment**

   To consider and if thought fit, to pass the following resolution as an **Ordinary Resolution:**

   RESOLVED THAT pursuant to the provisions of Section 152 and other applicable provisions, if any, of the Companies Act, 2013, approval of the members of the Company be and is hereby accorded to the re-appointment of **Mr. Prashanth Chandran (DIN:01909559),** who retires by rotation and being eligible offers himself for reappointment, as a Director.

3. **To Declare a Dividend**

   To consider and if thought fit, to pass the following resolution as an **Ordinary Resolution:**

   RESOLVED THAT the dividend @ Rs.1.50 per equity share of Rs. 10 each, fully paid- up, be and is hereby declared for the financial year ended March 31,2024 and the same be paid to those Members whose names appear on the Company's Register of Members on 13th August, 2024.

Special Business:

4. **Appointment of Mrs. Suguna Ravichandran (DIN: 00170190) as Independent Director**

   To consider and, if thought fit, to pass the following Resolution as a **Special Resolution:**

   RESOLVED THAT pursuant to the provisions of Section 149, 150, 152 read with Schedule IV and other applicable provisions of the Companies Act, 2013 (the Act) and the Companies (Appointment and Qualifications of Directors) Rules, 2014, (including any statutory amendments and modification(s) thereof for the time being in force) and Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 ('Listing Regulations'), on the recommendation of the Nomination & Remuneration Committee and approval of the Board of Directors for appointment of **Mrs. Suguna Ravichandran (DIN: 00170190)** as an Additional Director in the capacity of an Independent Director of the Company effective from June 1, 2024, and in respect of whom the Company has received a notice in writing from a Member proposing her candidature for the office of Director pursuant to Section 160(1) of the Act, who has submitted a declaration that she meets the criteria for independence as provided under Section 149(6) of the Act and Regulation 16(1) (b) of the Listing Regulations, be and is hereby, appointed as an Independent Director of the Company for a period of five consecutive years with effective from June 1, 2024 to May 31, 2029 and is not liable to retire by rotation.

RESOLVED FURTHER THAT the board of directors of the company be and are hereby authorised to do all acts and take all such steps as may be necessary, proper or expedient to give effect to this resolution.

5. **Appointment of Mr.V.Prakash (DIN: 00102 0 9 1) as Independent Director**

To consider and, if thought fit, to pass the following Resolution as a **Special Resolution:**

RESOLVED THAT pursuant to the provisions of Section 149, 150, 152 read with Schedule IV and other applicable provisions of the Companies Act, 2013 (the Act) and the Companies (Appointment and Qualifications of Directors) Rules, 2014, (including any statutory amendments and modification(s) thereof for the time being in force) and Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 ('Listing Regulations'), on the recommendation of the Nomination & Remuneration Committee and approval of the Board of Directors for appointment of **Mr. V. Prakash (DIN: 00102091)** as an Additional Director in the capacity of an Independent Director of the Company effective from June 1, 2024, and in respect of whom the Company has received a notice in writing from a Member proposing her candidature for the office of Director pursuant to Section 160(1) of the Act, who has submitted a declaration that he meets the criteria for independence as provided under Section 149(6) of the Act and Regulation 16(1) (b) of the Listing Regulations, be and is hereby, appointed as an Independent Director of the Company for a period of five consecutive years with effective from June 1, 2024 to May 31, 2029 and is not liable to retire by rotation.

RESOLVED FURTHER THAT the board of directors of the company be and are hereby authorised to do all acts and take all such steps as may be necessary, proper or expedient to give effect to this resolution.

6. **Appointment of Mr. Ravi Kumar Abburu (DIN: 10622002) as Director**

To consider and, if thought fit, to pass the following Resolution as a **Special Resolution:**

RESOLVED THAT pursuant to the provisions of sections 196, 197 and 198 read with schedule V and other applicable provisions of the Companies Act, 2013 ('the Act') and the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014 (including any statutory amendments and modification(s) thereof for the time being in force) and Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 ('Listing Regulations'),**Mr.Ravi Kumar Abburu (D IN: 10622002),** be and is hereby appointed as Director-Technical Textiles (will be treated as Executive and Non-Independent) of the company, effective from June 1,2024 to March 31, 2026 and whose office is liable to retirement by rotation on the following terms and conditions set out below:

I. Salary: Rs.2,70,000 per month with an annual increment of 8% of the Salary

II. Perquisites and Allowances

1. House Rent Allowance 50 % of the Salary.
2. The following perquisites shall be allowed subject to a maximum of 50% of the Salary.
   a. Reimbursement of medical expenses incurred for self and his family.
   b. Leave travel concession for self and his family.

   If the perquisites specified in Clause 2 (a) are not availed in full, the unutilized portion of the limit shall be encashed at the end of each month.

3. Provision of telephone with internet facility and a car with driver.
4. Performance based incentive-payable annually after approval of annual financial statements. This performance-linked incentive would be payable subject to the achievement of certain performance criteria and such other parameters as may be considered appropriate from time to time by the Nomination Remuneration Committee and the Board.

He shall also be eligible for the following benefits which shall not be included in the computation of ceiling on the remuneration.

Contribution to Provident Fund as per the rules of the company to the extent these either singly or put together are not taxable under the Income Tax Act.

Payment of Gratuity at the end of the tenure not exceeding 15 days salary for each completed year of service or at the rate as may be notified by the Government from time to time.

RESOLVED FURTHER THAT the Nomination and Remuneration Committee be and is hereby authorised to determine and recommend the exact amount of incentive payable every year to Mr. Ravi Kumar Abburu to the Board of Directors.

RESOLVED FURTHER THAT in the event of no profits or inadequacy of profits, the remuneration payable to Mr. Ravi Kumar Abburu shall not exceed the limit specified in Section II of Part II of Schedule V of the Act or such other limits as may be notified by the Government from time to time.

RESOLVED FURTHER THAT the Board of Directors or any Committee thereof, be and are hereby authorized to alter or vary the component elements of remuneration payable to Mr. Ravi Kumar Abburu, within the overall limits under the Act and to do all such acts, deeds, things and execute all such documents, instruments and forms as may be required and to give effect to this resolution.

RESOLVED FURTHER THAT the Board of Directors or of the company be and are hereby authorised to do all acts and take all such steps as may be necessary, proper or expedient to give effect to this resolution.

7. Ratification of remuneration payable to cost auditor

To consider and if thought fit, to pass the following resolution as an **Ordinary Resolution:**

RESOLVED THAT pursuant to the provisions of Section 148 and other applicable provisions, if any, of the Companies Act, 2013, read with the Companies (Audit and Auditors) Rules, 2014 (including any statutory modification(s) or amendments thereof, for the time being in force), the remuneration of Rs.4 lakhs, in addition to reimbursement of travel and out-of-pocket expenses, payable to Mr.R.Krishnan, Cost Accountant (Registration 7799), who was appointed as Cost Auditor of the Company to conduct the audit of the cost records for the financial year 2024-25 as recommended by the Audit Committee and approved by the Board of Directors of the Company, be and is hereby ratified.

By order of the Board
S Kavitha
Company Secretary

Coimbatore
23-May-2024

NOTES:

1. Ministry of Corporate Affairs ("MCA") has vide its Circular No. 9 dated September 25, 2023 read with Circular No.20 dated May 05, 2020 Circular No.02 dated January 13, 2021, Circular No.19 dated December 08, 2021, Circular No.21 dated December 14, 2021 Circular No. 3 dated May 5, 2022 and Circular No. 10 dated December 28, 2022 permitted the holding of Annual General Meeting through VC or OAVM without the physical presence of Members at a common venue. In compliance with these MCA Circulars and the relevant provisions of the Companies Act, 2013 and the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, the Annual General Meeting of the Members of the Company is being held through VC/OAVM.

2. **Pursuant to the provisions of the Companies Act, 2013, a Member entitled to attend and vote at the Annual General Meeting is entitled to appoint a proxy to attend and vote on his/her behalf and the proxy need not be a Member of the Company. Since this AGM is being held pursuant to the MCA Circulars through VC/OAVM, physical attendance of Members has been dispensed with. Accordingly, the facility for appointment of proxies by the Members will not be available for the Annual General Meeting and hence the Proxy Form and Attendance Slip are not annexed to the Notice.**

3. Institutional/Corporate Shareholders (i.e. other than individuals/HUF, NRI, etc) are required to send a scanned copy (PDF/JPEG Format) of its Board Resolution or governing body Resolution/Authorisation etc., authorising its representative to attend the Annual General Meeting through VC/OAVM on its behalf and to vote through remote e-voting. The said Resolution/Authorization shall be sent to the Scrutinizer by email through their registered email address to csduraifcs@gmail.com, with copies marked to the Company at kavitha@precot.com and to its RTA at coimbatore@linkintime.co.in.

4. The Register of Members and Share Transfer books of the Company will remain closed from 14th August,2024 to 20th August, 2024 (both days inclusive).

5. The explanatory statement pursuant to section 102 of the Act, with respect to Special Businesses set out in the Item Nos. 4 to 6 above are annexed hereto.

6. Dividend recommended by the Board of Directors, if approved by the Members at the ensuring Annual General Meeting, will be credited / dispatched to those members within 30 days from the date of declaration, whose name appear on the Register of Members of the Company as on 13th August 2024. In respect of the dematerialized shares dividend will be paid on the basis of the beneficial ownership furnished by the National Securities Depository Limited and Central Depository Services (India) Limited at the end of the business hours on 13th August 2024. Dividend is subject to deduction of applicable rates as per the relevant provisions of income Tax, Act 1961 and rules made thereunder. A separate circular through email is being sent to each shareholder with complete details relating to the deduction of tax at source from dividend.

7. **Updation of KYC for Physical Folios:**

   As per SEBI Master Circular bearing reference no. SEBI/HO/MIRSD/POD-1/P/CIR/2024/37 dated May 7, 2024 (superseding Master Circular for RTAs dated May 17, 2023 and subsequent circulars on the subject), Dividend will be withheld if shares held in physical folio is not KYC compliant.

   SEBI as per the above referred Circular has directed as under:

A) It shall be mandatory for all holders of physical securities in listed companies to furnish PAN, Choice of Nomination, Contact Details, (Postal Address with PIN and MobileNumber), Bank Account Details, and Specimen Signature for physical folios.

B) Any payment including dividend, interest or redemption payment in respect of such folios is permitted only through electronic mode w.e.f. April 1,2024, and such payment shall be made electronically only upon furnishing of PAN, KYC details and Nomination by holders of physical securities.

We therefore request you to update your PAN, KYC details and Nomination by submitting the relevant documents viz; Forms ISR-1, ISR-2, ISR-3, SH-13, SH-14 on or before Tuesday, 13th August, 2024. The formats for updation of KYC details and Nomination are available on Registrar & Transfer Agent's (Link Intime India Pvt. Ltd.) web site at https : // www .linkintime.co.in

8. Members holding shares in physical form are requested to intimate, indicating their folio number, the changes, if any, in their registered addresses/change of bank account, either to the company or its registrar and share transfer agent Link Intime India Private Limited.

9. Members who are holding shares in Electronic form are requested to intimate immediately their change of address/change of bank account, if any to their respective Depository Participant.

10. Members who hold shares in physical form in multiple accounts in identical names or joint accounts in the same order of names are requested to send the share certificates to the company's registrar and share transfer agent, Link Intime India Private Limited for consolidation into a single account.

11. The Notice of the Annual General Meeting along with the Annual Report for the financial year 2023-24 is being sent only by electronic mode to those Members whose email addresses are registered with the Company/Depositories in accordance with the aforesaid MCA Circulars and circular issued by SEBI dated October 6, 2023. Members may note that the Notice of Annual General Meeting and Annual Report for the financial year 2023-24 will also be available on the Company's website http: //www.precot.com/ investors; website of the National Stock Exchange of India Ltd at www.nse.com. Members can attend and participate in the Annual General Meeting through VC/OAVM facility only.

12. Members attending the meeting through VC/OAVM shall be counted for the purposes of reckoning the quorum under Section 103 of the Companies Act, 2013.

13. Registration of email ID and Bank Account details:

In case the shareholder's email ID is already registered with the Company/its Registrar & Share Transfer Agent "RTA"/Depositories, log in details for e-voting are being sent to the registered email address.

In case the shareholder has not registered his/her/their email address with the Company/its RTA/Depositories and or not updated the Bank Account mandate for receipt of dividend, the following instructions to be followed:

(i) Shareholders may send the Form ISR -1 along with the requisite documents to the RTA through postal means to their address at Link Intime India Private Limited, "Surya", 35, Mayflower Avenue, Behind Senthil Nagar, Sowripalayam Road, Coimbatore - 641028.

OR

(ii) In the case of Shares held in Demat mode:

The shareholder may please contact the Depository Participant (“DP”) and register the email address and bank account details in the demat account as per the process followed and advised by the DP.

14. The physical copies of the documents will also be available at the company's registered office for inspection during normal business hours on working days.

15. In compliance with section 108 of the Companies Act, 2013, rule 20 of the Companies (Management and Administration) amendment rules, 2015, and regulation 44 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 the company has provided a facility to the members to exercise their votes electronically through the electronic voting service facility arranged by Link Intime India Private Limited.

Mr K Duraisami, Company Secretary in Practice has been appointed as the scrutinizer to scrutinize remote e-voting process in a fair and transparent manner. The results of e-voting along with voting by ballot at the Annual General Meeting to be held on 20th August, 2024 will be announced by the Chairman of the meeting within 48 hours of the Annual General Meeting. The results of the voting will be hosted on the website of the company, i.e., www.precot.com, website of Link Intime and will also be intimated to stock exchange after declaration of results by the Chairman.

16. Pursuant to Finance Act 2020, dividend income will be taxable in the hands of Shareholders with effect from 1st April, 2020 and the Company is required to deduct tax at source from dividend paid to Shareholders at the prescribed rates. For the prescribed rates for various categories, the Shareholders are requested to refer to the Finance Act, 2020 and amendments thereof. Detailed communication regarding the prescribed TDS rates for various categories, conditions for Nil/ preferential TDS and details /documents required thereof are being sent to the members. Members are requested to submit the documents as stated in the communication online by clicking https//liiplweb.linkintime.co.in/ formsreg / submission-of-form-15g-15h.html on or before 13th August, 2024.

17. The voting period begins at 9.00 AM on 17th August,2024 and ends at 5.00 PM on 19th August,2024. During this period shareholders of the Company, holding shares either in physical form or in dematerialized form, as on the cut-off date 13th August,2024, may cast their vote electronically. The e-voting module shall be disabled by Link Intime India for voting thereafter.

General Guidelines for shareholders:

- During the voting period, shareholders can login any number of time till they have voted on the resolution(s) for a particular "Event".
- Shareholders holding multiple folios/demat account shall choose the voting process separately for each of the folios/demat account.

Remote e-Voting Instructions for shareholders

- As per the SEBI circular dated December 9, 2020, individual shareholders holding securities in demat mode can register directly with the depository or will have the option of accessing various ESP portals directly from their demat accounts.

Login method for Individual shareholders holding securities in demat mode is given below:

1. Individual Shareholders holding securities in demat mode with NSDL

    1. Existing IDeAS user can visit the e-Services website of NSDL viz... https://eservices.nsdl.com either on a personal computer or on a mobile. On the e-Services home page click on the "Beneficial Owner" icon under "Login"" which is available under 'IDeAS' section, this will prompt you to enter your existing User ID and Password. After successful authentication, you will be able to see e-Voting services under Value added services. Click on "Access to e-Voting" under e-Voting services and you will be able to see e-Voting page. Click on company name or e-Voting service provider name i.e. LINKINTIME and you will be re-directed to “InstaVote” website for casting your vote during the remote e-Voting period.

    2. If you are not registered for IDeAS e-Services, option to register is available at https://eservices.nsdl.com Select "Register Online for IDeAS Portal" or click at https://eservices.nsdl.com/SecureWeb/IdeasDirectReg.jsp

    3. Visit the e-Voting website of NSDL. Open web browser by typing the following URL: https://www.evoting.nsdl.com/ either on a personal computer or on a mobile. Once the home page of e-Voting system is launched, click on the icon "Login" which is available under 'Shareholder/Member' section. A new screen will open. You will have to enter your User ID (i.e. your sixteen-digit demat account number hold with NSDL), Password/OTP and a Verification Code as shown on the screen. After successful authentication, you will be redirected to NSDL Depository site wherein you can see e-Voting page. Click on company name or e-Voting service provider name i.e. LINKINTIME and you will be redirected to “InstaVote” website for casting your vote during the remote e-Voting period.

2. Individual Shareholders holding securities in demat mode with CDSL

    1. Users who have opted for CDSL Easi / Easiest facility, can login through their existing user id and password. The option will be made available to reach e-Voting page without any further authentication. The users to login Easi / Easiest are requested to visit CDSL website www.cdslindia.com and click on login icon & New System Myeasi Tab and then use your existing my easi username & password.

    2. After successful login the Easi / Easiest user will be able to see the e-Voting option for eligible companies where the evoting is in progress as per the information provided by the company. On clicking the evoting option, the user will be able to see e-Voting page of the e-Voting service provider i.e. LINKINTIME for casting your vote during the remote e-Voting period. Additionally, there are also links provided to access the system of all e-Voting Service Providers, so that the user can visit the e-Voting service providers’ website directly.

    3. If the user is not registered for Easi/Easiest, the option to register is available at CDSL website www.cdslindia.com and click on login & New System Myeasi Tab and then click on registration option.

4. Alternatively, the user can directly access the e-Voting page by providing Demat Account Number and PAN No. from a e-Voting link available on www.cdslindia.com home page. The system will authenticate the user by sending OTP on registered Mobile & Email as recorded in the Demat Account. After successful authentication, the user will be able to see the e-Voting option where the evoting is in progress and also able to directly access the system of all e-Voting Service Providers.

3. Individual Shareholders (holding securities in demat mode) login through their depository participants

   You can also login using the login credentials of your demat account through your Depository Participant registered with NSDL/CDSL for e-Voting facility. After Successful login, you will be able to see e-Voting option. Once you click on e-Voting option, you will be redirected to NSDL/CDSL Depository site after successful authentication, wherein you can see e-Voting feature. Click on the company name or e-Voting service provider name i.e. LinkIntime and you will be redirected to e-Voting service provider website for casting your vote during the remote e-Voting period.

Login method for Individual shareholders holding securities in physical form/ Non-Individual Shareholders holding securities in demat mode is given below:

Individual Shareholders of the company, holding shares in physical form / Non-Individual Shareholders holding securities in demat mode as on the cut-off date for e-voting may register for e-Voting facility of Link Intime as under:

1. Open the internet browser and launch the URL: https://instavote.linkintime.co.in
2. Click on "Sign Up" under 'SHARE HOLDER' tab and register with your following details: -

A. User ID:

Shareholders holding shares in physical form shall provide Event No + Folio Number registered with the Company. Shareholders holding shares in NSDL demat account shall provide 8 Character DP ID followed by 8 Digit Client ID; Shareholders holding shares in CDSL demat account shall provide 16 Digit Beneficiary ID.

B. PAN: Enter your 10-digit Permanent Account Number (PAN) (Shareholders who have not updated their PAN with the Depository Participant (DP)/ Company shall use the sequence number provided to you, if applicable.

C. DOB/DOI: Enter the Date of Birth (DOB) / Date of Incorporation (DOI) (As recorded with your DP / Company - in DD/MM/YYYY format)

D. Bank Account Number: Enter your Bank Account Number (last four digits), as recorded with your DP/Company.

*Shareholders holding shares in physical form but have not recorded 'C' and 'D', shall provide their Folio number in 'D' above

*Shareholders holding shares in NSDL form, shall provide 'D' above

- ▶ Set the password of your choice (The password should contain minimum 8 characters, at least one special Character (@!#$&*), at least one numeral, at least one alphabet and at least one capital letter).
- ▶ Click "confirm" (Your password is now generated).

3. Click on 'Login' under **'SHARE HOLDER'** tab.

4. Enter your User ID, Password and Image Verification **(CAPTCHA)** Code and click on **'Submit'.**

Cast your vote electronically:

1. After successful login, you will be able to see the notification for e-voting. Select 'View' icon.

2. E-voting page will appear.

3. Refer the Resolution description and cast your vote by selecting your desired option **'Favour / Against'** (If you wish to view the entire Resolution details, click on the **'View Resolution'** file link).

4. After selecting the desired option i.e. Favour / Against, click on **'Submit'.** A confirmation box will be displayed. If you wish to confirm your vote, click on **'Yes'**, else to change your vote, click on **'No'** and accordingly modify your vote.

Guidelines for Institutional shareholders:

Institutional shareholders (i.e. other than Individuals, HUF, NRI etc.) and Custodians are required to log on the e-voting system of Link Intime Private Limited LIIPL at https://instavote.linkintime.co.in and register themselves as **'Custodian / Mutual Fund / Corporate Body'.** They are also required to upload a scanned certified true copy of the board resolution /authority letter/power of attorney etc. together with attested specimen signature of the duly authorised representative(s) in PDF format in the **'Custodian / Mutual Fund / Corporate Body'** login for the Scrutinizer to verify the same.

Helpdesk for Individual Shareholders holding securities in physical mode/ Institutional shareholders:

Shareholders facing any technical issue in login may contact Link Intime INSTAVOTE helpdesk by sending a request at enotices@linkintime.co.in or contact on: - Tel: 022 – 4918 6000.

Helpdesk for Individual Shareholders holding securities in demat mode:

Individual Shareholders holding securities in demat mode may contact the respective helpdesk for any technical issues related to login through Depository i.e. NSDL and CDSL.

Login type	Helpdesk details
Individual Shareholders holding securities in demat mode with NSDL	Members facing any technical issue in login can contact NSDL helpdesk by sending a request at evoting@nsdl.co.in or call at : 022- 4886 7000 and 022-2499 7000
Individual Shareholders holding securities in demat mode with CDSL	Members facing any technical issue in login can contact CDSL helpdesk by sending a request at helpdesk.evoting@cdslindia.com or contact at toll free no. 1800 22 55 33

Individual Shareholders holding securities in Physical mode has forgotten the password:

If an Individual Shareholders holding securities in Physical mode has forgotten the USER ID [Login ID] or Password or both then the shareholder can use the “Forgot Password” option available on the e-Voting website of Link Intime: https://instavote.linkintime.co.in

o Click on **‘Login’** under **‘SHARE HOLDER’** tab and further Click **‘forgot password?’**

o Enter User ID, select Mode and Enter Image Verification code (CAPTCHA). Click on “SUBMIT”.

In case shareholders is having valid email address, Password will be sent to his / her registered e-mail address. Shareholders can set the password of his/her choice by providing the information about the particulars of the Security Question and Answer, PAN, DOB/DOI, Bank Account Number (last four digits) etc. as mentioned above. The password should contain minimum 8 characters, at least one special character (@!#$&), at least one numeral, at least one alphabet and at least one capital letter.*

User ID for Shareholders holding shares in Physical Form (i.e. Share Certificate): Your User ID is Event No + Folio Number registered with the Company

Individual Shareholders holding securities in demat mode with NSDL/ CDSL has forgotten the password:

Shareholders who are unable to retrieve User ID/ Password are advised to use Forget User ID and Forget Password option available at abovementioned depository/ depository participants website.

➟ It is strongly recommended not to share your password with any other person and take utmost care to keep your password confidential.

➟ For shareholders/ members holding shares in physical form, the details can be used only for voting on the resolutions contained in this Notice.

➟ During the voting period, shareholders/ members can login any number of time till they have voted on the resolution(s) for a particular “Event”.

Process and manner for attending the Annual General Meeting through InstaMeet:

1. Open the internet browser and launch the URL: https://instameet.linkintime.co.in & Click on “Login”.

▶ Select the **“Company”** and **‘Event Date’** and register with your following details: -

A. **Demat Account No. or Folio No:** Enter your 16 digit Demat Account No. or Folio No

- Shareholders/ members holding shares in **CDSL demat account shall provide 16 Digit Beneficiary ID**
- Shareholders/ members holding shares in NSDL demat account shall provide 8 Character DP ID followed by 8 Digit Client ID
- Shareholders/ members holding shares in **physical form shall provide** Folio Number registered with the Company

B. PAN: Enter your 10-digit Permanent Account Number (PAN) (Members who have not updated their PAN with the Depository Participant (DP)/ Company shall use the sequence number provided to you, if applicable.

C. Mobile No.: Enter your mobile number.

D. Email ID: Enter your email id, as recorded with your DP/Company.

- Click “Go to Meeting” (You are now registered for InstaMeet and your attendance is marked for the meeting).

Instructions for Shareholders/ Members to Speak during the Annual General Meeting through InstaMeet:

1. Shareholders who would like to speak during the meeting must register their request with the company by sending their request mentioning their name demat account number folio number, email Id, mobile number at secretary@precot.com from 16th August, 2024, 9 a.m to 17th August, 2024, 5 p.m.
2. Shareholders will get confirmation on first cum first basis depending upon the provision made by the Company.
3. Shareholders will receive “speaking serial number” once they mark attendance for the meeting.
4. Other shareholder may ask questions to the panelist, via active chat-board during the meeting.
5. Please remember speaking serial number and start your conversation with panelist by switching on video mode and audio of your device.

Shareholders are requested to speak only when moderator of the meeting/ management will announce the name and serial number for speaking.

Instructions for Shareholders/ Members to Vote during the Annual General Meeting through InstaMeet:

Once the electronic voting is activated by the scrutinizer during the meeting, shareholders/ members who have not exercised their vote through the remote e-voting can cast the vote as under:

1. On the Shareholders VC page, click on the link for e-Voting “Cast your vote”
2. Enter your 16 digit Demat Account No. / Folio No. and OTP (received on the registered mobile number/ registered email Id) received during registration for InstaMEET and click on 'Submit'.
3. After successful login, you will see “Resolution Description” and against the same the option “Favour/ Against” for voting.
4. Cast your vote by selecting appropriate option i.e. “Favour/Against” as desired. Enter the number of shares (which represents no. of votes) as on the cut-off date under ‘Favour/Against'.
5. After selecting the appropriate option i.e. Favour/Against as desired and you have decided to vote, click on “Save”. A confirmation box will be displayed. If you wish to confirm your vote, click on “Confirm”, else to change your vote, click on “Back” and accordingly modify your vote.
6. Once you confirm your vote on the resolution, you will not be allowed to modify or change your vote subsequently.

Note: Shareholders/ Members, who will be present in the Annual General Meeting through InstaMeet facility and have not casted their vote on the Resolutions through remote e-Voting and are otherwise not barred from doing so, shall be eligible to vote through e-Voting facility during the meeting. Shareholders/ Members who have voted through Remote e-Voting prior to the Annual General Meeting will be eligible to attend/ participate in the Annual General Meeting through InstaMeet. However, they will not be eligible to vote again during the meeting.

Shareholders/ Members are encouraged to join the Meeting through Tablets/ Laptops connected through broadband for better experience.

Shareholders/ Members are required to use Internet with a good speed (preferably 2 MBPS download stream) to avoid any disturbance during the meeting.

Please note that Shareholders/ Members connecting from Mobile Devices or Tablets or through Laptops connecting via Mobile Hotspot may experience Audio/Visual loss due to fluctuation in their network. It is therefore recommended to use stable Wi-FI or LAN connection to mitigate any kind of aforesaid glitches.In case shareholders/ members have any queries regarding login/ e-voting, they may send an email to instameet@linkintime.co.in or contact on: - Tel: 022-49186175.

Coimbatore
23-May-2024

By order of the Board
S Kavitha
Company Secretary

Explanatory Statement

(pursuant to Section 102 of the Companies Act, 2013

Item No. 4 & 5

On May 23, 2024, the Board of Directors have appointed Mrs. Suguna Ravichandran and Mr. V. Prakash as Additional Directors of the Company in the capacity of Independent Directors for a term of 5 years with effect from June 1, 2024 to May 31, 2029, In terms of section 160 of the Companies Act, 2013, the Nomination and Remuneration Committee and the Board have recommended the appointment of Mrs. Suguna Ravichandran and Mr. V. Prakash as Independent Directors pursuant to the provisions of Sections 149 and 152 of the Companies Act, 2013. The Company has also received notice in writing from Members proposing the candidature of Mrs. Suguna Ravichandran and Mr. V Prakash to be appointed as Director of the Company.

The Company has received declarations from Mrs. Suguna Ravichandran and Mr V Prakash confirming that they meet the criteria of independence under the Companies Act, 2013 and SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015. Further, the Company has also received from Mrs.Suguna Ravichandran and Mr.V. Prakash consents to act as Director in terms of section 152 of the Companies Act, 2013 and declarations that they are not disqualified from being appointed as Directors in terms of Section 164 of the Companies Act, 2013.

In the opinion of the Board, Mrs. Suguna Ravichandran and Mr. V. Prakash fulfils the conditions specified in the Companies Act, 2013 and rules made thereunder and SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 for their appointment as Independent Directors of the Company and are independent of the management.

In line with the Company's remuneration policy for Independent Directors, Mrs. Suguna Ravichandran and Mr.V.Prakash will be entitled to receive remuneration by way of sitting fees as approved by the Board of Directors and reimbursement of expenses for participation in the Board meetings.

Mrs. Suguna Ravichandran is a Chartered Accountant and has rich experience in the field of Audit, Taxation and dealing with financial and other matters related to management. Considering her performance and capabilities along with her experience in the industry, the Board of Directors are of the opinion that it would be in the interest of the Company to appoint her as an Independent Director for a period of five years with effect from June 1, 2024 to May 31, 2029.

Mr.V.Prakash has more than 30 years of insightful experience and expertise in the banking sector. He was associated with various banks such as State Bank of India, Lakshmi Villas Bank, Standard Chartered Bank, ICICI Bank etc., Considering his performance and capabilities along with the experience in the industry, the Board of Directors are of the opinion that it would be in the interest of the Company to appoint her as an Independent Director for a period of five years with effect from June 1, 2024 to May 31, 2029.

Draft letters of appointment of Mrs.Suguna Ravichandran and Mr. V. Prakash setting out the terms and conditions of appointment are being made available for inspection by the Members through electronic mode. Additional information in respect of Mrs. Suguna Ravichandran and Mr.V.Prakash pursuant to Regulation 36 of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 and the Secretarial Standards on General Meetings (SS-2), is provided as Annexure B to this Notice.

Except Ms. Suguna Ravichandran and Mr. V. Prakash and/or their relatives, none of the Directors and Key Managerial Personnel of the Company and/or their relatives are concerned or interested, financially or otherwise, in the resolution set out at Item No. 4 & 5.

The Board of Directors recommends the resolutions proposing the appointment of Mrs.Suguna Ravichandran and Mr V Prakash as Independent Directors of the Company, as set out in Item No. 4 & 5 for approval of the Members by way of Special Resolution.

Item No.6

The Board of Directors at their meeting held on 23-May-2024 on the recommendation of Nomination and Remuneration Committee appointed Mr. Ravi Kumar Abburu as Additional Director and designated him as Director-Technical Textiles (will be treated as Executive and Non Independent) of the company for a period commencing from 1-June-2024 to 31-Mar-2026. In terms of Section 161(1) of the Companies Act, 2013, Mr. Ravi Kumar Abburu, holds office upto the date of this Annual General Meeting but is eligible for the appointment as a director. The Company has received a notice from a Member in writing under Section 160 of the Act, proposing his candidature for the office of director.

Additional information in respect of Mr. Ravi Kumar Abburu pursuant to Regulation 36 of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 and the Secretarial Standards on General Meetings (SS-2), is provided at Annexure B to this Notice.

Mr.Ravi Kumar Abburu has over 29 years of experience of strong expertise in manufacturing operations, business excellence, and commercial with considerable exposure in all other business functions in start-up, growth, and mature organizations. His appointment is liable to retirement by rotation.

The company has received required disclosures under the provisions of the Companies Act, 2013 from Mr. Ravi Kumar Abburu. The Board considers that his educational qualification, experience & exposure would be of immense benefit to the company and it is desirable to avail services of him as a Director. He is not related to any of the directors of the company.

The Board of Directors recommends the resolution proposing the appointment of Mr.Ravi Kumar Abburu as Director- Technical Textiles of the Company, as set out in Item No.6 for approval of the Members by way of Special Resolution.

Item No.7

The Board, on the recommendation of the Audit Committee, has approved the appointment and remuneration of the Cost Auditor to conduct the audit of the cost records of the company for the financial year 2024-25.

In accordance with the provisions of Section 148 of the Act read with the Companies (Audit and Auditors) Rules, 2014, the remuneration payable to the cost auditors has to be ratified by the members of the company.

Accordingly, the consent of the members is sought for passing an ordinary resolution as set out in Item No. 7 of the notice, for ratification of the remuneration payable to the cost auditor for the financial year 2024-25. The Board of Directors recommends the resolution for approval of the members.

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

Corporate Identification Number (CIN) : L17111TZ1962PLC001183

Registered Office: SF No.559/4, D Block, 4th Floor, Hanudev Info Park, Nava India Road, Udaiyampalayam, Coimbatore -641028 Tamil Nadu, India. Phone : 0422-4321100;

Email : secretary@precot.com

Website : www.precot.com

By order of the Board
S Kavitha
Company Secretary

Coimbatore
23-May-2024

Annexure A:

Information to be provided under Schedule V, Part II (B) of the Companies Act, 2013:

I. General Information:

1. Nature of Industry: Textiles.
2. Date or expected date of commencement of commercial production : Not applicable
3. In case of new companies, expected date of commencement of activities as per project approved by financial institutions appearing in the prospectus : Not applicable
4. Financial performance based on given indicators :

₹ Lakhs

Particulars	2023-24	2022-23
Sales and other Income	98,809	96,106
Profit before Tax and depreciation	3,997	(113)
Profit after Tax	1,678	(2,602)
Paid up Equity Capital	1,200	1,200
Reserves and Surplus	38,281	37,031
Basic and Diluted Earnings per share (Rs.)	13.99	(21.69)

5. Foreign investments and collaborators, if any : Nil

II. Information about the Appointees:

Mr. Ravi Kumar Abburu

Background details, Past remuneration Recognition or awards, Job Profile and his suitability – Refer Annexure B to the Notice

Remuneration proposed: Refer Resolution no.6

Comparative remuneration profile with respect to industry, size of the company, profile of the position and appointee: The responsibilities shouldered on him and the industry bench marks, the remuneration proposed to be paid is commensurate with the remuneration packages paid in comparable companies.

Pecuniary relationship directly or indirectly with the company or relationship with the managerial personnel, if any :

Director of the Company

Mr. Ravi Kumar Abburu is not related to any of the managerial personnel of the company.

III. Other Information :

1. Reasons of loss or inadequate profits: Not applicable
2. Steps taken or proposed to be taken for improvement: Not applicable.
3. Expected increase in productivity and profits in measurable terms: Not applicable.

IV. Disclosures:

1. The shareholders of the company shall be informed of the remuneration package of the managerial person: Disclosed
2. The following disclosures shall be mentioned in the Board of Director's report under the heading "Corporate Governance", if any, attached to the annual report:
   a. All elements of remuneration package such as salary, benefits, bonuses, stock options, pension, etc., of all the directors: Disclosed.
   b. Details of fixed component and performance linked incentives along with the performance criteria: Disclosed
   c. Service contracts, notice period, severance fees: Disclosed
   d. Stock option details: The Company has not issued any Stock option.

V. **The company has not defaulted in repayment of any of its debt/debentures/public deposits.**

Annexure B

Disclosure under Reg. 36(3) of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 and Clause 1.2.5 of Secretarial Standards on General Meetings.

Name of the Director	Mr. Prashanth Chandran	Mrs Suguna Ravichandran	Mr V Prakash	Mr Ravi Kumar Abburu
Director Identification Number	01909559	00170190	00102091	10622002
Date of Birth and Age	5.01.1981,43 years	11.08.1958 - 65 years	18.06.1962 – 61 years	8.08.1971 – 52 years
Qualifications	B.E(Hons.)	Fellow Member of the Institute of Chartered Accountants	MSc Math & CAIIB	B.Tech (Textiles)- A.C Tech, Anna University
Expertise in specific functional areas and Experience	More than 15 years of experience in the textile industry.	More than 25 years' experience as Practicing Chartered Accountant.	More than 25 years of experience in Banking field.	More than 29 years of strong expertise in manufacturing operations, business excellence, commercial with considerable exposure in all other business functions in start-up, growth and mature organizations
Board Membership of other Companies	Director PC Racing Foundation	Director in Versa Pack Private Limited, Super Spinning Mills Limited, The Metal Powder Co Ltd and The Lakshmi Mills Company Ltd	Toyota Financial Services India Limited and True IPE Limited.	
Chairmanship(s)/Membership(s) of Committees	Precot Limited Member of CSR Committee and Stakeholders Relationship Committee	Super Spinning Mills Limited: Member of Audit Committee and Stakeholders Relationship Committee.The Lakshmi Mills Company Ltd: Member of Audit Committee.The Metal Powder Company Limited:Member of Audit Committee, Nomination and Remuneration Committee and Corporate Social Responsibility Committee.	Toyota Financial Services India Limited – Chairman CSR Committee & Audit Committee Member – Nomination and Remuneration Committee	-
Listed entities from which the person has resigned in the past three years	-	-	-	-
Number of shares held in the Company	19,87,022	-	-	-
Skills and capabilities required for the role and the manner in which the proposed person meets such requirements	-	Her rich experience in the field of Audit and Taxation will gives immense benefit to the Company	His rich experience in Banking field will gives immense benefit to the Company.	His rich experience in manufacturing field will gives immense benefit to the Company.
Remuneration proposed to be paid	NA		-	Refer appointment resolution
Remuneration last drawn (in lakhs)	120	-	-	-
Terms and conditions of appointment	Liable to retire by rotation	As detailed in therespective resolutions and explanatory statement	As detailed in the respective resolutions and explanatory statement	As detailed in the respective resolutions and explanatory statement
Relationship with other Directors or KMP of the Company	Mr. Prashanth Chandran is related to Mr. Ashwin Chandran	Not related to any other Director or KMP of the Company	Not related to any other Director or KMP of the Company	Not related to any other Director or KMP of the Company
Number of meetings of the Board attended	4	-	-	-

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If undelivered please return to :

Precot Limited

(CIN: L17111TZ1962PLC001183)

S.F. No. 559/4, D Block, 4th Floor, Hanudev Info Park,

Nava India Road, Udaiyampalayam,Coimbatore - 641028.

Tel: 0422-4321100 Email: secretary@precot.com

Website: www.precot.com